PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 440 (Part 1)

HOUSE OF COMMONS

OFFICIAL REPORT

FIRST SESSION OF THE FIFTY-FOURTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FIFTY-FOURTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 2005–06

COMPRISING PERIOD
28 November—20 December 2005

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28 November 2005

THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE FIRST SESSION OF THE FIFTY-FOURTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 11 MAY 2005]

FIFTY-FOURTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 440**

SEVENTH VOLUME OF SESSION 2005–2006

House of Commons

Monday 28 November 2005

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

WORK AND PENSIONS

The Secretary of State was asked—

Council Tax Benefit

1. **Andrew Gwynne** (Denton and Reddish) (Lab): What progress his Department has made in simplifying the application process for council tax benefit. [31681]

4. **Sarah McCarthy-Fry** (Portsmouth, North) (Lab): What progress his Department has made in simplifying the application process for council tax benefit. [31684]

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. James Plaskitt): I recently authorised the third annual publicity and marketing awareness campaign aimed at getting everyone who is entitled to council tax benefit to take it up. In a separate exercise, the Pension Service is already telephoning existing customers nationwide who do not appear to be getting council tax benefit and is filling in a simple three-page claim form on their behalf. In addition, from December, the Pension Service will take council tax benefit claims at the same time as new pension credit claims.

Andrew Gwynne: Will my hon. Friend expand on whether it may in future be possible to remove all form-filling from the council tax benefit process?

Mr. Plaskitt: As my hon. Friend will see, we are making good progress towards that objective. There used to be a 26-page form, but now, for many claimants, that is reduced to a three-page form. Some of them do not even have to fill it in—they have only to sign it after the Pension Service has completed it for them. Ultimately, we would like to reach a point at which we can have automatic take-up of the benefit, based on data that already exist in the Department. We are having work done on that and I expect to receive a report on its feasibility next spring.

Sarah McCarthy-Fry: There are areas in my constituency of high deprivation and poor adult literacy, so I welcome the fact that we are making the process simpler, but will my hon. Friend assure me that, in doing so, we do not jeopardise the good work being done to tackle fraud and error in the system?

Mr. Plaskitt: I can give my hon. Friend that assurance. Indeed, as we move to greater automaticity in handing awards out to those who qualify for them, we will remove the opportunities for error that arise when forms have to be completed. I am happy to say that, in respect of housing benefit and council tax benefit, the level of fraud and error is falling. It is down by 8 per cent. over the past 18 months. Fraud alone is down by 30 per cent. over that period.

Mr. Patrick McLoughlin (West Derbyshire) (Con): One reason why there is so much concern about this issue is the massive increase in council tax that the Chancellor of the Exchequer has put on to councils by

stealth. Will the Minister tell us how many people were claiming council tax benefit in 1997 and what the latest figures are?

Mr. Plaskitt: I am sure that the right hon. Gentleman will agree that what is important is to ensure that pensioners who are having difficulty meeting their council tax bills get the council tax benefit that is rightly theirs. We estimate that as many as 1.5 million pensioners might not be receiving that help. They should be receiving £800 million-worth of benefit. It is incumbent on all of us in our constituencies to ensure that pensioners who would benefit from obtaining that help with their council tax bills get it. I hope, therefore, that he will support the take-up campaign.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): The Secretary of State informed the House that forms were now simple for pensioners to fill out. However, that is not the experience of senior citizens in Shrewsbury, many of whom have come to see me to say that the forms continue to be difficult to fill out. Would he be prepared to see some of their letters in the coming weeks and then perhaps reassess what he said earlier?

Mr. Plaskitt: I have studied the forms, so I know exactly what the hon. Gentleman is talking about. As I said, there used to be a 26-page form, but that is now down to three pages. In many instances, pensioners do not have to fill in or even see the form. It can be filled in for them over the telephone. It is then sent to them for their signature and can be returned in a stamped addressed envelope. We have been piloting that scheme from the pension centre in Nottingham and, so far, 100,000 forms have been completed in that way, which has already resulted in 15,000 additional pensioners receiving council tax benefit. That is £10 million-worth of additional council tax benefit being handed out, without anyone having to complete complicated forms.

Basic State Pension

2. **James Brokenshire** (Hornchurch) (Con): By how much the basic state pension will be up-rated in 2006–07; and if he will make a statement. [31682]

The Minister for Pensions Reform (Mr. Stephen Timms): The general uprating statement will follow the pre-Budget report. The basic state pension will be uprated by at least 2.5 per cent. or in line with the retail prices index if that is higher.

James Brokenshire: As the Minister said, increases are generally in line with the RPI or 2.5 per cent. If the RPI for September of this year had been used, that would have resulted in an increase of £1.14 less per week than if an earnings link had been attached to it. Will he make representations to the Chancellor of the Exchequer to restore the earnings link, or does he think that that would be a less than fruitful conversation?

Mr. Timms: The hon. Gentleman might find it instructive to check his own party's record in Government on this issue. The basic state pension was uprated 18 times between November 1980 and April 1997, and that was done strictly in line with prices every time, except on one occasion in 1994, when an extra 50p a week was added in a futile attempt to soften the blow of VAT on fuel. We shall not take any lessons from the Conservatives on the level of the basic state pension, which is 7 per cent. higher in real terms today than it was in 1997.

Mr. Jim McGovern (Dundee, West) (Lab): It has been widely leaked that the Turner report will recommend the reinstatement of the link between the basic state pension and earnings. If that recommendation is accepted, will the Government implement it in time for the 2006–07 uprating?

Mr. Timms: I can only advise my hon. Friend to wait for the Turner commission's report on Wednesday. I can assure him that it will be a substantial and important document, and I am sure that he, along with all other hon. Members, is looking forward to seeing it.

Peter Bottomley (Worthing, West) (Con): Was the Secretary of State for Work and Pensions consulted by the Chancellor before the Chancellor wrote to Lord Turner?

Mr. Timms: I am not entirely sure which correspondence the hon. Gentleman is referring to. If he is referring to leaked correspondence, that is not a subject that I shall comment on, other than to say that the arrangements for the uprating of pension credit have been well established for a long time.

Ian Lucas (Wrexham) (Lab): Does my hon. Friend agree that any decent Government must ensure that a decent basic pension is paid to our poorest pensioners? May I counsel him against taking advice from those who believed that £67 a week was sufficient for a pensioner to live on, and who broke the earnings link in the first place?

Mr. Timms: My hon. Friend is right. In 1997, there was a large number of pensioners whose total income, through income support, was £69 a week. Every single person in that position now is entitled to an income, through pension credit, of at least £109 a week. There has been a dramatic transformation in the prospects of people who were abandoned on low incomes by the previous Tory Government, and we will not go back to those days.

Mr. Andrew Turner (Isle of Wight) (Con): Because the Government have managed to plunder people's pension funds, there are now far more pensioners dependent on either the basic state pension or means-tested benefits than there were before. Is not that a good argument for Lord Turner's recommendation that the basic state pension should rise in line not with prices but with earnings?

Mr. Timms: I am not sure what the hon. Gentleman is driving at, but I remind him of the scandal of mis-selling that took place under the previous Conservative Government, which left many people in extremely difficult circumstances. I hope that he will recognise from his experience among his own constituents on the Isle of Wight that the pension credit has been a means of

raising a large number of people out of poverty—2 million people across the country as a whole. We must certainly not go back to the days when pensioners were left on an income of £69 a week.

Pension Credit

3. **Mr. Edward Vaizey** (Wantage) (Con): If he will make a statement on the take-up of pension credit. [31683]

The Minister for Pensions Reform (Mr. Stephen Timms): At the end of June, 2.7 million households in Great Britain were receiving pension credit.

Mr. Vaizey: The Minister will be aware that only 21,000 households took up pension credit in the last quarter for which figures are available, and that 1.7 million pensioners still do not take up pension credit. Does that not make it clear that the take-up of pension credit has stalled? What further measures will the Government take to help our poorest pensioners?

Mr. Timms: We are doing a great deal about this. It is not true that only the number of applications that the hon. Gentleman suggested were made during that quarter. It was a much larger number—about 80,000, I think. But of course there were other people who, perhaps through death, stopped claiming. Between April and October, Pension Service staff made 500,000 home visits to make it easier for people to claim their entitlements. As the Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Warwick and Leamington (Mr. Plaskitt) said, we have done a great deal to simplify the process, and we shall do more over the next few weeks. Indeed, in a new campaign, 500,000 people have been mailed on this issue since the middle of October, and another 800,000 will be mailed between now and March.

Mr. Frank Field (Birkenhead) (Lab): Does the Minister accept that the take-up of pension credit is probably far higher than the official figures show and that, in both Birkenhead and Wantage, Members of Parliament would have difficulty in finding a pensioner who had been eligible for pension credit for any length of time but was not claiming it? If it is true—as I believe it is—that this Government have redirected more money to poorer pensioners than any other Government since 1948, is it not important for us to recognise that, following the publication of the Turner report, we shall be able for the first time to concentrate on long-term reform rather than remaining bogged down in the reforms that will help the poorest pensioners now?

Mr. Timms: My right hon. Friend has made an important point. When the report is published on Wednesday, it will be clear that there is no crisis over pensioner incomes, for the reason that he gave. He also suggested that fewer people than we thought might be eligible for pension credit, and there is some evidence that that may be so.

Dr. Vincent Cable (Twickenham) (LD): Does the Minister agree that a central problem of pension credit is the disincentive caused by high marginal rates of withdrawal, amounting to 40 per cent. or more? What analysis has his Department conducted of the effects of change in the marginal rate of tax or benefit withdrawal on pension credit, in terms of people's willingness to save?

Mr. Timms: There is little evidence of any damage to saving incentives being caused by the current arrangements. There has been an element of means-testing of pensioner incomes since 1908, but the key point is that pension credit has lifted 2 million pensioners out of poverty, and abject pensioner poverty has been consigned to the history books. That is a huge achievement and we want to ensure that it is maintained.

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): Will the Minister bear in mind the outreach services offered by the Pension Service? The Pension Service has opportunities to work with local voluntary organisations and local authorities to contact pensioners who may be reluctant to telephone contact centres and who need to know about the benefits to which they are entitled.

Mr. Timms: My hon. Friend is right. There is much scope for the Pension Service to work creatively with the voluntary sector and local authorities. Joint teams involving the Pension Service and local authorities and, in some instances, voluntary agencies, are being established all over the country. I agree that that approach could be developed further, and that the service provided for elderly people could be significantly improved.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): Does the Minister agree that, had proper reform been carried out eight years ago, fewer people would now need to rely on pension credit? In the light of the revelation from the right hon. Member for Birkenhead (Mr. Field) that the Prime Minister considered a proposal to build on my plans for basic pension-plus and was put off only when he was reminded that he had attacked it during the general election, will the Minister ensure that future reforms are not based on party-political considerations?

Mr. Timms: I do recall the debate about basic pension-plus, which I think contributed to the failure of the right hon. Gentleman's party in the 1997 election. I hope that the Turner report will provide the basis for national consensus on the way forward. There is wide agreement on the need for reform. I trust that, now that we have addressed the appalling problem of pensioner poverty with which we were left in 1997—as was pointed out by my right hon. Friend the Member for Birkenhead (Mr. Field)—we can build wide agreement on what further steps are needed.

Ms Celia Barlow (Hove) (Lab): Is the Minister aware that in Hove and Portslade in my constituency, pensioners are unclear about, for instance, savings thresholds? Will he confirm that a particular target of his take-up campaign will be pensioners whose claims have been turned down in the past, and that the campaign will not be aimed only at new applicants?

Mr. Timms: My hon. Friend has made an important point, but as the credit is uprated in line with earnings,

people who were not previously eligible may well find a couple of years later that they are. My hon. Friend may wish to advise her constituents to telephone the pension credit application line on 0800 991234.

Mr. Nigel Waterson (Eastbourne) (Con): Has the Minister seen a copy of the Chancellor's letter to Lord Turner, in which he stated:

"you should not assume that the current"

link of pension credit to earnings "will continue beyond 2008". With 1.7 million pensioners failing to claim pension credit, and 2 million pensioners still living in poverty, does the Minister accept that scrapping the link would condemn even more older people to poverty, and be, in the words of Help the Aged, "unforgivable"?

Mr. Timms: The commitment to uprate pension credit in line with earnings up to 2008 is long established, and has been set out time after time. The uprating that we have seen has made a big contribution to lifting large numbers of pensioners out of poverty, and I reassure the hon. Gentleman that this Government's commitment to keep people out of poverty will endure.

Pensioner Poverty

5. **Mr. Pat McFadden** (Wolverhampton, South-East) (Lab): If he will make a statement on the extent of pensioner poverty. [31685]

The Secretary of State for Work and Pensions (Mr. John Hutton): Tackling the legacy of pensioner poverty that we inherited when we came into office has been one of our top priorities. The introduction of pension credit means that every pensioner is now guaranteed a weekly income of at least £109, compared with £69 in 1997. Those and other measures have helped nearly 2 million pensioners escape from absolute poverty.

Mr. McFadden: Of the 2 million pensioners whom the Secretary of State mentioned, 5,600 in my constituency are receiving pension credit at an average rate of £45 a week, which makes a huge difference to their standard of living. Will he assure the House that, whatever the Government's response is to the Turner commission report, we will not return to the days before the pension credit, we will keep protecting the incomes of the poorest pensioners, and we will not see again the situation when the Conservatives were in power in which pensioners were expected to live on as little as £69 a week?

Mr. Hutton: I am grateful to my hon. Friend for making those points. We have no intention whatever of returning to the poverty pensions of the previous Conservative Government. His constituents and, I am sure, those of many Members on both sides of the House, will support what we have done. We have made significant progress in tackling pensioner poverty, and will continue to place a high premium on doing so.

Mr. David Laws (Yeovil) (LD): Does the Secretary of State acknowledge that one way to tackle pensioner poverty would be to have a better state pension, and that one of the things that could help to pay for that in the long term would be reform of public sector pensions? Does he agree that, over the weekend, signals from the Government on the issue of public sector pensions have been difficult to read? Can he confirm today whether or not the deal on retiring at 60 until 2048 is unbreakable—yes or no?

Mr. Hutton: On the basic state pension, we have seen significant improvements because of the measures that we have taken. I think that I am right in saying that most of those have been opposed by the hon. Gentleman and Opposition Members. On Lord Turner's report, I think that I am also right that the only political party in the House that has so far pre-empted it is the Liberal Democrats, who have already announced what their policies are. On the public sector pension deal, we have no plans to revisit that.

Mr. Brian Jenkins (Tamworth) (Lab): With regard to pensioner poverty, my right hon. Friend will be aware that, at one time, pensioners who had savings had the income from those taken into consideration when their pensions were balanced out. The point was reached at which the Government of the day introduced a £3,000 limit, above which all savings were automatically chopped. That sent a message to many pensioners, which, I believe, is still in their mind, not to reveal to the state any amount of money that they had for fear of any entitlement being cut. They do not want to get embroiled in that system. What plans does he have in place to ensure that pensioners are not penalised for saving and that any income that they receive is not automatically deducted to a higher amount than that which they receive from their investments?

Mr. Hutton: I am grateful to my hon. Friend. The introduction of the savings credit was the first time that any Government had provided an incentive for pensioners who have saved. It is an important precedent to have established that people do the right thing when they save for their retirement, and it is the Government's responsibility to support people when they do so. In relation to specific proposals, he and the House will need to wait until the publication of Lord Turner's report on Wednesday and the Government's response later in the new year.

Mr. Mark Harper (Forest of Dean) (Con): I listened carefully to the Minister for Pensions Reform's reply to my hon. Friend the Member for Eastbourne (Mr. Waterson) about pension credit uprating. He did not answer the question, so perhaps the Secretary of State can help us. Will the Government uprate pension credit in line with earnings from 2008?

Mr. Hutton: Those are all matters for my right hon. Friend the Chancellor.

Mr. David Winnick (Walsall, North) (Lab): Is my right hon. Friend aware that, particularly in this very cold spell, poorer pensioners welcome the £200 winter fuel allowance? Will he promise that we will not return to a system under which help was provided only if the temperature fell below freezing on seven consecutive days and under which only those on income support

received perhaps £7 or £8 a week? Is not our system superior, certainly for poorer pensioners, to what happened during the 18 years of Tory government?

Mr. Hutton: The policy that relied on temperatures dropping below freezing for seven days before pensioners got any help was totally inadequate and we certainly will not return to that. Winter fuel payments have made a significant difference and, again, I think I am right in saying that they have been resisted by the Conservative party.

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): Is the Secretary of State aware that many future pensioners who will be dependent on the state pension to avoid poverty feel indignant that, while they may be expected to continue working until the age of 67, the Government's own existing employees will be allowed to continue retiring at 60 for up to the next 40 years? I listened carefully to what he said to the hon. Member for Yeovil (Mr. Laws). He said that there were no existing plans to reopen the issue but did not rule it out completely. Given that the Prime Minister has said that he was very unhappy with that deal and that conflicting signals have come from Government Departments, will the Secretary of State be more explicit? Is he simply saying that there are no plans as of today to reopen that deal, or is he ruling it out completely?

Mr. Hutton: We have no plans to revisit that deal. I am truly surprised that the right hon. Gentleman has sought to raise that issue in the House today. *[Interruption.]* I am very surprised, for one simple reason: I have had the opportunity to look at the guidance sent out to all Conservative parliamentary candidates at the last election, guidance that will have been read by some new Conservative Members. That guidance made it clear that his party not only had no plans to raise the pension age but would revisit any plans the Government made so to do. If he wishes to be treated seriously, he has to come here with serious proposals and, as on every other pensions issue, he has absolutely nothing to say.

Michael Connarty (Linlithgow and East Falkirk) (Lab): May I echo the remarks of my hon. Friend the Member for Wolverhampton, South-East (Mr. McFadden)? I have similar numbers of pensioners in my constituency who benefit from pension credit and would live in poverty without it. When I have debated with people who have works pensions and wish to have a link to earnings, every one of them—honourable to their last breath—has said that they would wish that only if it did not mean that the most impoverished pensioners lost their pension credit. Will my right hon. Friend make sure that the first priority is that we remain with the pension credit and deal with those of pension age in serious poverty?

Mr. Hutton: Yes.

Incapacity Benefit Green Paper

6. **Mr. Adam Holloway** (Gravesham) (Con): Why the incapacity benefit Green Paper was not published before the summer recess. [31686]

The Secretary of State for Work and Pensions (Mr. John Hutton): The welfare reform Green Paper will be published in January, taking forward our agenda to build a modern, active and inclusive welfare state, built on the principle of individual rights and responsibilities.

Mr. Holloway: Does the Secretary of State acknowledge that, in 1998, one of his many predecessors said that

"1 million disabled people say that they want to work but are not being given the chance."—[*Official Report*, 28 October 1998; Vol. 318, c. 340.]?

Why are 1 million people still waiting?

Mr. Hutton: We have introduced a series of reforms that have seen the number of new claimants for incapacity benefit fall by a third and, for the first time since records began to be collected, there has been an overall fall in the total numbers claiming incapacity benefit. Our proposals will be announced in January and will extend new opportunities to people who have a sickness or a disability. I hope that the hon. Gentleman will welcome them when he sees them.

Tony Baldry (Banbury) (Con): The fact of the matter is that many people want to get back into work, but who is going to lead them back? Is it the responsibility of Jobcentre Plus or the Learning and Skills Council or some other body? People who may just have come out of prison or who have been out of work for a long time need someone to help them, if they are on incapacity benefit, back to work. Which Government agency is responsible for helping those people? We hear about so many statistics, but the reality is that these people need practical help, so which Government agency should provide it?

Mr. Hutton: The lead responsibility clearly lies with Jobcentre Plus, but it needs to work in partnership with local organisations, including the voluntary sector and some private providers. That is necessary to provide a proper package of support to help people to get back into work quickly. That is what we want and the main responsibility clearly lies with Jobcentre Plus.

Mr. Bob Blizzard (Waveney) (Lab): Will my right hon. Friend assure me that, in the forthcoming Green Paper, he will not overlook the needs of people whose disability is mental ill health? Too often we overlook such people and I believe that, in designing a new system of incapacity benefit, we must ensure that they are not neglected.

Mr. Hutton: Yes, I am grateful to my hon. Friend. I believe that something like four in 10 of new claimants for incapacity benefit are reporting a mental illness of some kind or other. It is important, if we are to make progress with the reforms, that we specifically address the needs of those people.

Pension Fund Deficits

7. **Mr. Henry Bellingham** (North-West Norfolk) (Con): What his most recent estimate is of the level of pension fund deficits; and if he will make a statement. [31688]

The Minister for Pensions Reform (Mr. Stephen Timms): There are different ways of estimating pension fund deficits. The pensions regulator estimated last month that the aggregate deficit measured on the FRS 17 accounting standards was £130 billion as of December 2004.

Mr. Bellingham: The Minister may be aware that many of my constituents have had their lives ruined as a result of company pension schemes being wound up. The firms include Motokov, Albert Fisher and Dalgety. Some of my constituents do not even qualify for help under the financial assistance scheme. Does he understand the anger and dismay that that causes and recognise that it is heightened by the way in which the Government are treating public sector pensions? Does he believe in a two-tier pensions system?

Mr. Timms: I would have thought that the hon. Gentleman would welcome the extent to which the financial assistance scheme is helping people who find themselves in the difficult circumstances that he described. In the case of Dalgety, of course, there has not been an insolvency, so in those circumstances, the employer has the responsibility of honouring the pension promises that it has made. As to public sector pensions, I advise the hon. Gentleman to look at the advice given to him and his fellow Conservative candidates by the Conservative party during the last election. It was made very clear that the Conservative party did not support changes to public sector pension arrangements. I admit that the position appears to have changed somewhat over the last couple of weeks, but simply jumping on a new bandwagon is not a very good way of tackling the problem.

Mr. Robert Goodwill (Scarborough and Whitby) (Con): About 2,000 current and former employees of Scarborough bus and coach builder Henlys stand to receive only a third of their expected pensions after the company ceased trading, with a pension deficit of £80 million. Workers within three years of retirement would normally have qualified for the Government's financial assistance scheme, but no insolvency event has occurred. Is the Minister aware of that case, as well as Dalgety, and what would he say to my constituents who may be deprived of financial assistance through what they see as a financial technicality?

Mr. Timms: I am grateful to the hon. Gentleman for drawing this case to my attention, but I can say to him only what I said to the hon. Member for North-West Norfolk (Mr. Bellingham)—that in the case of Henlys, the company has not become insolvent. People therefore need to look to the employer to honour the pension promise that was made.

Housing Benefit

8. **Adam Afriyie** (Windsor) (Con): If he will make a statement on his plans to reform housing benefit.

[31689]

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. James Plaskitt): Reform is already under way. In 2002, we put in place a comprehensive strategy for the reform of housing benefit, which is already delivering results. For example, the average processing times for new claims have been cut by two weeks. We are also testing a simpler system for paying housing support in the private sector—the local housing allowance. The findings of the 18 pathfinder authorities are being carefully evaluated and will inform our decisions on the next steps towards improving support for housing costs. Reform in this respect, of course, needs to complement our overall strategy on welfare reform.

Adam Afriyie: I thank the Minister for his answer, but there rightly continues to be concern about the effect of the Government's housing policies. In particular, the pathfinder pilot appears to discriminate against those on the lowest incomes who are claiming housing benefit. Which of his Department's policies does he believe has been the least successful in this area?

Mr. Plaskitt: I studied very carefully indeed the responses from all 18 pathfinder authorities and they do not confirm what the hon. Gentleman is saying. In fact, all have achieved considerable success and there certainly are useful and important aspects of this reform that we can build on. I ask him to bear in mind the other aspect of housing benefit reform—the current scheme's performance. I wonder whether he might give us a hand by having a word with his local Liberal Democrat-controlled council, whose performance on processing housing benefit has slipped from 28-day processing in 2002 to 52-day processing.

David Taylor (North-West Leicestershire) (Lab/Co-op): The Lord's prayer that we have just said in this Chamber consists of 66 words and there are 42 laws of cricket, but the housing benefit regulations consist of 967 pages, five parts, six schedules and 40 statutory instruments. Does my hon. Friend agree that it is no wonder that the local authorities charged with implementing housing benefit find those regulations too intricate, long-winded and expensive? Which of their reactions and comments is he taking on board in order to tackle this problem more effectively than in the past 20 years?

Mr. Plaskitt: We have of course been assisting local authorities in handling this complicated benefit, and we have put in place the performance standards fund. Some £160 million has been allocated to 370 local authorities, many of which have been extremely successful in improving their performance in processing the benefit. My Department sets a 36-day standard for processing, and that standard is now being met by 222 local authorities; three years ago it was met by only 129. My hon. Friend is right to point to the benefit's complexities, and such complexities are the reason why we are starting to simplify it and reviewing more far-reaching reform.

Mr. David Ruffley (Bury St. Edmunds) (Con): According to the National Audit Office, £600 million a year is lost through housing benefit fraud. Although we Conservatives welcome the introduction of flatter, more standard-rate elements to housing benefit, which must be sensible, it is being restricted to the private sector.

I learned that, according to the Minister's Department, such reform of the social rented sector will be achieved only toward the end of the decade. What on earth is he waiting for?

Mr. Plaskitt: No, we have not said that. We have pointed out that there are very substantial differences between the structures of the housing markets in the private and social rented sectors, so any reform of the benefit must of course take that into account. On fraud and error, the £600 million figure to which the hon. Gentleman referred is correct, but I should point out that losses arising from housing benefit fraud have fallen by 30 per cent. in the past 18 months. My Department has set a target of reducing fraud and error jointly by 25 per cent. by 2006, and we are on course to meet it.

Mr. David Kidney (Stafford) (Lab): I congratulate my hon. Friend on the careful way in which the local housing allowances are being piloted. However, has he seen representations made by groups such as Shelter and Barnado's on the effect of the single room rent control on the under-25s? In some cases, considerable hardship has been caused to vulnerable young people. If he can identify some modest changes to the rules that will meet our concerns about those vulnerable people, will he do so?

Mr. Plaskitt: I have studied the submissions to which my hon. Friend refers carefully and we do not believe that expecting young people to share accommodation is unreasonable. After all, 60 per cent. of single childless young people aged under 25 who are not in receipt of benefit rent shared accommodation. We must consider that abolishing the single room rent would result in single young people on benefit being able to afford a level of housing that many of their working peers cannot.

Computer Systems

9. **Hywel Williams** (Caernarfon) (PC): What assessment he has made of the performance of the new customer management system computer system. [31690]

The Minister for Employment and Welfare Reform (Margaret Hodge): The new customer management system is being introduced across the Jobcentre Plus service. Some difficult problems have been associated with its introduction and they have impacted on Jobcentre Plus's service to its clients. Improvements to the system and its associated processes are being made, and these changes are leading to much better standards in both service and performance.

Hywel Williams: I thank the Minister for that rather inadequate reply. Is she aware that customers are waiting three weeks for a call back, four further weeks for an interview and that customers who use Welsh wait twice that time, because the script—ludicrously—is not available in Welsh. Operators have to translate the English script into Welsh, talk to the customer in Welsh, translate the replies into English for the record and send them off to be translated back into Welsh to send to the customers. That is not providing Welsh-speaking customers, or customers in general, with a proper service. Does she agree that something needs to be done now?

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): Answer in Welsh.

Margaret Hodge: I wish I could, but that is not one of my talents. I can tell the hon. Member for Caernarfon (Hywel Williams) that, across the whole infrastructure in Wales, we have Welsh-speaking officials who can respond to Welsh-speaking clients. Indeed, he will know that the new system is not yet in place for his constituents. I know that the truth sometimes stands in the way of a good story, but the truth about the call-backs is that, yes, the situation was bad when the system was first introduced and the service was poor. However, the latest statistics for November show that call-backs take place, on average, in 1.6 days, which is within the standard we want and is achieved across the nation, including Wales.

Mr. Tim Boswell (Daventry) (Con): Sadly, it is all too clear from the recent BBC survey, which showed that a third of calls went unanswered, that in the introduction of the system the Department has once again let down vulnerable people and, incidentally, increased staff stress. Will the Minister now give an assurance to the House that all those who call Jobcentre Plus before the end of this week—if they can get through—will be called in for an appointment and have benefit paid to them before Christmas?

Margaret Hodge: It was not a BBC survey that was reported in the press last week: it was a survey that we did to ensure that performance and standards could be improved—

Mr. David Laws (Yeovil) (LD): Was it an internal survey?

Margaret Hodge: It was an internal survey that we undertook to see how the new system was bedding down and I agree with hon. Members that problems occurred with its introduction. I assure the hon. Member for Daventry (Mr. Boswell) that the most recent statistics—for performance in the second week of November—show that nearly 90 per cent. of calls were answered, which reaches our standard. Claims for both income support and incapacity benefit are being processed above standard, but the processing of claims for jobseekers allowance is falling a little below standard, and we will seek to make improvements. I see no problems in the future like those we have seen in the past.

Incapacity Benefit

10. **Richard Ottaway** (Croydon, South) (Con): How many incapacity benefit claimants he estimates will return to some level of work following his reform of incapacity benefit. [31691]

The Minister for Employment and Welfare Reform (Margaret Hodge): Our welfare reforms will help us to reach our aspiration to increase further the number of people in work, so that we enjoy an 80 per cent. employment rate in the UK. Our incapacity benefit reforms will support that aim by opening up employment opportunities to many more people. Our

broad estimate is that the reforms will help 1 million people into work who might otherwise be claiming incapacity benefits.

Richard Ottaway: I thank the Minister for that clear answer. Will the time-limiting of incapacity be permitted? Her Department seems to be against it, the Prime Minister is for it and, when the Secretary of State was asked the other day, he was silent on the matter. Could the Minister give a hint about the way that issue is going?

Margaret Hodge: The hon. Gentleman will know that we will abide entirely by what we have said in our manifesto and in the five-year plan. I suggest that he read both documents—*[Interruption.]* They are consistent with each other. He should then await the publication of the Green Paper, which is now promised in January.

Miss Anne Begg (Aberdeen, South) (Lab): Does my right hon. Friend agree that reforming benefits on its own may remove disincentives from the system, but not necessarily get people off incapacity benefit and into work? Extra help is needed, perhaps using the new deal for the unemployed and the new pathways-to-work programme. Indeed, it has been shown recently that rehabilitation is the key to getting more people off benefit and into work.

Margaret Hodge: I entirely agree with my hon. Friend's comments. If we simply consider the benefit, we will not provide the opportunity that we want to give to many people who have been locked into dependency on incapacity benefit for so long. We need not just to provide the support that has been demonstrated to work effectively in the pathways-to-work programme, but to consider intervening early to prevent people from even starting on that journey on incapacity benefit, by providing proper health service support in the early stages. We should also to consider the whole process through which people travel on their journey on to incapacity benefit to find out whether that cannot be more effectively administered and implemented.

Mr. Peter Bone (Wellingborough) (Con): At one of my surgeries recently, a gentleman staggered into the office, walked very slowly up to my desk, sat down and said, "I have been on incapacity benefit. I have doctors' and consultants' certificates saying that I cannot possibly work, yet I have now been put on to job seeker's allowance." When he asked why, he was told, "It's because the Government want to get people off incapacity benefit." Will the Minister comment on that case?

Margaret Hodge: I would have hoped that the hon. Gentleman understood the processes by now. Existing claimants are regularly called in and reassessed to find out whether they remain eligible for benefit. Unless the hon. Gentleman provides me with details to the contrary, I am sure that the constituent to whom he refers was called in, probably examined by doctors who work with our system, and reassessed as being capable of work. May I make a final comment? The problem with the current system is that all we do is check people's eligibility for the benefit by assessing their incapacity. What we want to do is look at what people can do—their capabilities—so that they can contribute to the world of work and, of course, support their own families and feel the self-esteem that comes from being able to work.

Mr. David Heathcoat-Amory (Wells) (Con): The Minister has referred again to this 1 million figure for the number of people whom the Government want to take off incapacity benefit and get into work, but is she aware that the claimant count level of unemployment in the economy generally has been rising for the past nine months? The background is getting more difficult. Is that why the Prime Minister and his policy unit are reported as wanting to time-limit incapacity benefit and pay it by way of vouchers rather than cash, presumably to force people into work when his other policies have failed? Will the Minister now clarify that point because a great deal of confusion and concern has been caused by the row between her Department and No. 10? Otherwise, we must wait yet more months for the much-delayed discussion document or Green Paper.

Margaret Hodge: May I say two things? First, the right hon. Gentleman will know that we have been incredibly successful in growing the number of jobs in the economy, and that it is not a shortage of jobs that has led to the unfortunate and accepted slight increase in the claimant count for jobseeker's allowance in recent months. There are other factors at play and we are working to tackle them.

Secondly, our entire agenda is not driven by cutting benefits. That agenda was familiar to many Opposition Members for decade after decade. Our agenda is about ensuring that, in the same way that we have introduced a range of civil rights for people with disabilities and health problems that help them to gain access to goods and services, we now introduce the right and opportunity for individuals to enjoy the benefits of work.

Deaf People (Benefit Claims)

11. **Annette Brooke** (Mid-Dorset and North Poole) (LD): What representations he has received about the difficulties that people who are prelingually profoundly deaf may experience while claiming benefits; and if he will make a statement. [31692]

The Parliamentary Under-Secretary of State for Work and Pensions (Mrs. Anne McGuire): Our aim is to provide an accessible service to all our customers. People who are prelingually profoundly deaf may claim benefit in a variety of ways, including by using a British sign language interpreter, or suitable communicator, to help in their own home if required.

Annette Brooke: Is the Minister aware that a recent survey of all customer service managers in the disability and carers service by the ombudsman's office revealed that only three requests for British sign language interpreters had been received in a whole year? From the ombudsman's report, which overwhelmingly supported my constituent, it appears that help is needed to access help. Will the Minister assure me that she will work with the voluntary sector and other bodies to improve

accessibility to the benefits system—and, indeed, pathways to work—for anyone with a sensory disability?

Mrs. McGuire: I am aware of the case that the hon. Lady mentions, and I hope that I can give her some reassurance. Among other organisations, my officials are meeting Sign It!, which I understand was the group that supported her constituent. That group provides communication and interpreter support to the deaf community. We are working with it to explore the potential for improving arrangements for making claims. I reassure the House that the disability and carers service has produced a British sign language DVD version of its customer information leaflet, which will be available from 16 December 2005. We are examining further ways in which we can ensure that communication is extended.

Mary Creagh (Wakefield) (Lab): What impact does my hon. Friend think the access-to-work scheme has had on people who become deaf over time, either while in employment or due to age-related nerve deafness or industrial deafness? Is she aware of a report by the Disability Employment Coalition that says that for every pound spent on the scheme, £1.48 is accrued in extra revenue to the Treasury? Does she agree that deaf, deafened and hard-of-hearing people need help not only to enter employment, but to stay in employment and off the benefit system?

Mrs. McGuire: I thank my hon. Friend for raising the access-to-work scheme. As she and many hon. Members will be aware, that successful scheme supports disabled people, many of whom become disabled of a result of illness or accidents during their working lives. The scheme helps them into employment and sustains them in employment. I am aware of the report that my hon. Friend mentions. Some of the figures in it are perhaps not universally accepted, but it highlights the importance of such support to disabled people to ensure that they can fulfil their potential in the workplace.

Council Tax Benefit

12. **Anne Snelgrove** (South Swindon) (Lab): If he will take steps to increase the take-up of council tax benefit among pensioners. [31693]

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. James Plaskitt): We have already done so. Over the winter we will again, with local authorities' support, be running publicity and marketing awareness campaigns that are aimed at getting everybody who is entitled to council tax benefit to claim it. As I said in reply to an earlier question, the Pension Service has, by telephoning existing pension credit customers nationwide, already filled in and issued nearly 15,000 of the new, simplified three-page claim forms. Those are real improvements to help pensioners to get the support that is theirs by right.

Anne Snelgrove: I thank my hon. Friend for that and for his earlier answers. He will know that the issue is important because, according to the excellent House of Commons Library, the take-up of council tax benefit appears to be lowest among pensioners, when analysed by either case load, or expenditure. Pensioners who are already claiming benefit sometimes face a long delay before the outcome of their cases. What steps is he taking to shorten that delay for those who are already in the system?

Mr. Plaskitt: My hon. Friend is right to point out that the over-65s is the group with the lowest take-up—it is probably about 63 per cent. We thus think that about 1.5 million pensioners who are entitled to council tax benefit are not in receipt of it. We are moving towards a point at which those who are on guaranteed pension credit can be automatically signed up for council tax benefit. As we have the information, we now know who to telephone, which is what the Pension Service is doing. All that speeds up and simplifies the process. As I said earlier, steps are being taken to make the process automatic, ideally.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): Is not a system whereby the basic state pension goes up by only the comparatively small level of prices, even though the council tax has been consistently going up by at least double that level of inflation—if not more—over recent years, inevitably going to cause extreme hardship to some of our poorest pensioners? Is that not inevitably going to drive them on to benefits, especially council tax benefit? Is not the real answer to keep council tax increases at or around the level of inflation? What representations has the Minister made to his right hon. Friend the Chancellor of the Exchequer to keep council tax increases down towards the level of inflation so that the poorest pensioners in our country are not caused such hardship?

Mr. Plaskitt: First, it simply is not the case that more and more pensioners are being driven on to council tax benefit. In fact, back in 1997, 3.2 million pensioners were picking up council benefit; it is now 2.5 million. It is a smaller absolute number because of increases in pensioner income, thanks to the introduction of the pension credit and other measures taken by the Government that have gone a long way towards eradicating pensioner poverty. That is why the actual take-up of council tax benefit by pensioners has fallen in absolute numbers.

However, we still need the campaign to encourage take-up because many pensioners, having successfully received pension credit—which is a large additional amount for them in terms of their income—think that that is as far as it goes and are surprised to find that there is additional help. We also find that owner-occupiers mistakenly believe that they are not entitled to help with their council tax bill when they may well be. That, too, is part of the take-up campaign.

As for the size of the increases in council tax, the hon. Gentleman should consider which side of the House has political control of the councils with the largest increases.

New Deal

13. **Mr. Graham Stuart** (Beverley and Holderness) (Con): What assessment he has made of the effectiveness of the new deal; and if he will make a statement. [31694]

The Secretary of State for Work and Pensions (Mr. John Hutton): The new deal has so far helped nearly 1.5 million people into work. The lone parent employment rate has risen by more than 11 percentage points since 1997 and studies have shown that about half of that increase can be directly attributable to the Government's welfare-to-work policies, in which the new deal has played a major part. Also, research by the National Institute of Economic and Social Research has shown that the new deal for young people now saves the economy £500 million every year.

Mr. Stuart: On the new deal, it is noticeable how selective Ministers are in finding support for it. The Secretary of State mentioned young people specifically. The director of the Centre for Economic Performance suggests that the new deal has had a very small effect on them. In fact, he says:

"The level of employment of young people is about 17,000 higher per year . . . as a result of the New Deal."

How many people have gone through the new deal twice, three times or four times?

Mr. Hutton: It is the hon. Gentleman who chooses to be selective. He asked for evidence of the success of the new deal and I presented it to him. He chooses to ignore it. In his constituency, more than 2,000 young people have been through the new deal. If he wants confirmation of whether it has been a success, I suggest he has a chat with some of them.

Dr. Julian Lewis (New Forest, East) (Con): Will the Secretary of State answer the question asked by my hon. Friend the Member for Beverley and Holderness (Mr. Stuart) about how many people have been through the new deal twice, three times, four times or more? If he cannot tell us, will he undertake to write a letter and place it in the Library?

Mr. Hutton: Of course I will be happy to do that.

Child Support Agency

15. **Mr. Roger Gale** (North Thanet) (Con): If he will make a statement on the performance of the Child Support Agency. [31696]

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. James Plaskitt): Clearly, it is not as good as it should be. I think every hon. Member will agree with that. That is why the chief executive, working closely with Ministers, is drawing up a strategy to tackle the root causes of the agency's difficulties and to get it into decent shape so that its performance can begin to meet the standards we expect of it.

Mr. Gale: The Minister knows perfectly well that there is not a Member of the House who has not got a file of letters from parents with children who cannot access the money to which they are entitled, and an equivalent file of letters from absent parents who cannot afford the demands that are made on them. While both those sequences of cases are causing misery, the information technology is failing and the people working it are failing. Has not the time come to draw this whole sorry episode to a close and replace it with something that works?

Mr. Plaskitt: When did this sorry episode start? Back when the hon. Gentleman was in government and voted for it—*[Interruption.]* Oh yes. It is worth reminding him and all Conservative Members of that. He will know that we inherited a mess in the CSA in 1997—*[Interruption.]* I am happy to remind hon. Members of the work that we have done. I am sure that they will remember that we introduced reforms in 2000–01 which established a new method of calculating the maintenance assessment.

As we analyse the problems, we find more and more that many of them date back to mistakes in the setting up of the agency—*[Interruption.]* No, that is where most of the debt comes from. The original formula for assessing maintenance was excessively complicated, with 90 different variables. The hon. Gentleman voted for that and it led to many of the complexities in the system. He and his party set it up with second-hand, second-rate IT. We have begun the reform process. I agree with him—every Member in this House has a thick file of cases of constituents who are having difficulties with the CSA. I have spoken about such cases just as often as he has. We are just as keen to get on with reforming the agency. As I have said, we are working with the chief executive to bring forward a reform programme.

Mr. Paul Goodman (Wycombe) (Con): The Government have been in power for eight years and it is time that they took responsibility for the state of the CSA. The Prime Minister said yesterday that the CSA has basic design problems. Only a fortnight ago in this House, he said that the CSA is not suited to its job. With the CSA, as with incapacity benefit, the running seems to be being made by Downing street and not by the Department. Can the Minister guarantee that we will get a statement on the future of the CSA before the Christmas recess, or has he no more knowledge of the Prime Minister's plans than the rest of us?

Mr. Plaskitt: My right hon. Friend the Prime Minister was absolutely right when he said that the agency has basic design problems. When was it designed? It was back when the hon. Gentleman and his hon. Friends were in office. Let me remind him of what he said in *The Guardian* only last week:

"There are no easy solutions for the CSA."

He wants to know when our reform proposals will come forward. We still hope to bring them to the House before the end of the year.

Julia Goldsworthy (Falmouth and Camborne) (LD): Is not the time for action from this Government long overdue? The agency has at least 400,000 cases where no payments are going to children, and it has a backlog of 350,000 cases that have not even been assessed. In respect of action that the Government are thinking of taking, will the Minister confirm that his Department is considering privatising this dog's breakfast?

Mr. Plaskitt: The hon. Lady has been reading the press speculation and I suggest that she treats it as exactly that. Her party's position on the agency is getting more and more confusing. I am used to hearing some of her Front Benchers suggest that we hand things over to the Inland Revenue, but the hon. Member for Yeovil (Mr. Laws) asked in the House last week whether it was sensible to transfer the administration of means-tested benefits for children to the Treasury. But that was last week.

Points of Order

3.32 pm

Dr. Julian Lewis (New Forest, East) (Con): On a point of order, Mr. Speaker. On Wednesday, the Prime Minister was asked why his Defence Ministers had suddenly stopped giving 2012 and 2015 as the projected in-service dates for the future aircraft carrier. He replied that it was "perfectly possible" that those might be the actual dates. At the weekend, however, reports were manifest that the project has slipped by anything up to four years. Have you, Mr. Speaker, been informed of any intention by the Defence Minister to come to the House to make a statement about this important project, or by the Prime Minister to come to the House and correct the record?

Mr. Mark Francois (Rayleigh) (Con): Further to that point of order, Mr. Speaker.

Mr. Speaker: Let me answer the point of order and then perhaps the hon. Gentleman will not need to ask me his.

The Prime Minister's responses and replies are not a matter for me. If the hon. Member for New Forest, East (Dr. Lewis) feels that the figures or statements should be challenged, he can seek an opportunity for an Adjournment debate or table more parliamentary questions. Does that help the hon. Member for Rayleigh (Mr. Francois)?

Mr. Francois: It does, Mr. Speaker, but might I humbly add that this is an important matter, because the current class of carriers are growing old and will be withdrawn, and the Sea Harriers that they carry for the air defence of the fleet are being withdrawn now, so the fleet is without long-range air defence? I realise that you are not responsible for the actions of the Prime Minister, but is there anything further that you can do for the security of the Royal Navy?

Mr. Speaker: The hon. Gentleman is a good, fighting Back Bencher. Perhaps he can do more for the Royal Navy by asking more questions.

Mr. Henry Bellingham (North-West Norfolk) (Con): On a point of order, Mr. Speaker. Can you help me, as I tabled question 7 on the important issue of constituents who have private pension schemes that have been wound up? Many Opposition Members were trying to ask a question to raise the plight of their constituents. I saw you, Mr. Speaker, look encouragingly at Government Back Benchers, but in vain because none of them was trying to catch your eye to raise their constituents' concerns. What advice can you give hon. Members such as me who wish to raise these matters and have a long debate on a question?

Mr. Speaker: All that I can say to the hon. Gentleman is that the only thing I encourage hon. Members to do is not to shout at Ministers—that applies to hon. Members on both sides of the House. When it comes to pursuing matters on behalf of constituents, if I ever needed any lessons—I am a constituency MP in my own right—I would go to the hon. Gentleman.

Orders of the Day

Childcare Bill

Order for Second Reading read.

3.35 pm

The Secretary of State for Education and Skills (Ruth Kelly): I beg to move, That the Bill be now read a Second time.

Today is a landmark for families and children, as we have embarked on the Second Reading of the first ever Bill on child care, ensuring that all parents can make genuine choices to help them to balance work and family life, and that children have the best start in life. When the Labour Government came to office, child care and early years provision had suffered from years of underfunding and neglect. We inherited one of the worst sets of child care and family-friendly provision in Europe, and one of the worst records on child poverty in the industrialised world. We are determined, however, that child care and early years provision should be at the heart of our strategy to allow families to make the choices that modern lifestyles and work patterns demand. In doing so, we must ensure that we help the people who need it most and improve the life chances of every child.

The Bill builds on our manifesto commitments and sets out our aspirations. It ensures both that we have sufficient high-quality provision and that parents have the information that they need to be able to access the services that they want for their children. The Bill recognises that families on the lowest incomes need the greatest support. It achieves those things by setting out a new duty on local authorities to take steps to provide sufficient child care, integrating inspection regimes, setting targets for outcomes that we want to be achieved for children and ensuring that local authorities provide clear and accessible information for parents.

Mr. Paul Goodman (Wycombe) (Con): The Secretary of State referred to the new duties that the Bill would impose on local authorities. Will she make more funding available so that they can fulfil those duties effectively?

Ruth Kelly: The hon. Gentleman will be aware of the £17 billion that we have put into child care provision over the past eight years—enough money to ensure that local authorities are already taking that duty seriously. We are building on those duties, but we are not providing any new unfunded pressures in the Bill.

In 1997, there was a massive gap between the needs of parents and the availability of child care, with a place available for only one in eight children under the age of eight. With an increase of almost 600,000 registered child care places, there is a place available for one in four children. In 1997, there was no guarantee of a nursery place—now there is free part-time nursery provision for every three and four-year-old who wants it. In 1997, there was no help for working parents with the cost of child care. Now, 337,000 families have benefited from the child care element of the working tax credit, compared with a mere 47,000 who benefited from the child care disregard of family credit.

Mr. Mark Prisk (Hertford and Stortford) (Con): In her response to my hon. Friend the Member for

Wycombe (Mr. Goodman), the Secretary of State suggested that funding had been made available, but that the Government did not intend fully to fund local authorities' proposed new responsibilities. What estimate has she made of the cost of that responsibility for council tax payers in east Hertfordshire?

Ruth Kelly: I made it quite clear that there were no new unfunded costs in the Bill. Local authorities have a duty to make sure that sufficient child care is available to parents who need it. They must therefore map demand and talk to parents to ensure that sufficient child care is made available by the voluntary sector or the private sector or, in the last resort, by themselves. However, there is no new unfunded pressure in the Bill.

Mr. Peter Bone (Wellingborough) (Con): A number of constituents, especially young mums, have told me that they feel under enormous pressure to go back to work and get their children into child care as soon as possible. Is there any provision to encourage mums to stay at home and look after their children in the early years?

Ruth Kelly: Yes, there is, and the House will shortly debate the Work and Families Bill, which will build on the existing maternity pay and leave provisions, which in 1997 were derisory. Maternity pay at present stands at six months and parents have the right to request flexible working as well, but the Work and Families Bill extends paid maternity leave from six months to nine months by 2007, because we know that parents want choice about whether to stay at home with their young children or to work. Of course, we are the first Government to bring in paid paternity leave for fathers.

Mrs. Theresa May (Maidenhead) (Con): I noted the right hon. Lady's comment about maternity pay being extended in the Work and Families Bill. She said that that was particularly to give families choice. Does she, therefore, support our proposal, which we made at the election, that families should also have the option of taking all that maternity pay over the first six months, to give mothers a real choice about staying at home to look after their children by giving them extra money?

Ruth Kelly: We will debate those issues in the House next week. I urge the right hon. Lady to be patient and make her comments in the appropriate forum. She knows that we have extended maternity leave. When we came to power, maternity pay was for only 14 weeks; it is currently for six months. We as a Government are pledging to extend that maternity leave and pay from six months to nine months, with a goal of 12 months. I hope that that is a measure that she will support.

Since 1997, we have started to build up services to help all parents help their children in their early years and beyond. By 2010, there will be 3,500 children's centres across the country, one for every community, building on the Sure Start approach and ensuring that more families than ever before can benefit.

Hywel Williams (Caernarfon) (PC): The Secretary of State referred to the large number of child care places now available. Would she say that they were well distributed in terms of class, ethnic groups, rurality and provision in urban areas?

Ruth Kelly: The hon. Gentleman makes an incredibly important point. We need not only to tackle child care for those who can afford it, in places where they find it easy to access, but to tackle the clear child care gaps for more vulnerable groups—for parents of children from the ethnic minorities, for parents of children in rural communities, for those on particularly low incomes and for children who are disabled. The Bill specifically highlights a couple of areas—the plight of low income families, and ensures that there is sufficient affordable child care for that group, and also disabled children. However, the hon. Gentleman is right to say that there are other gaps that we also need to tackle, and the Bill will take that forward.

Liz Blackman (Erewash) (Lab): My right hon. Friend has just mentioned provision for disabled children. She will know that provision has been improving, but it is still extremely patchy. One of the core elements of providing decent child care for disabled children and their families is training. How will the Bill improve the capacity to look after and support disabled children in child care?

Ruth Kelly: My hon. Friend makes a very important point. How children are looked after and the quality and leadership available in child care centres is incredibly important, including for disabled children. We will shortly publish our work force strategy, including the use of the transformation fund, which is designed precisely to ensure that there is sufficient support for workers who work in those environments and that the leadership exists so that children can be well looked after, no matter what their special needs. I hope that my hon. Friend will welcome that.

Mr. Edward Leigh (Gainsborough) (Con): In the context of her earlier answer, can the Secretary of State guarantee, in the interests of giving choice to young mothers, that if a young mother chooses to stay at home and look after her children, the taxation, allowances and benefits will be exactly the same as if she goes out to work?

Ruth Kelly: I am very aware that, from time to time, the Opposition make the proposal that there should be tax relief on child care. That is their favoured approach to those issues, but I have never favoured it as the sole answer, partly because it favours taxpayers and the wealthy at the expense of the low paid. Our provisions in the Bill and elsewhere are designed to make child care accessible and affordable to all groups who need it. That is the approach that we have taken.

Several hon. Members *rose—*

Ruth Kelly: I want to make some progress and then I will take interventions from my colleagues and others.

The Bill will use all the facilities at our disposal. For example, by 2010 all schools will be providing access to a range of extended services, including child care, from eight in the morning until six in the evening. Over the

[Ruth Kelly]

past eight years, such reforms and innovations, alongside the £17 billion that we have invested in early years and child care services, have brought an area previously at the margins of public service into the heart of the welfare state.

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): Earlier, my right hon. Friend mentioned affordability. When she looks at the special needs of children with disabilities, will she take into account the cost of child care to their families? All too often they have to pay what is called the disability premium, so child care is much more expensive for them. Will she look into that issue?

Ruth Kelly: My hon. Friend makes a good point. The Bill tries to ensure that there is sufficient affordable provision for disabled children. Local authorities will need to take that into account when providing child care and ensuring that sufficient child care is available in their local areas.

Mr. David Evennett (Bexleyheath and Crayford) (Con) *rose—*

Ruth Kelly: I shall give way once more before making some progress.

Mr. Evennett: I was interested to hear the right hon. Lady's response to the hon. Member for Blackpool, North and Fleetwood (Mrs. Humble). Does she agree that child care costs in the UK are among the highest in Europe, so if no additional funding is going to local authorities, yet they still have to provide additional facilities, will not that push up further the costs for parents?

Ruth Kelly: The hon. Gentleman makes an important point. That is why it is so important that we have invested £17 billion in early years provision and child care provision over the past eight years. We intend to put more funding into child care, both through the extended schools, to which I have just referred, and through Sure Start centres, setting up such a centre in every community in Britain. That investment was opposed every step of the way by the Conservatives. Britain's hard-working families need that investment.

As family patterns change, with more women working, families need their Government to support them, not a Government who would tell the 1 million and more women in work since 1997 that it would be better if the social clock were turned back a couple of decades. Our aim is always to support parents as they try to make the right decisions for their children, rather than to pretend that the Government know best. That is why we believe that there is no excuse for the do-nothing policies that faced families in the Tory years. Simply shouting "Nanny state" at any measures to support families will not work in the modern world.

Our achievements since 1997, although substantial, do not go far enough. Sixty years on from the Attlee Government, who did so much to establish the welfare state, we must extend its frontiers to embrace the greater opportunities and to confront the bigger challenges of the modern world.

Our "Every Child Matters" programme and the Children Act 2004 have put children and their safety and well-being where they should be—centre stage. The Bill takes that forward and focuses specifically on the early years of childhood. It places a duty on local authorities to improve outcomes for all young children. Every child should have the opportunity to fulfil their potential.

Mr. Mark Harper (Forest of Dean) (Con): The Secretary of State has made several references to the duties placed on local authorities, and the Bill shows that those duties will be significant. In a previous answer, she said that no costs would be involved in those duties. There would thus be unfunded liabilities for local authorities, and I am at a loss to understand how no costs can be involved in such a large number of duties. If they are to have the significant impact described by the right hon. Lady, surely they will put many costs on local authorities, which will put up council tax.

Ruth Kelly: The hon. Gentleman does not take into account the fact that, over the next three years, there will be an average real terms increase in investment in child care of 24 per cent. a year. Massive new investment in child care is being directed to local authorities through the Sure Start fund, through extended school provision and through other measures, which will make it possible for them to carry out the duties in the Bill.

The Bill in itself does not impose any new unfunded pressure on local authorities. It formalises the role that they have already been playing. It gives our vision statutory force and sets out clear priorities for the use of the considerable amount of money already flowing into the system.

Ms Sally Keeble (Northampton, North) (Lab): May I raise with my right hon. Friend the fact that the "Every Child Matters" document did not pay proper attention to the role of housing? Can she say what the Bill will do to increase the protection provided to homeless families with children?

Ruth Kelly: My hon. Friend makes a good point. Housing is a key part of the "Every Child Matters" agenda and needs to be taken into account in the inspection regime, ensuring that every child fulfils their potential in the fullest sense. As I was saying, the Bill places a specific duty on local authorities to improve outcomes for all young children.

Helen Goodman (Bishop Auckland) (Lab): Clause 6 places a duty on local authorities to secure sufficient child care for working parents. Does the Secretary of State agree that, while not calling for public expenditure, it is a route through which more funds will go into child care, because the working tax credit, which is not cash limited, means that more funds will go to child care when more places are available?

Ruth Kelly: My hon. Friend makes an important point. The generosity of the working tax credit system has been increasing over the years. It has increased again recently. That has opened up child care to ordinary hard-working families, sometimes for the first time.

Mrs. Theresa Villiers (Chipping Barnet) (Con): Will the Secretary of State give way?

Ruth Kelly: I must make some progress.

Because life chances are still too often determined by parental background, we want to see local authorities reduce inequalities between the poorest children and the rest. The local authority role will be to champion the rights of young children and their families. To do that, they will work with partners to develop integrated services focused around the needs of the child, and they will involve parents in the design and delivery of the services to ensure that they meet their needs. Sure Start children's centres, already being established throughout the country, will play a vital role in achieving those aims.

To enable parents to balance more effectively their work and family responsibilities, we are placing a precise duty on local authorities to secure sufficient child care for working parents. Local authorities already play a key role in planning, commissioning and delivering services for young children and their families and the Bill formalises that role.

Several hon. Members *rose—*

Ruth Kelly: I must make some progress.

To achieve that, every local authority will have to take into account what parents say they need, particularly those on low incomes or with disabled children. Every local authority will then have to work with providers in the voluntary, private and state sectors and do all they reasonably can to ensure that there are sufficient places and that those match parents' needs.

Parents need information and guidance to allow them to make informed choices between the services available, so the Bill extends the existing duty on local authorities to provide information about child care so that parents know about the range of services available for their child from birth to the age of 19.

Mr. Nick Hurd (Ruislip-Northwood) (Con): Will the Secretary of State give way?

Ruth Kelly: I give way one last time to the hon. Gentleman, who has been very persistent.

Mr. Hurd: Does the Secretary of State share the concerns of the Daycare Trust, whose judgment is that the Bill will not help non-working families and therefore ignores the needs of vulnerable children from workless households, particularly the disabled? Those children would arguably particularly benefit from high quality early years provision. Does she acknowledge a gap?

Ruth Kelly: I do not. The hon. Gentleman is right to say that the duty refers specifically to working families but, as child care provision is increased, that child care provision will also be there for those families where no one is in work. As the supply increases, it will not differentiate between the types of parent who want to avail themselves of child care.

These measures call for an appropriate regulation and inspection framework both to give parents confidence that their child is safe and secure and to give children high quality learning experiences and stimulation. For young children, there is no distinction between care and learning. Care cannot be considered good quality unless it provides opportunities for children to learn. Equally, learning must be provided in an environment where children feel safe and secure. However, the current system implies that there is a difference between care and learning. That is why we want to change the legal structure to bring them together in a single coherent system that allows young children to be safe and secure and to learn and develop through purposeful play, just as they would at home with their parents.

To achieve that, the Bill will introduce the early years foundation stage—a single phase of development for all young children during which activities appropriate to their age will be provided to support development. That will build on the widely welcomed foundation stage and the "Birth to Three Matters" framework, and help us to ensure that all children are getting a good start in life. Our objective is for all providers to work to and be inspected against the same framework. That will reduce bureaucracy and raise the bar on quality.

Currently, all child care providers for children under the age of eight must register with Ofsted. However, there is no such requirement on those that provide only for children over the age of seven, so parents have no way of knowing that that provision is safe and that their children will be looked after well. The Bill will simplify and extend the current regulatory framework so that for the first time Ofsted registered child care will be available for children over seven. Registration will be voluntary for providers that care only for children aged eight or above. We think that that is right and proportionate to the level of risk.

However, there will be strong levers to register for all those providing child care. For example, only registered provision will be eligible for tax credit support. We will also provide guidance to schools developing extended services that they should work only with registered providers. The inspection regime for child care provision at schools will also be simplified. If a school provides child care for its pupils on the school site, it will be inspected by Ofsted as part of the routine school inspection.

This landmark Bill shows a Government who assess and act, listen and respond, and learn and move forward. We have witnessed fundamental changes in the world of work and in the way in which families want to live their lives and we have taken decisive steps. As a result of the Bill, parents will have the certainty of knowing that, whatever their situation, high quality early years services and child care will be available to support them and their children.

The Bill is an essential part of our drive to ensure that every child has the chance and support that they need to fulfil their potential. It is an essential part of a modern Government, forging a modern welfare state that supports families and helps them in making difficult decisions on balancing work and family life. That is what this Government believe in and what the Bill is all about. I commend it to the House.

3.57 pm

Mrs. Theresa May (Maidenhead) (Con): I welcome many of the aims and much of the content of the Bill, which the Secretary of State has explained. However, I am a little concerned about the tone of some of her remarks and I emphasise that Opposition Members—indeed, I thought it applied to all of us in the

[Mrs. Theresa May]

House—recognise the very important role that child care plays in Britain's future. The Secretary of State made a number of claims about Conservative party policy, so let me place it on the record that it is not our policy that the social clock should be turned back. It is our policy that families should have the choice of doing what works best for them. As someone who, as chairman of education in a Conservative borough in London under a Conservative Government, ensured that there was a child care place in a nursery for every three and four-year-old child whose parent wanted one, I take umbrage at the Secretary of State s comments about do-nothing Tory years.

Edward Miliband (Doncaster, North) (Lab): Will the right hon. Lady give way?

Mrs. May: It seems a little early, but if the hon. Gentleman feels the need to intervene, I shall give way.

Edward Miliband: The right hon. Lady defends, rather surprisingly, the record of the last Conservative Government. Let me give her one fact. The child care disregard in family credit helped 46,000 families—a miserly amount. Today, the child care tax credit helps 347,000 families. Who does she think has a better record on child care?

Tim Loughton (East Worthing and Shoreham) (Con): The gap has got wider.

Mrs. May: My hon. Friend is right that, contrary to the claims made by the Secretary of State about child poverty, the gap has got wider under this Government, rather than improving.

We recognise that affordable quality child care is one of the most important concerns for many hard-pressed working families today. Indeed, for some families, access to any child care is a problem. Quality child care and effective parental support are critical to ensuring that children reach their true potential, and that families are able to make the choices about their work-life balance that best suit them, although I recognise that, for many families, it is simply a question of being able to meet the increasing demands of paying their mortgage, tax and other household bills. For the sake of the children, we must get this right, and that is why we want to do our best to ensure that the Bill goes as far as possible towards helping children. However important the issues of work-life balance might be, the outcomes for children are what really matter.

We have a number of concerns about the Bill, and I shall outline them later. The Secretary of State mentioned the Work and Families Bill, which will come to the House in a week's time. It will deal with work-life balance and parental leave, and this Bill deals with child care provision for those who are working. I am surprised that we are dealing with these issues in two separate Bills. Surely it would have made more sense for the Government to address them all together in one Bill, to ensure that we came up with joined-up legislation that works for children and families. I cannot help feeling that the presence of two Bills on these matters, led by two different Departments, reflects the fact that the Government have singularly failed to deliver the joined-up government that they promised.

The challenge for the Government—and for us, working to be back in government—is to so manage the operations and working of government that it works for people and not for Ministers and civil servants. Alternatively, perhaps the chance to issue two press releases and to make two headlines carried more weight among the Government's spin doctors than the needs of families.

Kitty Ussher (Burnley) (Lab): The right hon. Lady mentioned her backing for supported parenting for every child. Why, then, did her party vote against our proposals to give a mere two weeks' leave to new fathers when their sons or daughters are born?

Mrs. May: I suggest that the hon. Lady look at our manifesto proposals for parents in relation to flexibility of maternity pay and benefit. Those proposals aim to give families a choice in the provisions they make to look after their children, and in regard to whether the mother or the father wants to go back into the workplace. Choice for families is the underlying principle that we are following in all our proposals, and, indeed, in our response to the Bill.

We know that parents are under strain, and the predicament of the modern family is often particularly difficult. A quarter of all families are lone-parent families, and of the other three quarters, which are couple households, the majority are households with both adults working. In financial terms, a shocking 42 per cent. of families are in arrears with their consumer debt payments, and with the mean age of first-time mothers nearing 30, many parents are now having to cope with the double hit of simultaneously caring for children and parents. No wonder eight out of 10 parents say that they are under strain. Those are the families that we are all keen to help.

The Bill contains measures that attempt to ensure a sufficient supply of child care for families across the country. We support the idea of ensuring that sufficiency of supply, but all too often today, the problem is that families have little choice in the child care that they can use. The emphasis that the Bill places on the working families tax credit, and on the families that receive it, will yet again restrict choice, as has been mentioned earlier. The rising cost of child care places and the lack of real choice mean that many parents are left using the only child care available, rather than the child care that they would really like to use. That lack of choice prevents parents from raising their children as they see fit and from placing them in the environment that they believe will best meet their individual needs. That can result in children being less happy, and in their deriving less benefit from their child care.

Increasing the options available to parents is key to producing the kind of child care that works for families. Just as all children are different, the child care that they need to grow and flourish will be different. That is why, as I said earlier, we want policies that are designed to give parents more flexibility and more choice of child care, and more support for the most important job that they will ever do. That is why we do not believe that a "one size fits all" policy will meet the needs of all children.

We believe that the Bill is too restrictive. Too often, as we have seen, the Government's efforts to make child care more available, however well intentioned, have had an impact on other providers in the sector without producing the net gains for child care that the Government envisaged. Many Members will know full well that Government provision frequently forces the closure of private and voluntary sector child care services offering smaller groups and more flexible care.

Helen Goodman: The right hon. Lady may not be aware that there are half a million more child care places than there were when the Tories were in power. Can she explain how a programme involving public expenditure cuts of £35 billion would increase choice?

Mrs. May: The hon. Lady should look carefully at what has happened as a result of the Government's child care provision. For every two places that have opened one has closed, and choice has often been removed from parents.

Andrew Gwynne (Denton and Reddish) (Lab): Will the right hon. Lady give way?

Mrs. May: In a moment.

It is wonderful, is it not? Labour Members seem to think that all that matters is a number. The quality of child care does not matter. It does not matter whether livelihoods are affected by closures in the private and voluntary sectors. It does not matter that children are not being given the choice that they need. All that matters is a number—a tick-box, mechanistic approach. That is it.

Andrew Gwynne: Parents in my constituency, and in many other constituencies, do have a real choice. There are Sure Start centres, voluntary pre-schools, privately run nurseries, nurseries attached to schools and child and family centres. Will the right hon. Lady acknowledge that that is the true position?

Mrs. May: I am pleased to hear of the hon. Gentleman's constituency experience, but I can tell him that many other constituencies have a rather different experience. I am thinking particularly of the impact on Sure Start, on which I shall comment in a minute.

It is difficult enough for parents to find places in nurseries or play groups—that often causes them a great deal of anguish—but when those nurseries and play groups close, it means real disruption for children and real problems for parents. If we are to crack the nut of affordable child care, we can do it only by working with all providers, including the private and voluntary sector, to ensure that the needs of families are met.

There is real concern in the industry that the Bill will mean closure for many nurseries. I am sure that the Secretary of State will have read in the *Financial Times* last week about research undertaken by the National Day Nurseries Association. It might interest the hon. Member for Denton and Reddish (Andrew Gwynne) as well. More than half the association's members had seen their local authorities create child care places that competed directly with them. According to 71 per cent. of respondents, local authorities were not involving them in the delivery of children's centres, and 63 per cent. did not believe that local authorities would collaborate with providers locally to build on existing provision rather than merely replicating it. Purnima Tanuku, the NDNA's chief executive, has said that the Bill

"will not succeed in reversing these trends and establishing a mixed economy in childcare."

We must make full and proper use of the capacity and skills of the private and voluntary sectors. Only by working with them, rather than competing against them, can we ensure that Government resources put into child care deliver value for money. Government provision must complement what is already there. After all, 24 per cent. of private providers are already operating in less affluent communities, and many more are keen to do so. We must harness their potential. Government must promote the mixed-economy approach, building on existing provision, which could benefit children and parents from disadvantaged communities the most.

We have always supported the work done in establishing Sure Start, and we recognise that for many parents it has made a difference. It also has flaws, however. It focuses on the 20 per cent. most deprived wards, but Government figures show that 46 per cent. of the most deprived children do not live in those wards. Too many parents who could benefit from Sure Start or a similar project are denied it, often because by refusing to work with the private sector the Government are not making the best use of resources.

Sure Start is also relatively new and untested. Since its introduction, it has gained support, but we have seen no empirical evidence of the difference that it is making in communities.

Ruth Kelly: Is the right hon. Lady going to support it?

Mrs. May: If the Secretary of State had been listening about 30 seconds ago, she would have heard me say that we have always supported Sure Start. What we have said is that we would do certain aspects of it differently. If we are to continue to support Sure Start, everybody in the House must know whether it is doing the job that it is intended to do, and whether it is making a difference.

Ann Coffey (Stockport) (Lab): The right hon. Lady might not be aware that in my constituency the Bridgehall and Adswood project has received national accreditation because of the vast improvement that it has made in children's language skills at an early age, which has enabled them to go on and take advantage of nursery education. It is therefore simply not true to say that there is no empirical evidence.

Mrs. May: The hon. Lady makes a valuable point about her experience in her constituency. She might be aware, however, as I am sure that the Secretary of State is, that a research report by Birkbeck college has examined the effectiveness of the Sure Start scheme. That report has not been published, despite the fact that it was due to be published in September. When the Minister winds up the debate, perhaps she can tell the House why the publication of that report was delayed,

[Mrs. May]

and when it is going to be available. Newspaper reports have suggested that far from Sure Start having the impact on children's development that the Government intended, the report's findings were that it had had no discernible effect on the children that it was supposed to be helping. We have supported Sure Start, even though we would want to make changes to it, but if the Minister wants that support to continue, she must publish the evidence and let us judge for ourselves. I hope that she will provide a date for the publication of that report when she speaks later. If we are to invest a large amount of taxpayer's money in helping parents with child care, we must ensure that that provides value for money.

Edward Miliband: There is little surprise that concern has been expressed about the Opposition's view on Sure Start, because I looked through their manifesto before this debate—the education section, as I understand it, was written by the hon. Member for Witney (Mr. Cameron)—and it contains no mention of Sure Start. Can the right hon. Lady explain that?

Mrs. May: The hon. Gentleman should pay more attention not only to my speeches and those of other Conservative Members but to other publications that we produced prior to the election, in which we made clear—

Mr. Evennett: More homework to be done.

Mrs. May: I thank my hon. Friend for his helpful sedentary intervention. We set out our views in a number of manifestos, and said consistently that we supported Sure Start. Perhaps by the end of the debate the hon. Member for Doncaster, North (Edward Miliband) would like to quote the manifesto in which we made it absolutely clear that we were supporting Sure Start, and significantly, that we would guarantee the funding for Sure Start, as well as supporting the concept of it.

The issue of providing value for money, about which I was speaking earlier, brings me to my second concern, which is the implication of the duty being placed on local authorities to ensure adequate provision of child care. Several of my hon. Friends have referred to that, and they have had a mixed bag of responses from the Secretary of State, who on the one hand appeared to say that there were no unfunded provisions in the Bill, and on the other, that there were provisions in the Bill, but it did not matter because they were funded. That is not the view of local authorities looking ahead to the implications of the Bill, because it places a duty on them to secure as far as is reasonably practicable child care that meets the requirements of parents who want to work or undertake training.

The Secretary of State said, and I agree, that the Bill confirms the vital role that local authorities will play as strategic leaders. We know the skills that local authorities have in delivering cost-effective services, meeting the needs of local people. Yet once again we see in the Bill the Government giving local authorities another job to do without giving them the resources to do it. Time after time we have seen this ploy by Ministers and we are now seeing a repeat performance.

As a result of the Bill, local authorities will be left literally holding the baby. Simply shifting the problem to local authorities without providing additional money will do little to solve the problem. It may lead to yet higher council tax bills for many people, because councils do not have a magic wand to wave and create more child care places. I say to the Secretary of State that if she genuinely believes that there are no funding requirements for local authorities in this Bill, she is living in cloud cuckoo land.

The Secretary of State does not need to look at me for evidence. The Local Government Association spokesman on children's services, Councillor Alison King, has said that without substantial extra government investment, it is hard to see how the Bill will increase the amount of affordable child care for low-income families. She said also that to be on track to meet the Government's ambitions means investing £200 million in the next two years, over and above existing resources. Perhaps the Minister who winds up will tell us where the money will come from.

John Bercow (Buckingham) (Con): My right hon. Friend has identified one example in which what the Government said does not appear to match that for which the Bill provides. It is clear from clauses 12 and 13 that there will be an obligation to provide advice and assistance to parents and, in certain circumstances, to provide training to child care providers. Given that none of those is currently a duty under statute, it logically follows that all are new. Why is it that the Secretary of State is right and the head of the early years development partnership in Buckinghamshire is somehow wrong?

Mrs. May: My hon. Friend has subjected the Bill to his characteristically rigorous assessment and he is absolutely right. But it is not only those particular clauses that set out clearly new requirements that would cost local authorities. Other parts of the Bill make it clear that if the provision of child care is not suitable, local authorities will have to provide it, so there will be significant costs for them.

Mr. Paul Goodman: My hon. Friend the Member for Buckingham (John Bercow) referred to clauses 12 and 13, but clause 11 states:

"An English local authority must prepare assessments of the sufficiency of the provision of child care".

That too will surely bring costs in its wake. Should not my right hon. Friend add that to her list of costs?

Mrs. May: Indeed, and those costs are ongoing because the assessment must carry on; it is not a one-off effort by the local authority. That is why I said that I found it amazing that the Secretary of State felt able to stand up today and say that there were no new unfunded requirements on local authorities.

With the debate on private sector provision and local authority budgets, it is easy to forget the real reason why we are discussing the Bill today. We are all concerned with ensuring, as Government slogan-writers put it, the best start for all children. That brings me to my final and perhaps most important concern about the impact that the Bill will have on our children.

We all know that, as part of the Bill, the Government are establishing for the first time a national curriculum for children from birth until the age of five. This causes concern for many on this side of the House. We have had the foundation stage national curriculum in place for some time now, but I have been warning that the Government were intent on pushing a more formal educational approach further and further down the age range. At one stage, the DFES had even coined the phrase "educare." Whatever it is called—national curriculum or educare—it is clear that Ministers want to see children in the classroom at an ever-younger age.

Childminders and nurseries will be under a legal obligation to teach the early years foundation stage curriculum to children from birth until three years of age. Ofsted inspectors will then check that children are developing according to the Government programme. For the first time, we are seeing the Government's involvement in the lives of our children moved from the classroom into the maternity room. As the Minister for Children and Families has said:

"We want to establish a coherent framework that defines progression for young children from nought to five".

I think that a potentially insidious part of the Bill is the idea that the Government should and would decide how any individual child should develop month by month and use legislation to determine the outcome of children's development. Therein lies the problem. It is impossible for a Government official or a Minister to establish a framework for the development of babies—*[Interruption.]*

Michael Connarty (Linlithgow and East Falkirk) (Lab) *rose—*

Helen Goodman *rose—*

Mrs. May: I am going to make some progress.

Babies develop at their own pace and learn to walk, talk and understand their surroundings at their own pace. That is what nature dictates. Children grow at their own pace and it is wrong to tell parents that anything other than that is expected. As Deborah Lawson, chairman of the Professional Association of Nursery Nurses, has said:

"One child might not learn to walk until 14 months, while another walks at 10 months. So it will be very difficult to have a curriculum that matches all children's needs."

Mrs. Humble: Clause 41 introduces the learning and development requirements, and I note that it specifically points out that young children have "different abilities and maturities". It also lists simple developmental goals. We are not here talking about educational attainment, but about the development of a young child, which is what health visitors and the like already look into now.

Mrs. May: The hon. Lady says that she has looked at clause 41, but I suggest that she look at clause 41(2)(b) more carefully. The educational background to the provision is clear, because it refers to

"the matters, skills and processes which are required to be taught to young children of different abilities and maturities ('educational programmes')".

Mrs. Humble *rose—*

Michael Connarty *rose—*

Helen Goodman *rose—*

Mrs. May: No, I am going to make some more progress. I am going to return to the Professional Association of Nursery Nurses and I suggest that it would be good if the Secretary of State listened to the professionals out there, whose concerns about the Bill are evident. Deborah Lawson, chairman of the PANN section committee has said:

"It is important to find the right balance and not have unrealistic expectations of what young children can achieve. Research has indicated the dangers of introducing formal education too early as this can lead to dissatisfaction in later years. Prescriptive formal education can be too much too early for children under five."

Similarly, Peter Moss, professor of early childhood provision at the Institute of Education in London—not known, I have to say, as a hotbed of conservatism—has said that we risk creating

"an 'industrial model' of early years education in which workers follow a manual to ensure children conform . . . All we will do is have a kind of template and check whether children fit into it."

That is yet another example of the Government's mechanistic, target-driven approach to development.

It is time, I believe, that the Government stood back and allowed children to enjoy their childhood and grow up at their own pace rather than forcing them into formalised learning. It is simply ridiculous to impose a national curriculum for children from birth. I wonder what is next on the Minister's agenda—testing for two-year-olds? It is not only the experts at the Institute of Education or those who are working professionally with children who take this viewpoint. Margaret Morrissey of the National Confederation of Parent Teacher Associations has also said:

"We are now in danger of taking away children's childhood when they leave the maternity ward. From the minute you are born and your parents go back to work, as the Government has encouraged them to do, you are going to be ruled by the Department for Education. It is absolute madness."

Another example comes from Juné O'Sullivan, chief executive of the Westminster Children's Society, who said:

"My real concern is that we will have death by worksheet at 2. How do you turn out creative thinkers and entrepreneurs if you ask them to act to a worksheet at the age of 2?"

Michael Connarty: I do not really want to interrupt the right hon. Lady's fantasy, but she really must look north. There has been a zero to eight curriculum in Scotland for a decade, which has proved beneficial to the educational process and the life chances of children in Scotland. The right hon. Lady should not disparage what she does not understand.

Mrs. May: I was going to make a reference to the hon. Gentleman—who has of course himself gone through education in Scotland, I assume—but perhaps I had better not.

[Mrs. May]

I hope that the Government will work with us in Committee to ensure that it is parents and children themselves who set the pace at which children develop, not the DFES.

Michael Connarty: Could the right hon. Lady please explain her earlier remark? I do not understand what she was trying to get at.

Mrs. May: If the hon. Gentleman is unable to take a light-hearted and off-the-cuff remark relating to education—*[Interruption.]* Sadly, this House does not have responsibility for what happens in education in Scotland. I simply say to the hon. Gentleman: do not listen just to me; listen to the professionals here in England who are working with children; listen to those who are saying clearly that they are concerned about the Bill's proposals. I also suggest that he look at the experience of continental countries, where formal education starts much later than, and where results are often far better than, in the UK.

The Minister for Children and Families (Beverley Hughes): I do not want Members to feel that they are being misled. Has the right hon. Lady read the framework document, "Birth to three matters", which will be incorporated in the new foundation stage? It states that the framework

"takes as its focus the child and steers away from subjects, specific areas of experience and distinct curriculum headings."

It is entirely play-based and focused on what young children like to do.

Mrs. May: I am grateful to the Minister for her intervention. When she winds up, perhaps she could explain how that document ties in with what the Government have included in this Bill—the legislative framework within which everybody will operate. As my hon. Friend the Member for Buckingham (John Bercow) said earlier, we are very conscious of the number of occasions on which what the Government say they will do, and what they do in the Bill in question, are very different. Our interest is the future of children: When the Minister winds up, I hope that she will address the issue of children being allowed their childhood in which to develop at their own pace, and not according to a developmental framework set by Ministers in this Government.

Helen Goodman: Will the right hon. Lady give way?

Mrs. May: No. As I said, I hope that in Committee, the Government will work with us to ensure that it is parents and children themselves who set the pace of development, and not the DFES.

I want briefly to mention a final issue relating to this Bill that my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) will doubtless want to discuss when he winds up, given that he has done so much excellent work on it: children in the care of the state, or looked-after children, as they are known.

Mr. Hurd: Does my right hon. Friend agree that the success of this Government's strategy depends on the quality and motivation of those providing care, and does she share my concern about the Government's silence this afternoon on the investment required to upgrade skills in a sector where pay rates are low and, apparently, 40 per cent. of nursery assistants have no GCSEs?

Mrs. May: I entirely agree with the extremely valid point that my hon. Friend makes. Quality is a key issue that is raised consistently by child care sector professionals. They are concerned that the drive for numbers could lead to a reduction in quality, rather than providing the quality necessary.

On the question of quality, I am afraid that, frankly, the state's record in caring for looked-after children is shameful. This Bill talks about the well-being of children. It gives specific duties to local authorities relating not only to child care provision, but to the overall concern of the well-being of children. It also makes specific reference to local authorities' social services responsibilities. Today, more than 60,000 children are in the care of the state—the highest number for 20 years—but to call these children "looked-after" is verging on an offence under the Trade Descriptions Act 1968. One in 10 children in care misses 25 days of school or more a year. Six in 10 children leave care without a single GCSE to their name and only 1 per cent. of children in care go on to university. The Government have set a target for 75 per cent. of children leaving care to achieve a single GCSE, but the Government have failed miserably to achieve even that target. In a sense, that the Government have failed to achieve that target is not what should lead us into action. What should force us to take action is the acceptance by the Government that a single GCSE, just one qualification, in any way equips those young and vulnerable people for a life in the real world.

Beverley Hughes: I am grateful to the right hon. Lady for giving way a second time. Given the concern that she expresses for looked-after children, can she confirm that her party will support the Government's intention to make schools give priority to looked-after children in their admission arrangements?

Mrs. May: I suggest to the Minister that she look at the record, because my hon. Friend the Member for East Worthing and Shoreham moved an amendment to that very effect to the Children Act 2004 and Ministers refused to accept it.

The outcomes that I have set out would not be accepted by anybody in this House for their own children. We must not accept them for those in our care. We will table amendments to address the issue of looked-after children, and I urge the Minister to look sympathetically at those amendments—more sympathetically than the Government have done at our attempts to help looked-after children in the past.

Early-years care is about more than simply enabling parents to work. It is about giving children the best start possible and supporting parents in their role as a child's primary educator. We look forward to trying to ensure that the Bill delivers what we all want for Britain's parents, but—most important—for those who are our future, our country's children.

4.31 pm

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): It is with great pleasure that I rise to support this excellent Bill. It is good news for parents, it is good news for children and it is good news for the providers of care for children. It is also good news for employers, because they can be assured that their members of staff have high quality child care for their children while they are at work.

I speak today as the chair of the all-party childcare group, which has campaigned for exactly this initiative for many years. However, I fully acknowledge that the Government have not been sitting back for all those years and have invested in a huge increase in child care places of more than 500,000. The Government have also invested in part-time places for three and four-year-olds, new neighbourhood centres, and excellent Sure Start projects—I have one in my constituency.

I also welcome the changes to maternity pay and leave. We have had some discussion already of the increases in maternity pay, but one of the most welcome aspects of that legislation was the simplification of the rules. The previous rules were so complex that many women did not have the foggiest idea of their entitlement. Now they do. Fathers also now have rights to paid paternity leave and, importantly, so do adoptive parents. Families have adopted children who bring with them very real problems, but have had no entitlement to any leave to care for them during the initial settling-in. The Government have also met many of their targets to reduce child poverty. The Bill is an important step on the way to meeting more of those targets.

I also welcome the Bill as a member of the Work and Pensions Committee, which produced a report on child care for working parents. The Committee acknowledged that lack of child care stood in the way of many parents who wished to work. One of our recommendations mentioned the importance of flexibility in early-years places. It stated:

"Out of school care is crucial for working parents of school-age children. We recommend that further expansion of out of school care should be developed as a priority."

We all need to remember that we are talking not just about pre-school children but, importantly, about children who are at school—the point at which parents often face the most problems. Many working parents can gain access to nursery care, but many of the problems arise once their children start school. I certainly hope that, when local authorities assess the needs in their localities, they look especially at school-age children—something that is even more key when considering the needs of children with disability, to which I shall return later.

Another of the Work and Pensions Committee's recommendations was to re-examine the child care tax credit. We made various recommendations, including the possibility of creating a child care costs run-on system to provide more flexibility for parents who move in and out of the labour market. May I suggest to my right hon. Friend the Minister for Children and Families that she liaise with colleagues in the Inland Revenue to consider how the child care tax credit can help parents to an even greater extent?

Other key issues raised by the Select Committee related to the child care work force, and there are no easy answers. I am sure that every right hon. and hon. Member wants child care workers to have the highest possible qualifications. We all want them to provide appropriate care, given the important job that they do. However, as those in the child care work force become more qualified, the costs to the providers also often increase. There is a tension between producing a highly qualified work force and maintaining affordability.

Certainly, when the Select Committee considered those recommendations, we took evidence from other European countries which had developed an early-years pedagogy, thus recognising that a mixture of educational and social care inputs is necessary in early-years care. In some European countries, looking after pre-school children is a graduate profession. That is a recognition of its importance: getting things right in the early years provides the foundation for everything else that happens in a child's life. Although I acknowledge that child care must be affordable, which involves a tension, may I ask my right hon. Friend the Minister to address those training and qualifications issues and to look again at that Select Committee report?

John Bercow: It is very important that we use our terms precisely. The Bill clearly imposes a duty on local authorities to ensure that there is sufficient child care in their areas. Can the hon. Lady help me and the House by stating which parts of the Bill ensure the flexibility of that provision?

Mrs. Humble: I was going to put that question to the Minister, and I hope that she will respond to both the hon. Gentleman and me at the end of the debate. In fact, I want to list four key aspects of the Bill: first, the emphasis on improving outcomes; secondly, the role and responsibilities of local authorities; thirdly, parental involvement; and, fourthly, the new quality and regulatory framework.

First, I want the Bill to improve outcomes, especially for two key groups: first, low-income families and, secondly, families with disabled children. The Bill rightly focuses on working parents because it is important that they have access to the best possible quality of child care.

We must not forget about workless parents. Some parents who stay at home with their children are not disadvantaged—it is their freely-made choice. However, other workless parents find themselves at home because they have mental health problems, for example. They may be a long way from engaging in the labour market and might not have the confidence to look for training and educational opportunities.

As the Minister takes the Bill forward, will she ensure that such disadvantaged workless families are taken into account? The Bill sets out local authorities' responsibilities as the providers of support for children through the child care services in general. I hope that the Minister will consider the overall role of local authorities and ensure that such workless parents are helped by, and benefit from, the increase in child care that will result from the Bill.

That exact group has been helped by the Sure Start project. I have talked to parents who lacked confidence before they got involved with Sure Start and were frightened to access the support provided by statutory agencies. All too often, those parents' experience of

[Mrs. Humble]

education was not happy, so seeking education and training in colleges was a difficult step for them. However, through Sure Start, their self-confidence increased. Talking to other parents and educational and health care professionals encouraged them to realise that they could cross the threshold of a further education college and develop their potential. That was the one single success of Sure Start for many of them. Sure Start has addressed the needs of parents as much as the needs of children, so I hope that the Minister will recognise that in her analysis of the scheme. I acknowledge that it will be more difficult to measure outcomes for such workless parents than for working parents. However, I am sure that my right hon. Friend the Minister will address that matter.

In the UK, there are 770,000 children with a disability or a limiting long-standing illness. The number of children with complex needs is growing all the time. Some 55 per cent. of disabled children's families live in poverty. The families of severely disabled children face three times the costs of other families, yet only 16 per cent. of disabled children's mothers work, compared with 66 per cent. of other mothers.

Last year, Contact a Family conducted a survey that found that a third of such parents were paying more than £5 an hour for child care and that 6 per cent. were paying more than £20 an hour. That was happening at a time when the average cost of a nursery place was £2.80 an hour, so the families of children with disabilities are facing real costs. If the Bill is genuinely to improve outcomes for disabled children, it must address the cost pressures on their families.

Interestingly, at the last meeting of the all-party childcare group, we heard heart-rending accounts from such parents about their difficulties in accessing child care. They experienced several problems, such as a lack of information. Many mainstream nurseries would not accept their children, whether that was because of access problems or for reasons of staff training. All too often, the parents found that staff lacked the confidence to deal with children with disabilities. I hope that my right hon. Friend pays special attention to training that gives confidence to staff who work in a variety of child care settings so that they are enabled to accept willingly a child into their care. Many parents tell me that even in nurseries that can be accessed by disabled children because they have adapted equipment, the attitude of the staff is disabling. It reflects the old adage that the child is not disabled; it is society that is disabled in its response to the child. We must not have that and need to consider the problem as we develop child care provision.

The many workless families with disabled children welcome child care not just because some of the parents want to go out to work—polls and analysis of parents' wishes show that many of them want to work—but because they want their children to socialise. It also allows them respite. We must take those considerations into account. When my right hon. Friend the Minister consults on the birth-to-five framework, I urge her to consider an explicit recognition of the needs of children with disability.

Transport has been raised with me. When families with children with disability send their child to a day care setting or a school, they have transport problems because it comes at a certain time and picks a child up at a certain time. If we want to use the extended school model to include families with disabled children, we have to consider transport arrangements. It will not be easy in some areas. For example, it will be harder to arrange taxis and other forms of transport to ferry disabled children back and forth in shire counties with large rural areas. Nevertheless, we should send out the message to disabled children that they too can access the earliest provision and the wrap-around care—the extended school hours—that is being developed.

We must also consider the needs of the whole family. Families with disabled children—some have more than one—often have other children as well. Local authorities should take other siblings into account when they think about the needs in their area. When they liaise with other statutory agencies, as the Bill requires them to do, will that include health authorities and primary care trusts? A key problem for families with children with disability is that their children are sick more often than other children. If parents choose to go to work, they are more likely to be phoned up by the nursery and told, "Your child is ill. Please come and take her home."

Again, there are no easy answers to that, but if we are to encourage parents of disabled children to access the work force, we need to consider how pre-school provision responds to sick children. In addition, many children with disability are incontinent well into their teens. Again, how will child care respond to that? I hope that my right hon. Friend ensures that there is liaison not just with the Department of Health, but with the Department for Work and Pensions, because such issues need to be taken up with it as well. Parents of profoundly disabled children want a clear message that they are included in the provisions of this excellent Bill. I call on her to say that.

Secondly, I want to refer to the role of the local authority and to some of the phrases in the Bill. What do phrases such as,

"so far as is reasonably practicable"

and "sufficient childcare" mean? Referring back to my point about children with disabilities, there are practical issues that local authorities will have to face. There will be issues for parents, especially those with profoundly handicapped children. Such parents will need clarification, as will local authorities about their role. I emphasise that, although the Bill refers specifically to the employment status of parents. I hope that we can look beyond that.

Many local authorities are as keen as parents to ensure high-quality child care, and that brings me to the issue of resources. I hear what my right hon. Friend the Secretary of State says about the big increase in local authority resources over the next couple of years, especially to improve the number of child care places, but she will be aware of pressures on the budgets of many local authority child care services. Given the pressures on Blackpool council and the important work that it does in protecting children from harm, there are many calls on its budget.

Adam Afriyie (Windsor) (Con): I recently visited Bracknell Forest borough council educational services; we toured one or two of the schools. I agree with the hon. Lady: it seems that budgets are already under

pressure. The authority is attempting to do an excellent job for children, both able-bodied and disabled. Will she urge the Minister to look at the funding requirements behind some of the new duties in the Bill to ensure that there is not undue pressure on the authorities when it comes to child care?

Mrs. Humble: Everybody present is taking part in this debate because we all care about these children and their needs. There are issues about the availability of child care places in some areas, especially in relation to child protection. However, I can see the opportunities presented by the Bill and by other legislation. There will be opportunities through the development of children's trusts to integrate services much more coherently, which I hope will help the development of exactly that sort of cross-working. Sometimes, when social services departments intervene to protect children, the families involved are exactly those for whom the local authority wants to provide child care support. So, there needs to be working across local authority departments. I see the framework of children's trusts as an opportunity to do that as well as to involve other agencies, such as the health service, which are vital.

Will my right hon. Friend monitor what resources are available? I repeat that I recognise how much money is being put in, especially to develop children's centres. That is very welcome. I visited Kincraig primary school in Blackpool last Friday, where I talked to people who are very much looking forward to having a children's centre.

The third area that I identified was parental involvement. It will be vital to the success of the Bill to involve parents in the development of provision. In spite of the information that is available, parents still come to me because they do not know what services they can access. The requirement on local authorities to seek out parents to tell them what services are available is welcome, but it is equally important that those parents are part of the development of services. For example, parents of children with disabilities should be included in considering how services can be improved and developed. Parents from black and minority ethnic groups should be involved. We must ensure that services are culturally appropriate and that such parents do not feel excluded. Parents in Fleetwood were involved in the development of the Sure Start project from the outset. Before a suitable building was identified and opened, the local managers talked to them about the services that they wanted. As a result, parents feel ownership of those services—they welcome them and engage with the delivery of direct child care provision and all the other support that is offered to them.

Finally, I welcome the new quality and regulatory framework. My reading of clause 41 is that developmental requirements are on a par with learning requirements. However, that is a false dichotomy. The Bill creates a welcome single framework for early years education and child care instead of dealing with education on the one hand and social care and health development on the other. The two are inextricably linked—children learn through play and by observing others. Children are now examined for their developmental progress. Health visitors used to visit me to make sure that my children had reached developmental milestones as babies, so such provision is not new. As the framework is developed, however, it is important that parents understand it. Sadly, parents who read the headlines in the media may think that their six-month-old will be propped up, a book placed in front of them and a pen put in their hand. *[Interruption.]* I admit that I read to my children when they were little, because it is good practice to teach children from a young age to follow the reading movement from left to right so that when they learn to read they can follow sentences from left to right and identify pictures. I remember teaching my children colours and shapes and playing with them as part of the educational process. We should reassure parents that the foundation stage—the new framework—encourages them to do all that with their children. We should explain that if they place their child in a child care setting, whether with a child minder or in a nursery and so on, the trained staff will do the same.

John Bercow: I am listening with great interest and respect to the hon. Lady, who clearly knows a great deal about the subject. The important point, surely, is the need for common sense and flexibility. My wife and I have two young sons—one will be two next month and the other will be three weeks old tomorrow. We are not worried about the age at which Oliver and Freddie will speak, because I did not speak until I was two and a half, but I have comprehensively made up for it in the subsequent 40 years.

Mrs. Humble: I could not possibly comment on the latter point, but I agree with the hon. Gentleman on the former. Clearly, common sense is needed, as children develop at different rates. The Bill, in fact, says that that is the case. Within the context of children developing differently, may I emphasise the special needs of children with a disability? The outcomes for them in the framework must be linked to their own personal development.

To sum up, I warmly welcome the Bill. It is an excellent piece of legislation which will bring in much clearer standards and better joint working, not just between the statutory agencies and local authorities, but with a range of child care providers. We need to take into account what we are told by the Pre-School Learning Alliance and private nurseries. They want to be part of the provision. As the Bill is debated, there will be further discussion of the role of local authorities in liaising with existing child care providers, which have a key role. The test for the Bill will be whether it provides affordable and accessible child care services to everyone. The framework represents a move in the right direction, which I find reassuring. I look forward to further debate, but above all, I look forward to the Bill being implemented so that child care is improved and becomes more accessible, so that parents and children can benefit from it.

5 pm

Annette Brooke (Mid-Dorset and North Poole) (LD): It is a pleasure to follow the hon. Member for Blackpool, North and Fleetwood (Mrs. Humble), whose constituency title is almost as complicated as mine. She has brought great experience and knowledge to the debate.

[Annette Brooke]

On behalf of the Liberal Democrats, I welcome the Bill. Given that much of our long-term policy work and commitment relating to early years provision is compatible with the 10-year child care strategy, it would be churlish not to express that general support. However, that does not mean that the Bill has our wholehearted support in its present form. There are a number of issues that I shall raise, and a great deal of detail will have to be addressed in Committee.

Like the Secretary of State, I believe it is worth reflecting on what has been achieved since 1997. I was a chair of education pre and post-1997, and I would be the first to acknowledge the extremely low base from which the Government started and the enormous progress that has been made from 1997 onwards. The creation of early years development and child care partnerships in local authorities, a free nursery education place for all three and four-year-olds whose parents want one, Sure Start, early excellence centres, neighbourhood nurseries and so on, and now children's centres are to be extended to an additional 300,000 pre-school children across 136 local authorities, plus the extended school programme. However, issues have inevitably arisen, and given the sums of money being invested, it is right that clear evaluation and monitoring take place.

I understand that in 2004–05, total public spending on child care was around £5 billion, and I agree with the right hon. Member for Maidenhead (Mrs. May) that we need value for money from such sums. The National Audit Office reported in 2004:

"From the launch of the measures announced in the National Childcare Strategy to spring 2003, 626,000 new childcare places for all ages were created in England. However, 301,000 places have closed".

For every two places created, one was closed. Sustainability has been an issue and will continue to be one, and needs to be monitored.

Earlier this year I recall the same confusion as the right hon. Member for Maidenhead surrounding the outcomes of Sure Start. I appreciate that evaluation is continuous at a local and national level, and given the wide local variations in schemes and the length of time that it would take nationally to get a true picture, it is important not to jump to hasty conclusions, but feedback is needed. I join the right hon. Lady in calling for some indication of when an evaluation will be published. I note that the national evaluation runs from 2001 to 2008, and is predicted to cost more than £20 million.

Issues have arisen relating to the quality of provision throughout the period that I referred to—for example, the "Panorama" programme which showed some worrying tendencies in terms of quality in some settings. Will the roll-out programme of children's centres, with the provision and level of non-ring-fenced resources to local authorities, mean a watering-down of the original concept and practice of Sure Start?

In 2004, according to the Social Market Foundation report on life chances and early years, 26 per cent. of families reported unmet demand for child care, with lone parents, parents in deprived areas and parents of children with special needs affected most severely. Those conclusions seem to underpin the need for the type of proposals that we are discussing, especially as I assume that 26 per cent. must be an understatement of what the demand would have been if parents had access to more information on availability, affordability and so on.

Further underpinning for the Bill's strategy comes from the EPPE—effective provision of pre-school education—project, published last year, which found that pre-school children with three years' quality pre-school provision who started in nursery at two or younger were up to a year ahead of their contemporaries in educational attainment when they started school. Notwithstanding that report, it is important to consider other evidence that might lead to different conclusions.

Mrs. Nadine Dorries (Mid-Bedfordshire) (Con): In a previous life, I visited a large number of Sure Start projects; for example, the Newcastle centre which is second to none. It cannot be beaten and gives an excellent service. However, other Sure Start projects barely qualify for their existence in terms of the provision they offer both parents and children. Does the hon. Lady agree that as we are so far away from evaluation of the Sure Start programmes we need to work towards quality standards, as projects throughout the country are so diverse?

Annette Brooke: There are strengths and weaknesses in diversity and in some ways much was learned by having different types of project. I shall talk later about quality assurance in the context of the Bill, which will be more relevant.

A number of US studies have concluded that maternal employment, particularly full-time, during the first year of a child's life is associated with poorer outcomes. On the other hand, UK evidence—in a study this year—found that only full-time, not part-time, work during the first 18 months of a child's life might have adverse consequences, but that they were minor. There were variations depending on income and education. The study also found that the quality of non-parental care is highly significant in determining outcomes. Other studies suggest that antisocial behaviour in children may stem from some of their early experiences of child care.

After a presentation at the all-party group on children, I became interested in work based on attachment theory. Sue Gerhardt, the author of "Why Love Matters", and others have studied the impact of early parenting on babies' brains and their future mental health. Given the importance of early emotional bonding, one might conclude that nursery care would be inferior to one-to-one care at home. However, I think that work shows the importance of supporting mothers, as Sure Start does, in emotional bonding with their children. It also shows why the current framework of birth-to-three programmes and their implementation matter.

More recently, there have been reports about what the families, children and child care study—the Penny Leach study—will conclude. Press reports suggested that young children looked after by their mothers until the age of three did significantly better in developmental

tests than those cared for in nurseries or by nannies, child minders or relatives. However, Penny Leach and her team made the important statement that

"no recommendations about childcare are made by the research team and we certainly do not advocate that all children in the early years of life must be cared for full time by their mothers, nor indeed that one form of child care is always preferable to another. However, it is the view of the team that both parental choice of care and the quality of care are most important."

I echo those points. Parents should be able to make well-informed choices and I certainly welcome the proposals in the Bill about the expansion of local authority children's information services.

On the choice agenda, in an ideal world—to which we should have aspirations, such as those suggested by the Daycare Trust—there would be universal, affordable, quality child care and 12 months parental leave paid at a level that would provide all parents with the option of being able to afford to stay at home to care for their children during the first years of their life if they choose to do so; a home care allowance paid to parents who choose to stay at home to look after their child aged 12 to 24 months and much more. Those are the ideals and I hope that we have those aspirations. Next week, some progress will be made with the Work and Families Bill, but there is still a long way to go. Liberal Democrat policy on child care provision at the general election was to include a maternity income guarantee, which we managed to finance only for first-time mothers. It contained a mechanism by which the money paid over the six months came up to the minimum wage. It is important that we work towards that, because people do not really have a choice with statutory maternity pay of £102 per week. I know that there is a tremendous dilemma: whether to lengthen the period of maternity and paternity leave, or to leave it as it is and increase the amount of money paid.

When talking about child care and early years services, commentators tend to mention the experience of Sweden and Denmark. Increasingly, the recent progress of New Zealand in investing successfully in high-quality child care is also mentioned. The Nordic states have all achieved or are close to achieving two of the United Kingdom's main policy goals—near eradication of child poverty and universal early childhood services—and high levels of gender equality and women's empowerment.

On funding levels, Sweden and Denmark currently spend around 2 to 2.5 per cent. of gross domestic product on early education and care, excluding parental leave payments. Even with the massive investment that this Government have made, which I welcome, that still accounts for just 0.43 per cent. of GDP, so we have a long way to go. The Nordic systems, to which we might aspire, have developed a truly integrated early childhood service.

The proposals in the Bill are largely welcome, long overdue, and have the potential to offer many benefits to a lot of children and families. We must, however, keep the bigger vision in mind, despite the challenge inherent in trying to increase significantly the share of GDP spent on early years provision in future decades. Even with the current proposals, many Opposition Members are concerned about whether there will be sufficient funding to deliver the Bill's goals. Inevitably, as I comment on its specific proposals, I will have to question the cost-neutrality assumptions. I want the Bill to make a difference but, without sufficient funding, what true progress will be made in plugging some of the most important gaps?

The requirement to place a duty on local authorities to improve the well-being of young children and to reduce inequalities between young children in their area, referring to the five well-being outcomes specified in the Children Act 2004, must be warmly welcomed in principle. I hope that we will be able to address the outcomes on looked-after children within that structure, but what will that mean in practice and how will it work effectively? On what basis will targets be set? What definitions will be used? How will monitoring take place? That requirement, in common with many in the Bill, is left to future regulations. It would be helpful if such draft regulations were made available for the Committee stage.

A number of organisations have flagged up the concerns that were expressed by the right hon. Member for Maidenhead about partnership working between local authorities, private and voluntary providers and schools. I wonder whether the Minister will issue guidance in that respect, as there seem to be genuine concerns that existing providers may be pushed out of the market with an expansion of child care within a children's centre or on a school site. It is important that the best solution for a local area is pursued. I do not prejudge what the right or the wrong decision will be, but we need to be assured that, across the country, local authorities are consistently working in partnership.

As we have heard, the Bill requires local authorities to secure sufficient child care to meet the needs of working parents and of those in education or training. Achieving sufficiency is defined as, first, securing child care provision that is eligible for the child care element of the working tax credit and, secondly, providing child care that is suitable for disabled children. In other words, in the Bill the duty to secure child care is closely linked to parents working.

As other hon. Members have said, however, there will be parents who decide to stay at home with their children during the early years and they may still need to access some child care. For example, a parent may want to work part-time—I refer to the evidence that I cited earlier—or to access part-time education. I would be interested to know whether the Minister for Children and Families is considering such situations and how parents can access particular sessions of child care. There is a tension in that respect, because it is quite hard for providers to provide sessions that do not run right through the week, but such flexibility can contribute a great deal to family life.

Having a break from child-caring responsibilities can improve parents' mental health, as we have heard. *[Laughter.]* The mother may be suffering from post-natal depression, which I do not think is funny. There will be other situations in which parents cannot work. I appreciate that social services may give support under the Children Act 1989, but given the constraints on social services, will that funding be sufficient? About 1.2 million children live in workless families and, like other hon. Members, I am not clear on where funding will come from when people really need support.

[Annette Brooke]

I am particularly concerned about disabled children and I am worried that their families will lose out. Much is promised, but will it be delivered? Children with disabilities and their families face particular challenges, and those parents often have a need for child care beyond the need to work. For example, they may need child care to be able to spend time with their other children or to attend appointments about health and education provision for their children.

The National Autistic Society's research shows that accessing critical services and entitlements during the early years is a key stressor impacting on the family life of a child with an autistic spectrum disorder. Securing provision of suitable child care should enhance the well-being of families in itself, regardless of work. For that reason, child care is a cost-effective intervention: providing services for children with disabilities such as ASD helps to prevent families from reaching crisis point, thus preventing reliance on costly residential placements.

Child care provision for children with disabilities is woefully inadequate in many areas. I am very pleased that the Government are seeking to address that issue in the Bill. However, in addition to the points that I have already made, the quality and affordability of the provision required for disabled children should be considered. Will the provision of care for children with disabilities outside the main school day be included? I am also thinking of holidays and respite care.

A mother of a severely disabled child came to my surgery the other week. Across Dorset, Bournemouth and Poole, a survey is being conducted on the provision of respite care at weekends or for whole weeks to allow the rest of the family to go away. A local authority employee told my constituent, "There is only so much money available. If we extend provision at a certain special needs school, that may well mean cuts in the overall respite budget." That was obviously very alarming for my constituent, but I have to point out that there are councils, which are starting from a relatively low base and are rather poorly funded, that may be giving with one hand and taking away with the other.

The concept of sufficiency generally should include other difficult-to-reach groups, such as ethnic minorities, and the issue of quality as well as quantity. However, as soon as we start talking about quality issues, we come to the tensions between quality and affordability. I do not know the answer to that; I suppose that the Minister has to supply the answers. First with regard to quality, I place it firmly on the record that I do not think that it is mad or ridiculous to propose an early years foundation stage. The principle of a coherent framework that provides quality and consistency across settings is in the interests of children and practitioners. Indeed, I have heard several practitioners say that they would like the present foundation stage to be extended to seven-year-olds, as it is so firmly based on skills rather than on prescribed content.

The details of the new proposals and their implementation are important. It is vital that children in their early years are given the freedom to learn through enjoyment, exploration and play, and allowed to investigate new skills and concepts for themselves. It is right that the hon. Member for Buckingham (John Bercow), who did not learn to speak until he was two and a half, should have been able to develop at his own pace. We need to strike a balance between teacher-orientated and child-initiated activities that are appropriate to the individual child.

I agree with the Conservatives about clause 41. The use of the word "taught" in the clause gives me concern, when it describes

"the matters, skills and processes which are required to be taught to young children of different abilities and maturities".

That sets alarm bells ringing, and we must address that wording. There is also some concern that any proposal to extend the national literacy and numeracy frameworks down to the age of three will result in formalised learning at too young an age. It is vital that the chosen model should not be too prescriptive.

The principles underlying the early years foundation stage will be very important, as were those underlying its predecessors. There are clearly differences between the principles underlying "Birth to Three Matters" and those underlying the foundation stage. For example, the former include the principle that

"children learn best by doing rather than being told",

while the latter includes the principle that,

"to be effective, an early years curriculum should be carefully structured".

It will be important to arrive at a joint set of principles across this wide developmental range, so that we get this right. Both sets of principles cover the importance of working with parents. I know that preliminary consultation is being carried out on the new proposals, and I would like to emphasise that getting the underlying principles right will form the fundamental starting point.

In a second point on quality, research shows that who provides the early years education is vital in determining its quality and impact. The EPPE project found that, in socially diverse settings, the quality of practitioners' knowledge and understanding of the curriculum and pedagogy was vital. Some years ago, the Liberal Democrats proposed a new qualification—that of the qualified early years teacher. It would be a graduate qualification covering the three strands of early provision: health, education and social services. The long-awaited children's work force strategy was published earlier this year, and the 10-year strategy set welcome long-term goals for increasing the number of workers trained to degree level and for degree-qualified early years staff to lead all full-time day care settings.

Given the clear evidence that positive child development depends on services being of high quality, and that a well qualified work force is the biggest determinant of quality, I am worried that only half of Britain's 100,000 nursery workers have a child care qualification. The average gross salary of a child care worker is £7,800 a year, compared with £22,662 for a graduate trained nursery or primary school teacher. The £125 million a year transformation fund announced in the 10-year strategy to support investment by local authorities in high quality, affordable, flexible and sustainable child care provision is inadequate for a radical review of the sector. Although it shows an unprecedented commitment to investing in the work force, it equates to approximately £500 per member of

the work force, which is not enough to raise salaries, invest in training or increase staff numbers. Changes need to take place over time, but it is my duty to point this out today. I acknowledge that commitments are being made, but there is still such a lot to do.

We need investment in continuous professional development. We really do need to develop a professional work force who are esteemed by the public, and in whom the public have great confidence. The tension between quality and affordability could not be greater. The Government face major challenges, given the investment that is required and the knock-on effects on the cost of child care.

The third strand of quality is registration and inspection. We welcome the Government's commitment to retaining regulation for those who care for any children under the age of eight, but I agree with some of the organisations that have expressed concern about the regulation of crèches. Let me give another constituency example. At a major facility in Poole town centre, one of my constituents had a very unfortunate experience involving a three-year-old who was not being cared for properly. Ofsted was called in, and found that regulations were not being observed. I understand from a reply given by the Minister at the time that Ofsted wanted the facility to change and to take its recommendations on board, but it had the option of offering less than two hours' provision.

Here is another of those famous tensions. The Government do not want to overregulate—none of us want to do that—but my constituent called on me to try to secure more regulations. What I consider important is for parents to be given information about crèches. Even a notice on the wall stating that a crèche is not subject to regulation would be helpful. Anyone would surely assume that a major facility in a town centre was regulated, and that all the staff had been checked. Could that information be added to the bank of information already available to parents?

I also share the concerns raised about the different registers, which may prove complex in practice and difficult for parents to understand. The Bill states that the Secretary of State "may by order provide" exemptions from the requirement to register in certain circumstances. That will require a great deal of clarification in Committee.

I have heard reports of concern about the quality and consistency of inspections of early-years facilities. I hope that as we move into a new phase, we will pay attention to the qualifications required of inspectors—the training that is required, and the processes involved in inspections. Will early-years provision at independent schools be subject to the same processes? I am pleased to learn that the same framework will apply.

We must not underestimate the importance of self-evaluation to the process of improving quality, and to the formulation of what we hope will be rare inspections. I am sure that many Members have, like me, presented quality assurance certificates in various pre-school settings. I am always proud to do that, and am always amazed that the leaders of playgroups and nurseries have time to do all the work that is needed to earn the certificates. Such processes are very important.

There seems to be some uncertainty—although perhaps not on the Minister's part—about the future of Investors in Children. I know that there are many different forms of quality assurance—I think that there are more than 70—but there should be a recognised kite mark which parents can understand. That was mentioned in the Government's consultation, but we do not seem to have been told what will replace Investors in Children if its funding is cut. When an inspection takes place in a school that covers early years, is an early years specialist always part of the inspection team? That would fit in with this agenda.

I want to conclude by commenting on the new duties on and delivery by local authorities, and particularly on what is meant by "reasonably practicable", on which several Members have commented.

We are told that the local authority must assess the market and parental needs. What are the milestones, however, to show what is reasonably practicable and what local authorities must do? There are bound to be councils in which it is very difficult to ensure that child care is available to fit every circumstance. Variations between the provision of councils such as Islington and Poole mean that their starting points will be very different. Will some families be disappointed? Is a parental guarantee being offered or simply an expectation? What is practicable in relation to children with disabilities and severe disabilities?

It will be difficult to go out and find low-income and ethnic minority families and make them aware of and interested in all the choices. In 2002, only 3 per cent. of parents had contact with their local children's information service—that figure is from a Department for Education and Skills study. I applaud the aim of developing children's information services further, but again, councils will start from different bases, and outreach work will be required.

Can the aspirations be delivered within existing funding? If the funding is based on the child care element of tax credits, we still have the dilemma about workless families. In that regard, we must think of what is best for the child. There is a continual dilemma relating to supply-side and demand-side funding, and the advantages and disadvantages on either side, and it would be interesting to hear about the pilot projects being carried out in London.

In relation to the part of my constituency other than Poole, what is reasonable and practicable in very rural areas? It is important not to set up local authorities to fail, and equally important not to enable them to get away with doing the minimum. We need to know what "reasonably practicable" means.

We have had one interesting representation on listening to children, about which we all agree. It related to listening to very young children, along with parents and providers. That work has produced some interesting results, which we might explore in Committee.

Child-centred as the Bill is, family support is so important. For families with difficulties, universal family support is needed. It is obviously very costly to provide multi-disciplinary support, work, housing, child care, literacy and training, but there are great benefits in the longer term. If the Government are serious about preventive action rather than cure, they need to examine family support much more.

How many more parents will access child care as a result of this Bill? Without additional money, will a single child get more care, or will a single parent who is

[Annette Brooke]

struggling with affordability no longer have to struggle? Will the Bill be a false dawn? I sincerely hope not. We will work with the Government in Committee to address our great concerns about certain aspects of the Bill, although we applaud its principles.

5.34 pm

Ann Coffey (Stockport) (Lab): I welcome the Bill. The Government's continuing investment in child care and the working tax credit is and has been crucial in overcoming barriers to work and tackling inequalities. I welcome particularly the investment in Sure Start. In the poorer part of my constituency, the Sure Start project has been an outstanding success in supporting parents, raising standards of care and achieving significant improvements in language skills among the most disadvantaged children.

I agree with my hon. Friend the Member for Blackpool, North and Fleetwood (Mrs. Humble) about the role of Sure Start in building confidence among parents. The community's commitment to the project was evident when the Minister for Children and Families opened the Sure Start building in Bridgehall recently. Huge additional value has been secured from social regeneration projects in the area, and I hope that any evaluation of the success of Sure Start projects will take that into account—they are not simply deliverers of child care.

I look forward to the new children's centres building on the success of Sure Start in my constituency. Through a range of services, including a subsidised playgroup, it has provided support to working and non-working parents. As 4Children and other organisations have pointed out, the most disadvantaged children are in workless households and it is those children who would most benefit from high quality child care from birth, and their parents would benefit also from support. That is the basis of Sure Start provision.

Such parents are victims of a cycle of low aspiration and poor education, handed down from generation to generation, which the Government have addressed through a number of measures. I believe that it is essential to continue to deal with inequalities from birth and that children from disadvantaged and workless families should continue to get the support offered through Sure Start, including access to good quality child care.

Clause 6 is clear on the duty being placed on local authorities to ensure sufficient child care for parents who require it in order to take up, remain in or undertake work-related education or training. That is very important.

Clause 7 provides a duty to secure early years provision of a prescribed description, free of charge, for such periods as may be prescribed for each young child who has attained such age as may be prescribed but is under compulsory school age. The precise nature of this measure will be known only when it is set out in the secondary legislation that is to follow, but I hope it will be explored in Committee. At present, local authorities have a responsibility under section 17 of the 1989 Act to promote the welfare of children within their area who are in need and to promote the upbringing of such children by their families. I hope that the Government intend to ensure that, under clause 7, this duty will extend to children from disadvantaged backgrounds.

With the setting up of the new children's directorates and the Government's commitment to dealing with inequalities and improved outcomes for all children, it would certainly make sense for local authorities to look at areas of deprivation and to provide services to families that help overcome disadvantage, including good quality child care to workless households. By subsidising playgroups, the children's fund has certainly helped to show the value of such provision.

New child care places in my constituency have been provided by the private, voluntary and public sectors. Recent legislative changes have meant that schools can be direct providers of after-school child care; indeed, it has been in their interests to do so. The spare capacity in primary schools has meant that parents are now taking into account a range of factors in making their choice of schools. Where numbers are continuing to decline, that is likely to be the case for a number of years. It also ensures that after-school clubs are more sustainable if they are registered with Ofsted and families can access the child care component of the working tax credit.

Where schools have nursery places, private providers—there are some excellent ones in my constituency—have been providing the wrap-round child care. Some after-school activities are run on a voluntary basis. It is very much a mixture of provision, and the funds have come from various places such as the neighbourhood nursery initiative, the children's fund and Sure Start grants.

The issue of sustainability is a real one. In one area of my constituency, a school started an after-school club, as a result of which parents who had been using a private provider ceased to do so. The private provision for two or three schools became unsustainable and the private provider withdrew the service. Some weeks later, the after-school club also folded. The net result is that there is no after-school care in the area at all. It is therefore welcome that local authorities will play a strategic role in ensuring sufficient child care, but I think that the word "sustainable" should be added to their duties—as far as is possible in a vast and changing market that depends greatly on work in the area and the demand of parents.

I am pleased that local authorities will discharge their duties in co-operation with parents and all the providers in the area, but I make a plea that that should include parents from areas where it is often not easy to make that sort of contribution. If necessary, some training should be made available to parents to enable them to take part in the consultation.

Many jobs in my constituency are provided by the retail sector, which, as the House knows, often works to shift patterns. Most child care in my constituency, however, is provided on an eight-to-six basis. The antisocial hours involved in shift work can raise the cost of child care, particularly for single parent families. There are also likely to be more informal care arrangements, the cost of which cannot be recovered through the working tax credit because the providers are not registered.

I was pleased to see that parents can now pay for care in their own home and, if parents are properly consulted on the availability of child care in their area,

Government initiatives such as this, which benefit shift workers and parents of disabled children, are more likely to be promoted by the local authority. At the moment, the needs of shift workers are often invisible and it is not enough to provide sufficient child care: it must be of the sort needed by parents.

When I discussed the Bill with the carers and parents group of the Sure Start Adswood and Bridgehall project, they wanted to bring to the Minister's attention the issue of affordability. They said that that was a problem for people who worked less than full time, but more than 16 hours a week because of the operation of the benefits system. I am sure that they will welcome the Secretary of State's remarks, in which she made clear her commitment to ensuring the affordability of child care for low income families. I might add that this particular group of carers and parents took part in the consultation exercise, which again demonstrates the success of Sure Start. Some years ago, they would not have been able and would not have had the confidence to do so. That has changed because of the existence of Sure Start in the area, which should not be underestimated.

I welcome the Bill, which demonstrates the Government's continuing commitment to investing in families and children and tackling inequalities in our society. I am sure that it will make a huge difference to my constituency.

5.43 pm

Mr. Paul Goodman (Wycombe) (Con): I want to begin by briefly considering the context in which the Bill is set. We all know as constituency MPs who deal regularly with parents that almost nothing is as important to them as the care of their children. In my experience, child care is as important to my constituents—whether they are parents or not—as the headline issues fought over at general elections such as hospitals, schools and crime. That is the wider context of the Bill.

Once we acknowledge the phenomenal child care pressures on parents—whether they be single parents, couples living with a permanent partner or whatever—in the modern age in which many people work 24/7, two obvious points follow. If the House wonders why I should mention them, it is because obvious points are sometimes overlooked. The first is that the first providers of child care are, of course, parents—and that applies whether there is one parent in the household or two. I say that because according to clause 18(4), which deals with the "Meaning of childcare", child care

> "does not include care provided for a child by . . . a parent or step-parent of the child . . . a person with parental responsibility for the child"

or

> "a relative of the child".

That might at first seem strange, but I want at this point—perhaps curiously—to come to the Minister's defence. She would say by way of response that the Bill does not want to load obligations—so to speak—meant for others on to parents, step-parents and so on. None the less, it is striking that we are dealing with a Bill that formally excludes parents from child care.

The second perhaps obvious point was made by the hon. Member for Blackpool, North and Fleetwood (Mrs. Humble), my former colleague on the Select Committee. She is still there—

John Bercow: So is Fleetwood.

Mr. Goodman: Indeed; and my hon. Friend—obviously—is still here. I no longer have the honour to serve on that Committee, I am afraid.

As the hon. Member for Blackpool, North and Fleetwood said, children do not just learn formally; they also learn informally through play and discovery, and through finding out for themselves about the variety of the world around them. A sensible Government will want to put at the cornerstone of their child care strategy the principle of choice. The Government's 10-year strategy is indeed headlined, "Choice for Parents", and I, for one, say amen to that. So one way of thinking about the Bill is to ask how it measures up against the choice principle. We know that this principle has sometimes been honoured more in the breach than the observance. The former Secretary of State for Trade and Industry admitted the following in 2003:

> "If I look back over the last six years I do think that we have given the impression that we think all mothers should be out to work, preferably full time as soon as their children are a few months old. We have got to move to a position where as a society and as a Government we recognise and we value the unpaid work that people do within their families."

She made it clear that she was referring not just to mums, but to grandparents, informal carers and so on. We know that Ministers themselves feel that they have not always lived up to the choice principle that they proclaim.

Even before we consider the Bill's content, Ministers will want to ensure that the choice principle within it matches the choice principle in the tax and benefits system: to ensure that it is simple, clear and easy to access. I will not go into that system in detail, because to do so would be out of order, but I want to make two brief related points. First, it is an oddity to have two payments—child benefit and the child tax credit—that basically achieve the same end. Ministers have yet to resolve that difficulty.

Secondly, I want to pick up on the point that the hon. Member for Blackpool, North and Fleetwood made in referring to the excellent Select Committee report on child care for working parents, produced in the last Parliament. She did not quote in full what it said about the child care tax credit. Before she gets up to correct me, I had better point out that it did acknowledge that

> "the CCTC is an important component of the Government's anti-poverty and childcare strategies, and valuable to many parents."

However, it also said the following, which I may have sneaked in while she was not looking:

> "The CCTC is . . . not consistent with"

a particular expert's view—my right hon. Friend the Member for Maidenhead (Mrs. May) quoted an expert from the Institute of Education—

> "of childcare provision as a public good which is the right of all children, whether their parents work or not. Nor is it consistent with a childcare vision based on the choices made by parents and families themselves, since it is only available to some of them."

[Mr. Goodman]

So the Government have a bit of tidying up to do in that respect.

One aspect of the Bill about which I have heard some complaints from playgroups and nurseries in my constituency is the fact that the regulatory burden is high. I suspect that other hon. Members have received similar complaints about the planning rules, the way in which VAT works, the business rate regime and even the number of funding streams, which are not always easy to negotiate for private and voluntary providers. Late in the last Parliament, the Daycare Trust identified no fewer than 28 different funding streams through which nurseries, playgroups and other providers of child care are funded. Not surprisingly, many of them found funding difficult to access and the trust wanted some simplification.

The Bill contains new regulatory procedures, although one of the reasons we welcome it is the simplification of regulation that it should provide. However, on many occasions, Ministers introduce Bills with regulatory measures that promise simplification, but it does not always happen. Another way in which the choice principle could work would be to recognise the role of local authorities, which is present in the Bill. Ministers are right to make local authorities the lead bodies in implementing the measures in the Bill.

John Bercow: My hon. Friend mentions regulation. The Government say that the Bill will simplify regulation, but we need to be reassured on that point. To that end, does my hon. Friend agree that it would be a useful earnest of the Government's good intentions if the Minister, when she winds up, committed them to publish the secondary legislation in draft form before Report, so that we would be in a position to judge how the Government's promise matches the reality?

Mr. Goodman: I was concerned that my hon. Friend was about to ask me a form of question that he has been known to deploy about whether I was familiar with this clause or that clause in the Bill, which I might have overlooked. I am glad that he asked a question to which I can simply say, "Yes." I certainly hope that the Minister will provide that assurance.

The Secretary of State's brief remarks about the role of local authorities will not quite do. She said that the Bill would place no new duties or obligations on local authorities, but she also said that a mass of money had already been provided in various forms to ensure that they could meet their duties. Those two statements do not add up. The hon. Member for Mid-Dorset and North Poole (Annette Brooke)—and, by a more roundabout route, the hon. Member for Blackpool, North and Fleetwood—pressed the Government to ensure that any duties placed on local authorities are adequately funded. That will be a pressing issue with those of us whose local authorities already have very stretched budgets and look to the years ahead with some trepidation in terms of the support they receive from the Government. It would be most unfair if local authorities, in trying to meet any obligations placed on them by the Bill, became liable for capping.

It is important that the value of childhood is recognised in the Bill. Childhood is not simply a means to the utilitarian end of achieving academic or vocational qualifications. Childhood is part of the ordinary process of growing up and maturing as a human being. That is where much of the controversy about the Bill has lain. Attention has been drawn to an analysis of the Bill headed "Childcare Bill: Orwell in the nursery?". Miriam Stoppard claimed that the Government are headed in the wrong direction, because the Bill would introduce children to the prospect of failure at an appallingly early age and was another incursion into family life by the nanny state. The Secretary of State and other Labour Members have rubbished those fears this afternoon, but—like my hon. Friend the Member for Buckingham (John Bercow), who cited the relevant clauses earlier—I think that clause 41(2) is ambiguous. The hon. Member for Mid-Dorset and North Poole was right to concentrate on the ambiguous nature of the word "taught" in clause 41(2)(b). Clause 41(2)(a) refers to "early learning goals" and clause 41(2)(c) to "assessment arrangements". The Government will need to clarify in Committee how far they seek to push the educational process down the age range.

It could be suggested that the Bill is pulling in two different directions. Local authorities will be obliged to provide a greater quantity of child care. The question that follows is whether the quality will match the quantity. High quality child care is not always the same as affordable child care, and the question is how the two elements are balanced. Hon. Members have been right to argue that sometimes we need to take the hit on quality to ensure that child care is affordable, but worries have been expressed about what that will mean for children with disabilities, children from minority ethnic groups and children who are at a relative disadvantage to the rest of the community. That is also a worrying aspect of the Bill and I hope that the Minister will be able to address those points when she responds to the debate tonight and that they will be further considered in Committee.

5.57 pm

Helen Goodman (Bishop Auckland) (Lab): I am pleased to follow the hon. Member for Wycombe (Mr. Goodman), although I do not know whether he is my namesake or I am his. I am happy to welcome the Bill. Since 1997, the Government have made tremendous progress on early-years education and child care provision. We are all impatient for faster change, but we should remember what happened when Gladstone introduced the Education Act 1870. It took another 32 years before most children were in state-funded elementary schools. This new extension of the welfare state is just as significant as that one was, and marks a real social transformation.

We have done well since 1997. We have an extra 500,000 places and most three and four-year-olds have taken up the guaranteed nursery places available. Even so, we need to double the number of child care places available. In particular, I welcome clause 1, which will give a new general duty to local authorities to

> "improve the well-being of young children in their area, and ... reduce inequalities between young children in their area".

I do not know whether that is the first time that the connection between education and poverty has been made explicit, but it is a truth that we all intuitively

accept. Children who live in poverty do less well at school, and poverty of experience is an aspect of poverty. By the age of three, the children of professional families already have vocabularies that are greater than those of adults in the poorest families. We have made strides in that respect as well in the past eight years. The percentage of children who start school with cognitive delay has fallen from 40 to 26 per cent.

Rather than repeat more statistics, I want to tell a story that a play worker described to me. She was involved in a play scheme during a half-term holiday. In the middle of the afternoon, it was time for a snack. She gave an eight-year-old an apple to eat. After the child had eaten the apple, she asked the child, "What did you think of that?" and the child said, "Well, it was very nice, but I didn't like the hard bit in the middle." The child had never eaten an apple before. It is remarkable that we can expect a child to go to school to learn that A is for apple without knowing what an apple is, and every child is entitled to that sort of straightforward experience.

The Sure Start scheme has had a very positive impact in my constituency. We have a Sure Start programme at St. Helen Auckland with new facilities, and another on the Woodhouse Close estate, which is the most deprived part of my constituency. There are a lot of villages in Teesdale, and the rural section has mobile provision, with a fantastic bus that goes round to ensure that families who are isolated in villages also have access to services.

The hon. Member for Mid-Dorset and North Poole (Annette Brooke) mentioned the evidence from the EPPE study. I know that it sounds like a sister of Prudence, but it stands for "effective provision of pre-school education". The study found that child care is most beneficial to those who are disadvantaged, but only if it is of high quality. That finding was further reinforced by a study by Professor Melhuish for the National Audit Office. He found that, in the first three years, high-quality child care benefited disadvantaged children and that most provision gave those who were over three educational and social benefits. So improving access to child care under the Bill, alongside the improvements in maternity pay and leave from 14 to 40 weeks, will give every child the best start.

Clauses 39 and 44 will deliver the high-quality child care that is needed for children who live with disadvantage. Those clauses set out the early years foundation stage that the early years providers must meet. They also set out the process of regulation and inspection, which is important to ensure that the standards are met. Opposition Members have considered clause 41, but I draw their attention to clause 41(3), which describes the learning and development issues as follows:

"personal, social and emotional development . . . communication, language and literacy . . . problem solving, reasoning and numeracy . . . knowledge and understanding of the world . . . physical development, and . . . creative development."

It is not hard to argue that that broad range of experiences is what children up to the age of five and beyond need.

Before my election to the House, I ran the National Association of Toy and Leisure Libraries, which has a 1,000 projects across the country, and I chaired the Children's Play Council. We need to take seriously the truth that small children learn through play. I am disappointed that those hon. Members who were vocal earlier this afternoon about the importance of play, rather than formal learning, are not here now, but I invite them to join the all-party parliamentary group on play which my colleagues and I want to set up.

Ensuring that children have opportunity to play in their early years and after school and that lots of policies take account of children's need to play is essential. That has been recognised already by the Government as one of the key factors in the 10-year child care strategy, which says that activities should be

"underpinned by a play based approach to promoting children's development and learning, building on children's experiences to help them extend their skills and develop their understanding and confidence."

There may be doubts about the learning and development issues set out, but I ask Opposition Members how they can criticise Sure Start for not producing results, as they put it, or outcomes, if they are not prepared to agree any measure against which we can test how children perform. We would like the hon. Member for East Worthing and Shoreham (Tim Loughton) to respond to that point later this evening.

One of the positive and significant things that has happened in the past eight years is that child care policy has been devolved to the other Administrations. So children in England, Scotland, Wales and Northern Ireland are learning in different frameworks and under different curricula. That gives us an opportunity to check how effective the English curriculum is compared with the others. For example, it will be interesting to find out whether things are better in Wales, which has a play policy.

I remind hon. Members of what the policy framework is in Northern Ireland, because it is particularly attractive and we may want to consider it when assessing the English experience. In Northern Ireland, the early-years foundation stage is intended to

"build self-esteem, develop the ability to play, generate an interest in stories, develop number understanding and foster curiosity."

That is a slightly different perspective on similar themes, but some hon. Members may think it a little more child friendly.

Although I am pleased about this extension of the welfare state—I hope that it will change society for the better—the key thing is that children are not human becomings; they are human beings. They are living now, and it is their experience now that matters. That is why the quality of provision matters as well.

I have just three concerns about the Bill, and I hope that they will be addressed in Committee. First, why, for children over eight years, is there only provision for voluntary registration? Only risk-based inspections will be carried out, and unless someone makes a complaint, no three-yearly inspection of provision for those who are over the age of eight will take place. Although some eight and nine-year-olds are quite assertive and good at describing their needs, I am reluctant to go down the path of thinking that they should be responsible for the quality of their child care. We need to look at that a little more.

I am unclear—perhaps the Minister can clarify this—how the Bill interrelates with the proposals on extended schools. In the move to extended schools, we need to

[Helen Goodman]

remember that all children need time for play and that the 8 am to 6 pm provision in schools must not become purely related to homework clubs. There must be a wide range of activities, games and play time, as well as time to chill out and relax, because everyone needs that every day.

My third concern, which has been raised by other hon. Members, relates to the qualifications that we will require. I know that the Minister intends to introduce regulations, but it would be helpful if we could see an early draft of them in Committee. The problem has been one of long standing in this country. When my mother came to England from Denmark in 1951, she was given her naturalisation certificate because she had one of the unusual skills that the economy needed—she was a nursery nurse. Here we are, 54 years down the track, and we are still short of people with such skills.

I am not trying to suggest that solving the problem will be an easy task for the Minister. I know that the number of people who need to be recruited is in the same ball park as the numbers in the red army. It will be tremendously difficult to address the problem, but one way in which we could get a regulatory structure with a lighter touch would be by having more well qualified people working in the sector. I welcome the Bill wholeheartedly and hope that those issues can be addressed in Committee.

6.10 pm

Mr. Rob Wilson (Reading, East) (Con): I do not wish to detain the House for too long because we can all agree about an awful lot in the Bill. I agree with the hon. Member for Bishop Auckland (Helen Goodman) that there has been a big improvement in early years child care over the past decade or so.

Most of us would agree that bringing up children is one of the most rewarding things that people can do. However, it is not always easy to juggle the many competing demands of work and home life. The Bill stems from a desire to try to help parents who often find themselves in great difficulty when juggling such responsibilities. When it comes to child care, there are sadly no easy answers or solutions for the simple reason that each family's circumstances are different. That makes it difficult for any Government to get things completely right. I acknowledge that efforts are being made and that some progress has been made over the past eight years, but I am not convinced that the Bill strikes an effective balance between the competing tensions.

It is interesting that the 1998 general household survey found that the most popular category of child care for a mother working full or part time was that given by relatives. Having read all the various briefings on the Bill, I am left wondering how effectively it supports that option for parents. Study after study has shown that many women want to remain at home to look after their children, rather than using child minders, crèches or nurseries. Many women feel extremely guilty about returning to work only months after giving birth.

It is also interesting to consider the matter from the perspective of what is best for the child. The effective provision of pre-school education project, which followed 3,000 children between 1997 and 2004, found that large amounts of group care before the age of three were associated with higher levels of antisocial behaviour. Such behaviour also increased if a child had received a lot of care from a child minder. However, the study found that if relatives—usually grandmothers—provided a substantial amount of care, children displayed less antisocial behaviour and were more co-operative.

It does not take a rocket scientist to work out what is going on. Young children are much better off in the care of their mother, father or members of their close family in the early years from birth to the age of three. In fact, the Government have agreed that if mothers work full-time during the early stages of their children's lives, it can have a negative impact. Families, and especially mothers, should not feel pressurised—either financially, or emotionally—to put their children's care outside their families during those important early years. I would argue that even between the ages of three and five, it is extremely beneficial if, in addition to receiving high-quality pre-school education, children have their mother or a close family member with them for part of the day.

The Government, to their credit, recognised in the 1998 document "Meeting the Childcare Challenge" that many parents preferred grandparents or relatives to look after children. However, rather than thinking about how to support that desire of many families, the Government dismissed it as being

"against the direction of social change"—

the Secretary of State reinforced that belief in her opening remarks today. It was felt that only Government intervention could "fill the gaps".

That is really what troubles me about the thrust of child care policy. It seems to be more prescriptive than necessary, and choice is talked about, rather than delivered. There appears to be a feeling that the Government know best, or at least better than families themselves. If the Government truly wished to offer choice, would they not be coming forward today with policies that offered the widest possible choice? One gets the slight feeling that the Government still believe that mothers who want to stay at home are a "bit of a problem".

I am talking not about a bit more time for maternity leave, but about how the Government can help to support a mother through a period of years in which she brings up two or three children. The evidence shows us what is best for the child and wider society, so offering that would give families a real choice, not just a choice from a menu of state-sponsored initiatives. If the Government are really serious about one of their central principles—

"the importance of ensuring every child has the best possible start to life"—

they must engage in such wider thinking and reform.

In areas in which Government intervention was needed, there has been some success. For example, Sure Start has made a contribution in some of the country's most deprived areas. Several areas have benefited significantly, so I give credit where credit is due. However, it is also true that the scheme has acted as

competition with voluntary and private nurseries and play groups in those areas and has thus caused some to close.

Helen Goodman: Conservative Members have said repeatedly that they are in favour of choice, but against competition. I do not understand how they can be in favour of choice if they say that there should be no competition among providers.

Mr. Wilson: If the hon. Lady will allow me to continue for few moments, I will address that very point.

It makes no sense to have a situation in which the state is in competition with existing providers. The state can fill gaps, by all means—it probably should do that—but it should not provide something that amounts to unfair competition. If the state sets the rules and funds projects out of general taxation, private and voluntary groups cannot compete on a level playing field.

For example, local authorities will have a duty under the Bill to ensure that there is sufficient, and free, early-years provision in their areas. The desire is clearly that local authorities will co-operate with existing providers to ensure that that happens. Indeed, I was pleased to see a commitment from the Department for Education and Skills to encourage local authorities to work closely with private and voluntary providers and to complete full audits of local child care needs.

Some organisations want the Government to go further. The Minister will be aware that the National Day Nurseries Association, which is the largest body representing private, voluntary and maintained day nurseries, has said that both local authorities and child care providers would benefit from a clear and uniform national framework for partnership working. The association wants measurable targets to be set for local authorities on the involvement of the private and voluntary sectors. It says:

"this would ensure that duplication of provision and the full involvement of all sectors could be enforced."

The association's research suggests that local authorities are not adopting a partnership approach, which is why it wants such firm guidance on the requirement for partnership working. It is clearly concerned about the way in which local authorities will take the strategic lead.

There are clearly dangers in effectively outsourcing child care provision to local authorities. For example, the CBI has warned that local councils must not be allowed to construct a "state monopoly" of child care provision. I think that the CBI is also worried about local authorities' in-built advantages. For example, authorities are able to reclaim VAT when they set up day care centres, but private providers cannot do that. We must take such worries extremely seriously, and I think that that addresses the point about why there is not a level playing field for public and private sector providers of child care.

Helen Goodman: Is the hon. Gentleman aware that since 1997, under the Sure Start programme, the Government have put far more money into voluntary sector providers, which give exactly the kind of care for which he calls, than did the last Tory Government?

Mr. Wilson: I am aware of the investment, as I recognised earlier.

Perhaps the Minister could use this opportunity to reassure the NDNA and the CBI. It is important that their concerns are addressed fully.

I also have other concerns, such as those on the early years foundation stage. As my right hon. Friend the Member for Maidenhead (Mrs. May) said, there is a danger in introducing formal education at such an early age. Why do we need to be so prescriptive? It is inappropriate to start formal learning at such a young age. Children start school much earlier in the UK than they do in other European others, yet their results tend to be much better than ours. Ministers might want to consider that again.

As with so much legislation that is pushed through on the shoulders of local government, I am worried that the measures will not be fully funded by central Government out of existing tax revenues. The increased bureaucracy must not be allowed to increase local council tax in my constituency. The reaction of the Local Government Association is enlightening. It believes that

"without substantial extra government investment, it is hard to see how this Bill will increase the amount of affordable childcare for low income families and those with disabled children."

The LGA wants extra investment from central Government. It states:

"If Government can't find this money, the cost will be borne either by parents or council tax payers."

As we have some of the highest child care costs in Europe and have had huge council tax increases since 1997, neither of those is an attractive option.

Those problems should not and cannot be skirted around. They must be addressed if the child care plans are to prove effective and not to be just more empty promises. Overall, I give the Bill a cautious welcome. As I said, there is commendable intent behind it, but many questions need to be answered before it can become effective. I look forward to the Minister's response in the hope that she deals with some of my concerns.

6.22 pm

Edward Miliband (Doncaster, North) (Lab): It is a privilege to speak in the debate, following my right hon. Friend the Secretary of State for Education and Skills and my hon. Friends the Members for Blackpool, North and Fleetwood (Mrs. Humble), for Stockport (Ann Coffey) and for Bishop Auckland (Helen Goodman).

John Bercow: And my hon. Friend the Member for Reading, East (Mr. Wilson).

Edward Miliband: I was going to come on to the hon. Member for Reading, East.

It is partly a privilege to speak because this is the first child care Bill to be considered by the House, as I think the Secretary of State confirmed. It arises from the 10-year plan published a year ago at the time of the pre-Budget report of 2004. Like any legislation, it is worth asking a simple question at the outset: why is it necessary? My central case is that it is necessary because it explicitly sets out the state's responsibility for child care provision in statute for the first time. It strikes the right balance between the responsibilities of the

[Edward Miliband]

Government, who need to plan provision at local level, and the role of voluntary and private sector providers, which other hon. Members mentioned.

I want to argue that the Bill is, first, necessary on the grounds of equality; secondly, justified by considerations of efficiency—in particular, an analysis of the child care market and its imperfections; thirdly, necessary given the progress made since 1997 and the lessons that we have learned about child care and child care policy; and, fourthly, right in its choice of local authorities as the body responsible for planning provision and for being accountable to parents.

The first argument for the Bill is on grounds of equality—the need for more equal life chances for children and equal access to the labour market for women, who tend to be primary carers. Labour Members believe that although parents have the primary responsibility for children, it is, as Beveridge said 60 years ago,

"in the national interest to help parents discharge that responsibility . . . "

Today, we know from research that life chances are shaped not at four or five, as we used to think, but much earlier in life, with the differences apparent at 22 months. We know that the right kind of intervention—Sure Start and other policy measures—can make a difference, which is why it is right that clause 1 sets out a new duty on local authorities not just to improve children's well-being but to reduce inequalities, as my hon. Friend the Member for Bishop Auckland said.

The case for the Bill is also based on the dramatic transformation of the role of women in the labour market. Fifty years ago, just one third of women worked; today, more than two thirds do. In the context of that change, the role for public policy is to give parents and women in particular real choice, so that they can both be at work but also have time off after the birth of a child, so that they can work part-time, and so that some can choose to work full-time and have the child care available when they need it.

The hon. Member for Reading, East said in his interesting remarks that the Government were forcing women out to work. Perhaps I can be so bold as to suggest a bit of homework. He should look at the 10-year strategy on child care. Chart B7 on page 77 makes it clear what has happened to the position of mothers with children under five. In 1990, less than 50 per cent. of them were in work. By 2001—in just 10 years—nearly 60 per cent. were in work. The Labour Government did not force them to do that; it is mothers who want to do that.

A large amount of bunkum—I hope that that is not unparliamentary language—has been talked about how the Government favour forcing women out to work and do nothing for mothers who want to stay at home. The pre-Budget report of 2004 allocated £600 million by 2007–08, around 40 per cent. of which went, I think, on extending paid maternity leave for mothers from six to nine months. That is nearly half the amount of money. Some of it went on the transformation fund and some on nursery education. We are helping to give mothers who want to go out to work a choice, but far from being prejudiced simply in favour of them, we are, within limited resources, helping to extend choices for mothers who want to stay at home.

My second argument is about efficiency. For me, that is the nub of the debate—the essential reason for the Bill. It turns on whether we believe that the market on its own—Conservative Members will be interested to hear this because they are great believers in the market—can deliver the choices that we want for parents and women. In a debate in the House, Lord Lamont of Lerwick, then the right hon. Member for Kingston upon Thames and the Financial Secretary to the Treasury, summed up what was then the prevailing view of the Conservative party. He said:

"if married women want to work and if employers want to employ them, the market will work and employers will pay the necessary wage to encourage married women to return to work."—[*Official Report*, 11 July 1989; Vol. 156, c. 892.]

I welcome the Bill because the initial clauses in particular represent a profound break with that position. I believe that to be right and I want to explain why.

On its own, the market has not delivered and will not deliver. There are three reasons for that. First, there are major gains to our society of child care and education for the under-fives which are simply not priced in the market. Economists, and I count myself as sort of an economist, would call those positive externalities. It makes the case for making child care more affordable, as the Bill will do, than it would be if it were simply left to the market.

For parents, in particular mothers, we know the long-term costs of being out of the labour market for a number of years. Each year of interruption to hourly employment has been estimated to reduce hourly earnings by 4 per cent. The danger for our society is that if mothers are forced to stay out of the labour market, we lose their skills and talents. In the real world, the costs of child care are so high that an individual would have too low a financial gain from work in the short term without the Government playing a role. That is part of the case, which, I am sorry to say, the previous Government never accepted, for a general subsidy for lower and middle-income families—currently expressed through the child care tax credit—for the costs of child care so that the choice of whether to go out to work is real, especially for mothers with young children.

Externalities apply not just to parents but to children. Every additional month of quality pre-school care from the age of two has been shown to improve cognitive performance at the start of school. The country has an interest in promoting integrated high-quality care and education, because that is in the long-term interests of our nation.

There is a second market failure. Perfect markets rely on the presence of perfect information, and in child care there are significant imbalances of information. That is addressed by clauses 12 and 13. It is hard for parents truly to know the quality of their kids' child care settings. In addition, research suggests that parents facing tight cost constraints may not be fully aware of the long-term benefits of quality—hence the role for Government to ensure that the work force are properly trained and to subsidise quality. That will lead to better long-term outcomes and give parents the confidence to use child care if they wish to do so.

The third problem with simply leaving child care to the market concerns availability. In most markets, there are low costs involved in switching from one provider to another, but clearly that is not so in child care, given the disruption faced by children and parents. I regret to say that turnover of child care providers is high. In ideal theory, there are many consumers of and providers of child care, but in many areas of our country that is not the case, so small changes in demand have very disruptive effects. There are real costs and problems in relation to sustainability, hence the need for a role for Government to try to ensure greater sustainability and continuity in the child care market. That is what clause 6, in particular, seeks to do. So the case for the Bill on the grounds of equality and efficiency is clear.

Hywel Williams: The hon. Gentleman posits three causes: market failure, a lack of perfect information, and availability. Does he also accept that there is fundamental structural difficulty, particularly in areas such as mine, because of the imbalance between rural and urban areas? There is unavailability not only because of the features that he mentioned but because the state fails as well as the market.

Edward Miliband: I take that point. I recognise that sustainability and availability are a particular problem in rural areas, which makes the case for giving a proper role to local authorities, as the Bill does.

The third aspect of my case for the Bill is the stage that we have reached in the development of the national child care strategy. Other speakers have rightly drawn attention to the progress since 1997: free nursery education for all three and four-year-olds; more than 500 Sure Start children centres, including those in my constituency in Askern, Bentley and Moorends, which are transforming people's lives; and a child care tax credit, which, as I reminded the right hon. Member for Maidenhead (Mrs. May), reaches 337,000 families at a cost of £900 million, compared with just 47,000 who benefited from family credit. Now we need to move from a much improved patchwork of provision to a durable framework to meet child care needs.

John Bercow: As always, I am listening to the hon. Gentleman's speech with great interest. He posits the scenario of market failure. I cannot resist the conclusion that, in so doing, he is hearing voices against which he is arguing, but those voices are not ours on the Conservative Benches. Put simply, does he accept that, in addition to market failure—I do not disagree with him about that—there is such a thing as Government failure and that that is more likely to manifest itself in circumstances of monopoly?

Edward Miliband: I take the point that Governments can fail as well as markets, but I slightly take issue with the hon. Gentleman's intervention—I should say, in our mutual admiration society, that I have the highest respect for him, too—because I am afraid that what we hear from Opposition Members is not simply a desire for competition and for the private and voluntary sector not to be put out of business, but a gut problem about the state extending its role in this area. They have not really come to terms with that. I should probably exclude the hon. Gentleman from that category, because he tends to have much more enlightened views on these matters than other of his hon. Friends.

Annette Brooke: Does the hon. Gentleman agree that the thrust of the Bill is to make the local authority the commissioner? I am not sure that I entirely see the state reaching out. Areas such as mine are totally dependent on a partnership, because there just would not be enough child care without harnessing the best of the private and voluntary sector. I suspect that the situation is patchy across the country. One cannot make a single statement about it.

Edward Miliband: I am grateful to the hon. Lady for her intervention. I completely agree that we are talking about a new role for the state. The state is the commissioner. Of course there needs to be a mixed economy of provision—I said that at the outset—involving the private sector and the voluntary sector, but I urge her to recognise that there is a big change in the Bill. As my hon. Friend the Member for Bishop Auckland pointed out, it has never been set out in statute that a local authority, or indeed any agency of Government, has a responsibility for ensuring sufficient child care. That is a significant step forward and change. Indeed, I come to clause 6, the relevant clause. This is an important crossing of the rubicon in terms of the state's responsibility for child care provision, from which it will be difficult, I hope, for any Government to resile.

The problem is that parents have never until now had an accountable body to which they can turn. Local democratically elected representatives are the right people to carry out that function. Local authorities have access to information on the ground and are best placed to audit and plan provision. They are also best placed to ensure coherence and efficiency of provision in respect of schools.

There are two key questions about how the duty of sufficiency will work and to whom it will apply. I have made it clear that I believe in a mixed economy of provision, and this answers a point that the hon. Member for Buckingham (John Bercow) asked another hon. Member earlier because clause 8 makes it clear that we will maintain a mixed economy of provision: child minders, nurseries and other provision, provided by the voluntary sector and the private sector, as well as the state.

The hon. Member for Ruislip-Northwood (Mr. Hurd), who is not in his place, raised the concern that the Daycare Trust and others have about the position of non-working parents, and about specifying that duty only for the parents on the child care element of the working tax credit and that that might be too modest. With the kindest respect to Opposition Members, they cannot have it both ways. They cannot say that the problem with the Bill is that it places enormous upward pressure on council tax bills and then say that it does not go far enough in extending provision.

This is a sensible and modest first step. It covers parents going a long way up the income scale. Working hand in hand with the increased limits and the increased proportion of costs payable under the child care tax credit, it will make an important difference. We will have time to assess the duty as it beds down, after it comes into force in April 2008.

[Edward Miliband]

I am pleased also that, significantly, the Bill extends the duty to those undertaking education and training preparatory to work. It would be helpful if the Minister clarified how that will work. I am conscious, from talking to people in my constituency, that funding in this area tends to be quite patchy, and I know that it is not covered by the child care tax credit.

John Bercow: Uncharacteristically, the hon. Gentleman has identified a logical lacuna in his own argument, and in the process was a little unfair on my hon. Friend the Member for Ruislip-Northwood (Mr. Hurd). I put it to the hon. Gentleman that it is perfectly possible for us, without inconsistency, to raise the issue of the cost on the one hand, and possible implications for council tax bills, and to identify on the other hand our concern that parents who are not working will not get the full benefit that they deserve. The issue is who pays for that.

Edward Miliband: I suppose that there is a difference of opinion. I have not had the experience of being in opposition as a Member of Parliament—*[Interruption]*—and I do not plan to experience that for some years hence, but I would have thought that coherence was an important aim for a member of the Opposition. The problem that the hon. Gentleman highlights about the position of non-working parents is answered in part by Sure Start, which makes services available to them. If he is saying that full-time day care should be provided for non-working parents, that may be a step further down the road. I do not think that there are resources available at this point to do that. That was the only point that I was making. I hope that it was not a lacuna and that if it was, he will explain precisely why afterwards.

I want to highlight the issue of quality, to which I referred earlier. It is a great irony that teachers of the over-fives require all kinds of qualifications—there is cross-party consensus on that—while care and education for the under-fives, who are more fragile and vulnerable, and for whom supervision is arguably even more important, have not been seen as a profession in the same way. I therefore welcome clause 13 and its new duty to provide information, advice and training to providers. That is part of the greater professionalisation of the work force envisaged in the 10-year plan which is essential to give parents the confidence of high quality, and which will work in combination with Ofsted inspection and the new transformation fund to improve quality.

The Bill has many other positive aspects but, as I have made clear, the central and important step forward is the fact that, 60 years after Beveridge, we are making the provision of child care into a proper and legitimate duty of Government. That is more than a commitment to resources. In the 19th century, primary education for all was accepted as a responsibility of Government; in the 20th century, secondary education for all was accepted as the responsibility of Government. The Bill recognises that at the start of the 21st century we are embarking—I emphasise the word "embarking"—on a journey down a road on which pre-school provision for all will become a clear responsibility of Government. Labour Members can easily accept that, because we think that Government, working alongside the private and voluntary sector, can help to expand freedom and will not necessarily stifle individuals.

"The welfare state contributes to people's freedom and enterprise. It is people who are secure, that dare to try their wings."

That was said by Göran Persson, the Prime Minister of Sweden. Nowhere is it more true than in child care. That is the ethos at the heart of the Bill. I am glad that the Opposition support the Bill, but the warning to them is that if they will the ends—better child care—they had better support the means, and abandon their previous commitment to reducing public expenditure as a proportion of national income. As both leadership candidates remain committed to a smaller state we can already see contradictions emerging in their position, which we will expose over the coming months. In the meantime, I commend the Bill to the House.

6.42 pm

Hywel Williams (Caernarfon) (PC): It is a pleasure to follow the hon. Member for Doncaster, North (Edward Miliband), who gave a finely argued speech that will probably do no harm at all to his widely advertised prospects. He and the hon. Member for Bishop Auckland (Helen Goodman) both posited that social Darwinism had produced a certain type of education in the 19th century and another type in the 20th. At the dawn of the 21st century, everything is to the good and it all represents progress. The hon. Lady cited the Education Act 1870. The majority of the Welsh working class were literate long before then, having been taught at Griffith Jones Llanddowror circulating schools and Robert Jones Rhoslan circulating schools in the early 19th century. It is pertinent to our debate that those schools were provided without state funding and without any help from the private sector. The state was indifferent, and the private sector did not think that there was any money to be made from teaching the ignorant Welsh how to read.

I welcome the Bill on behalf of Plaid Cymru, and I am glad that part 2 addresses issues particular to Wales. I should like mainly to address the question of rurality, which I have already raised in interventions, as well as issues relating to the Welsh language and the inequalities in child care that arise from those factors. They are largely matters for the Welsh Assembly, but they are relevant to our debate, because part 2 makes particular reference to Wales. The provision of proper child care is important, especially in rural Wales and deep rural Wales, but my argument is pertinent to child care in deep rural parts of England, and other hon. Members may wish to speak about such issues.

Rural parts of Wales have particularly low rates of economic activity and a greater incidence of seasonal and part-time work, as well as casualised work. In some areas, a higher percentage of the work force is female, and the population receives lower wages. All those factors are relevant to consideration of the effect of child care on economic activity, on wages and prosperity, because parents with care responsibilities are much more likely to qualify for child care tax credits. The criteria for such credits are the same in both rural and urban areas, but they are more difficult to meet in rural areas, where there is a lower provision of good child care and where employer-provided child care is almost non-

existent, especially in my constituency. There is therefore greater dependence on informal child care, mainly provided by relatives.

The same regulations apply to the registration of child minders in both rural and other areas, although the circumstances are different as many relatives who provide care do not wish to be registered. Those matters are problematic in rural areas, where there is a corrosive conjunction of low wages, job insecurity, long travel distances and low child care provision, which leads to inequalities within those areas and to gross inequalities between them and urban areas. Child care in the medium of Welsh is difficult to find in both rural and urban areas. At the weekend, I was in Cardiff for the game—I was glad to see Wales beat Australia—and I had a chat with a new mother who was trying to access Welsh-medium child care for her nine-week-old son in central urban Cardiff. She had been told, however, that it was now too late—she should have put his name down before the first scan. She thought that it would be easier to get him into Eton than to access good-quality registered Welsh language child care in the middle of Cardiff. Again, that may be a matter for the Welsh Assembly.

Clauses 22 to 30 are specific to Wales. Many of those clauses replicate the English provisions, but their detailed application is left to the Welsh Assembly. There are practical reasons for doing so, as education, economic development, health and social services are devolved matters. As a member of Plaid Cymru, I cannot understand why the Welsh Assembly or even the Welsh Assembly Government cannot deal with the entire matter, as it is largely non-controversial. However, that may become the case if the Government's proposals on the Welsh Assembly Government's powers are passed. There are, however, important differences between the provisions for England and those for Wales, including the provision for child care in the medium of Welsh.

For too long, the provision of child care has been considered part of family or education policy, or as a women's issue, rather than as a central feature of economic policy. It is such a feature in Wales because of the lower rate of economic activity and the difficulty of accessing child care to enable families to gain a decent income. The fact that it has not been considered so goes some way towards explaining the poor state of provision, which has been marginalised. Historically, low priority has been given to child care, and it compares badly with provision in other countries. The hon. Member for Bishop Auckland mentioned Scandinavia, and various Scandinavian countries immediately spring to mind.

On the detail of part 2, clause 22, as I mentioned, makes particular reference to child care involving the use of Welsh. Clause 23 refers to less restrictive circumstances for local authorities to provide that child care themselves, so that there might be direct provision where it is very scarce. That is highly relevant, given the arguments that I have already made. Clause 26 gives the power to require local authorities to assess child care provision, but that power will lie with the Assembly, as will the terms of the required assessments. I find all those features entirely acceptable.

The provision of child care in rural areas and through the medium of Welsh are the main themes of my remarks. I refer to some research that I commissioned in 2004, entitled "Gofal o Fath Gwahanol"—"A Different Kind of Care", which is an examination of child care in deep rural areas. If any hon. Members are interested, I have copies available. The research showed some unsurprising facts: that self-employment was very high in rural areas—50 per cent. higher in rural areas of Wales than in the rest of Wales, and that 83 per cent. of people in deep rural areas have some knowledge of the Welsh language, compared with 28 per cent. in Wales as a whole. Here we have particular features of requirements for child care, which are specific to deep rural areas.

The research also showed that lack of child care was a problem for 40 per cent. of women in rural areas, and that was particularly the case in respect of Welsh-medium child care. In those areas, part-time work was more prevalent, more people had second jobs, sub-minimum wage work was twice as prevalent, there was more dependence on cars, distances to work and to child care were greater, and there was a lower take-up of benefits. All these features conspire to make it more difficult for people with child care responsibilities—predominantly women, of course—to access child care in order to find the work that the Government are so keen for them to take up. In many ways these difficulties are structural in nature. It is impossible to shorten the distances between far-flung communities, but one can take action to ameliorate the effects of that.

I mentioned the lower take-up of benefits. The research shows that that is partly because of a cultural perception surrounding poverty—it is not acceptable to own up to being poor—and also because of a culture of sturdy independence from the state, which is laudable. That was found not only in my research, but in the Rowntree research published on 2000.

The research that I commissioned was largely participant observation—talking to children and to parents from a local school and a local community from Tremadog and Blaenau Ffestiniog. As I said earlier, there were tremendous problems. There was very little formal provision paid for by the private sector and very little provision from the public sector. But the pertinent point is that families did not see informal and formal care as being proxies of each other. They put them in different categories. They did not think, "Now we will use informal care, and if we have the money and the opportunity, we will use formal care," because they saw them as different things. They considered informal care by families as vastly preferable. They preferred the quality of informal care, a finding that also emerged from research by the Daycare Trust.

People preferred to receive care from family members whom they knew, trusted and loved. The care was provided because of family ties and the love of grandparents for their grandchildren. The grandparents were not looking for registration or for a wage. They were not looking for that sort of payment, but they were looking for an acknowledgement of the cost involved. There is some cost, though it is not great.

John Bercow: The hon. Gentleman mentioned grandparents providing care for people in their own family. Earlier in the debate, the hon. Member for Bishop Auckland (Helen Goodman) said that one way to reduce regulation would be to increase the number of highly qualified people. Does the hon. Gentleman agree

[John Bercow]

that because of their life experience, grandparents might be very well qualified to provide child care not just within the family, but well beyond it?

Hywel Williams: The hon. Gentleman makes an extremely pertinent point. It is interesting that the grandparents did not see themselves in any way as professional carers and were not looking for registration, which would allow the care-giving parents to apply for tax credits. It was not that sort of system. The parents and grandparents did not see the informal care provided by grandparents and formal care provided by the paid-for system or by the state as proxies of each other. We are looking at different animals.

There should be some recognition of such informal child care. It might not be a matter of recognising grandparents as child-minders providing commercial child care in their homes and being assessed by inspectors, but there is a strong case for some sort of intermediate category offering some recognition. That is what parents want. When we asked parents what they thought about making payments to close family members for care, they said they would like to give some recognition. They did not want to employ their parents or their parents-in-law. They would make payments in kind, and they saw that there was a certain cost involved in such payments. We are, of course, talking about low-wage families. That is one of the reasons why I believe there should be an intermediate category between informal and formal care.

The Secretary of State referred to the fact that tax credits are not cash limited. If they are applied for and people succeed, they are paid. Other budgets have a cash limit. Some of the assessments that we made of the potential benefits for constituencies are quite startling. In my constituency, Caernarfon, the tax credits claimed were £600,000 per year in 2004. Should informal care be recognised, that sum would go up to £750,000. That is the order of change involved—about 25 per cent. However, should all care provided by informal carers be recognised at the highest rate, the sum would be £5.6 million. That is a huge amount of value that parents and grandparents put into the economic system, and it is unrecognised. I am not arguing for £5.6 million or anything close to it, but the work that grandparents put in should be recognised in some way.

Echoing the hon. Member for Doncaster, North, there is an argument in terms of efficiency. Nobody has made the point that we depend a great deal on older women to do the caring. As the economy changes and there is more pressure on older women who have not yet retired to return to work, the number of women available to undertake informal not-paid-for caring will inevitable decrease, so that source of care is a diminishing resource.

I shall deal briefly with provision through the medium of Welsh, which as I recognised earlier, is a matter more for the Welsh Assembly. Provision through the medium of Welsh is in some cases non-existent, and in some cases under great pressure. In general, it is grossly inadequate and leads to the very inequality that the Bill is intended to combat.

There is an absolute need for that provision. As an adult I speak English fairly well, although I speak Welsh much better, but many children under three and four do not speak English. In my constituency, about 75 per cent. of the population speak Welsh, and about 90 per cent. of under-fives speak Welsh and no English in their family, yet the overwhelming majority of the small amount of child care is not available through the medium of Welsh. Clearly something is going seriously wrong, so I hope that my remarks are noted in the Welsh Assembly and that suitable action is taken as soon as possible. There is a crisis and there could be great dangers for small children being cared for in that situation.

Some of the issues that I raised are for the Welsh Assembly Government, while some are for the Treasury, in respect of legislation and the payment of child minders, especially in rural areas where neither paid-for nor voluntary provision is available. In large measure, we should be guided by what parents, grandparents and, most obviously, children, want. From the research that I commissioned, it was clear that children love being with their grandparents. I shall not trouble the House with lengthy quotations, but one nine-year-old made some charming and engaging remarks. He said:

"We played outside our grandmother's house in the morning. Then we went for chips and then we went to see 'Scooby-Doo 2'."

He said all that in Welsh—apart from "Scooby Doo-2".

We should be guided by what parents, grandparents and children want, and we should guard against overdependence on a market model that has not succeeded in many deep rural areas. Through the Welsh Assembly Government, we should be looking for much-extended provision in Wales.

7.2 pm

Mrs. Madeleine Moon (Bridgend) (Lab): As a Welsh Member, it is with pleasure that I carry on the Welsh theme from the hon. Member for Caernarfon (Hywel Williams). Listening to various speakers in the debate—the right hon. Member for Maidenhead (Mrs. May), my hon. Friends the Members for Blackpool, North and Fleetwood (Mrs. Humble), for Stockport (Ann Coffey), for Bishop Auckland (Helen Goodman) and for Doncaster, North (Edward Miliband), the hon. Members for Wycombe (Mr. Goodman), for Mid-Dorset and North Poole (Annette Brooke) and for Reading, East (Mr. Wilson), followed by two speakers from Wales—it is clear that across the country we are united, which is fairly unique in the House, in seeing the Bill as critically important for children. It is their futures, their care and their experience that we are debating. We are deciding how they are to be valued, protected, nurtured and supported. Those issues must be central to all our child care provision.

We are united in agreeing that the Bill is important to parents. There has been agreement that the chance to take up education and training is important for parents. There has been a recognition that child care gives many parents with mental health problems or depression the opportunity to take a break—a point made by the hon. Member for Mid-Dorset and North Poole. Child care is important for people who need to raise the economic status of their family and, by having two working parents, to tackle the poverty and deprivation that they face.

The hon. Member for Reading, East noted the importance of the Bill to employers. We must recognise that it is impossible for a company to fulfil its potential for growth and quality unless its work force are able to pursue extended education and training and can give a commitment to work, without anxiety about the safety and security of their children.

This week, I read an amazing statement in *The Observer* magazine. Billy Killington, a 61-year-old porter at Covent Garden said:

"You would have to be mad to be a racist nowadays. What on earth would be the point? It would be like banging your head against a brick wall constantly."

Racism has not disappeared, but Billy was recognising that the world has moved a long way from when racist attitudes were the accepted norm. Similarly, employers are waking up to the fact that addressing child care and work-life balance issues is critical to keeping a loyal, skilled and experienced work force. They are beginning to see that child care responsibilities are no longer a barrier to employing women. I thus look forward to hearing a future Billy voicing a belief that had become equally rooted in our society—that we would have to be mad not to see flexible, quality child care as critical to the future of children, marriages, employers and Governments. We have started some of that debate today and we should feel intensely proud of that.

The Bill is important for government at every level. In Britain, we have the highest employment rate ever and the longest period of uninterrupted growth in modern history. Growth and stability are enjoyed by the majority, not just a few get-rich-quick kids in the City. If we are to build a modern Britain, prepared to face the economic challenges from China, India and America, we need to invest in a society where every citizen matters and where work pays and people are equipped with the skills and support they need to engage fully with our challenging and changing world. That means providing the quality child care that Members have talked about many times today: meeting the needs of parents, children, employers and Government.

Like other Members, I particularly welcome aspects of the Bill. I welcome the responsibilities placed on local authorities, especially to provide child care for working parents on low incomes; to promote the provision of child care generally; to target child care for parents with disabled children; and to inform, advise and assist parents and prospective parents. The lady to whom the hon. Member for Caernarfon referred would thus be able to book her child into the appropriate Welsh language play scheme the minute she found out the result of her pregnancy test.

Thanks to the Government's management of the economy, people in my Bridgend constituency are generally more affluent, more socially and geographically mobile and better educated. Probably only one other Member has read *The Western Mail* today. A front-page article tells us that the Welsh economy is approaching a boom period, with indicators of continued expansion. That bodes well for my constituency, despite unemployment of a mere 3.8 per cent., with 1,500 people registered unemployed, 800 of whom are women. We have 18,000 women working: 83 per cent. are working between 10 and 44 hours a week, and 44 per cent. work between 35 and 44 hours. There are 6,900 families receiving child and working tax credits, which has helped many of them out of poverty and into work. I have to admit, however, that the wrap-round, sustainable and affordable child care that is essential if we are to compete for jobs in the promised boom period and face the future as a modern, progressive area is not as widely available as I want.

We have been helped by such things as the excellent Sure Start programme at North Cornelly, which has made a huge difference to local families. Cornelly children's centre is a bilingual, integrated centre, which opened last April, although the formal opening will not take place until next year. The head teacher told me that it had made a huge difference to the community. From the baby club for newborn infants, mother and toddler groups, playgroups and the two nursery classes, children have the opportunity for stimulation and education from birth until they join mainstream schooling. Classes also operate to encourage parenting skills and to equip parents for a return to the workplace. The centre will officially open in March 2006, but parents and staff are all agreed that that new resource is already making an impact in an area of social and economic need. Like people in the rest of my constituency, that head teacher will welcome the roll out of Sure Start centres in other communities.

Three common denominators face all parents when they are looking for child care, the first of which is finding it. We have acknowledged today that we must expand provision. That is why the Bill has been introduced—to encourage the growth and development of child care. The second denominator is funding, which, again, has been covered extensively in the debate. There is also the fact that, once one's children are of a certain age, ensuring that the care is acceptable to them can become complex. The parent may want to keep their child in child care, under the supervision and support that they like, but that may not be necessarily what the child wants.

In Bridgend, we have the Genesis project, which promises a new beginning for parents and children. The project will enable 700 parents to overcome barriers in learning new skills or returning to work. It also aims to create 900 additional child care places in two and a half years.

For the older children whom I mentioned earlier, we have 17 before and after school clubs, which support parents who work the traditional 9 to 5 hours. My hon. Friend the Member for Stockport (Ann Coffey) talked about the importance of providing child care that support those who work shift patterns. I appreciate the importance of that. Covering Kenfig Hill, Pyle and North Cornelly in my constituency, the wonderful KPCY project, standing for Kenfig Pyle community youth, helps those parents who face the nightmare of finding child care and support outside the 9 to 5 provision. The scheme was recently named as the national lottery's most inspirational project working with young people in the UK. It provides a secure and safe environment—the sort of environment parents dream of.

There are 700 registered members at KPCY, who call in at different times depending on their interests and needs. The majority of those in the project are eight to 16-year-olds, including those at risk, or who have become disaffected and hard to engage. Since its opening, there has been a 60 per cent. cut in crime.

[Mrs. Madeleine Moon]

However, that project is due to close in January because, despite the hard work of parents and staff at KPCY, it cannot raise the funds to continue the core funding that will be critical once the project loses its national lottery funding.

We had a meeting at which the local police constable talked to politicians and community leaders about how critical it was that KPCY did not close. She spoke movingly of Helena Porobich, the local lady who set the project up after her child died as a result of a drugs overdose.

The police constable went in one day to see how things were going at the project. She saw Helena go over to a child who had come in, opened his bag, got his school books out and was starting to look at his homework. Helena said, "Have you eaten yet?" The child replied, "No, mum's in work." Helena said, "Well, you're not doing that homework with an empty belly." She went into the kitchen and cooked that child a meal.

That is the sort of flexibility that the hon. Member for Buckingham (John Bercow) talked about. That is the sort of flexibility that I have in my constituency and that I am about to lose. I am particularly pleased about the power for local authorities to assist and to make arrangements for the provision of child care. My local authority currently puts no core funding into KPCY. I hope that the Bill will encourage that sort of funding to be made available.

John Bercow: I agree that that is an example of precisely the sort of flexibility that we want to see and need to have guaranteed. Taking the argument one stage further, does the hon. Lady accept that another example of such flexibility would be ensuring that there is provision, either for the whole day or just a segment of it, for an unemployed parent who wants to maximise her skills by retraining and going on an adult education course, or for someone who, dare I say it, is just going off for a couple of hours for a work interview?

Mrs. Moon: The hon. Gentleman will be pleased to know that that is exactly what the Genesis project provides. It is expanding across Wales. Let us hope that, for once, we will send the project over the border—over the Dyke, as we say in Wales—to England.

I would like to look at the issue of children with disabilities. Much of what I planned to say has already been said by my hon. Friend the Member for Blackpool, North and Fleetwood. Like me, she is aware that families with children with disabilities are one of society's most disadvantaged groups: 55 per cent. live in poverty or are in serious debt. Parents and children suffer loneliness and social isolation.

As hon. Members have said, there are 770,000 disabled children in the UK, and there are 46,500 in Wales. Every day, 75 children are born or diagnosed with disabilities. Having come from a background of working in social care, I am conscious of the fact that, when working with children with disabilities, social services departments and education departments perhaps focused a lot on the disability. What they forgot perhaps was the child's need for fun, for friendship and for normality.

The majority of disabled children live at home, yet because of a lack of child care, their mothers are seven times less likely to have paid work, although disabled children cost three times as much to raise. Confined to their homes, disabled children are missing out on opportunities for learning, having fun and making friends.

Again, Bridgend is leading the way. I invite hon. Members to come to see our Y Bont project. I promise them that they will be amazed. It is a model of best practice in the provision of care and support for children from the age of six weeks to pre-school. Y Bont provides support and information to parents and carers and high quality training to staff and to local playgroups catering for children with disabilities, with which it shares its toy library facilities. My hon. Friend the Member for Bishop Auckland (Helen Goodman) spoke of the provision of toy library facilities.

Y Bont is a registered charity and survives thanks to rigorous fundraising and local commitment to its invaluable service. We know the quality that we have. We are desperate to keep it, but it provides for only 12 children. It needs to be expanded and I hope that the Bill will allow for that.

We have said that local authorities must be flexible in their provision of child care. Child care must be looked at holistically, so that there is provision for different working patterns and provision that ensures that, for example, if a disabled child needs to attend school both before and after normal school hours, the transport arrangements and child support arrangements are in place. Many children with disabilities are restricted in the activities that they can engage in after school because the paid, one-to-one support that they have during the school day is removed the minute the school ends. They cannot then engage in the social activities that are critical to their having the normality that their school peers enjoy.

Transport arrangements must be not only flexible but secure. When tendering for school transport, my local authority circulated to more than 100 taxi companies the names, addresses and pick-up times of disabled children in my constituency of Bridgend and in the constituency of my hon. Friend the Member for Ogmore (Huw Irranca-Davies), placing numerous children at risk. When making child care arrangements, local authorities must be mindful of the need to ensure that all aspects of the care have in-built flexibility and meet the most rigorous child protection standards. My local authority certainly failed to do that. If we are to build in flexibility, there must be guidance for local authorities on tendering for school transport.

Access to information can be a barrier to good-quality child care, and we know that access to information is most difficult for those living in poverty. In areas where children are most likely to live in poverty, parents are least likely to have paid work and, consequently, have the least assistance to get out of poverty.

Bridgend county borough council's children information service is excellent. I invite hon. Members to look at its website. It has a specific area for child care and children's issues. There are leaflets and other very good attempts to engage with communities. I attended two excellent fun days held in the recreation centre.

Families were bussed in from outlying areas to spend time meeting and talking to representatives of the whole gamut of child care provision that is available throughout the county borough. We need such practices to be rolled out throughout the country.

One of the most important aspects of which we must be aware today is the great expectations that are being raised by the Bill. As politicians, we must be aware of the danger of a gap developing between the promises that we make and the expectations that people will have outside the House. The commitments laid out in legislation must meet the day-to-day reality faced by parents and children. Parents' expectations following the Bill will be high. We cannot fail them or their children.

The clear message of the Bill to parents, children, employers and all levels of government must be that children are vulnerable unique individuals for whom only the best will be good enough. The Bill places a responsibility on local authorities to spearhead the growth in the availability of child care.

I shall conclude with a reference to the Genesis project, which I mentioned earlier, and its aims. The project will work alongside parents to help them to explore long-forgotten hopes and aspirations and to provide guidance and support to help them to achieve their hopes and build a brighter future together. That is what I see the Bill offering throughout the United Kingdom. I commend it to the House.

7.23 pm

Mr. David Evennett (Bexleyheath and Crayford) (Con): I am pleased to participate in this important debate. It has been of a high calibre and there have been tremendous areas of agreement between hon. Members on both sides of the House, which is important. I am also pleased to follow the hon. Member for Bridgend (Mrs. Moon), who made a serious contribution. I listened with great interest to what she said about her constituency and about expectations. I endorse what she said. We must always be realistic. We must not raise expectations too high and then not meet them. If we did, we as politicians would be criticised in the media and by parents and others who depend on child care. The hon. Lady made a very good speech.

Child care is a great concern in my constituency. Regrettably, many men and women have had to come to my surgery or write to me to say that, although they want to return to work, they cannot find the necessary child care. Either they cannot afford the costs of the existing provision, or they cannot get their child into the child care that they think the child needs. That very serious issue should concern us all. It is therefore opportune for all of us to consider ways in which to improve and increase child care provision but, as many hon. Members have said, we must do so with quality as a top priority. We are talking about quality for our children and for the future.

It is also very important that child care be affordable. In today's society, the cost of child care can be prohibitive for people who want to go back to work. If we do not make changes, society will suffer and the children will suffer, which is why this is such a serious issue for us all to debate and concern ourselves with.

I welcome the speech of my right hon. Friend the Member for Maidenhead (Mrs. May), which was excellent, moderate and constructive as usual. She was also very positive. Something that has come out of the debate is that we are all positive about going forward. My hon. Friend the Member for Buckingham (John Bercow) made some very helpful and interesting contributions and interventions, which shows his commitment. We listened to him with interest. That said, Opposition Members have concerns about the Bill, which I would like to develop later in my short contribution.

I also pay tribute to the hon. Member for Mid-Dorset and North Poole (Annette Brooke), who made a thought-provoking and measured speech. I did not agree with all of her contribution, as she would expect, but I agree with her comments on disabled children and their parents, an issue that the hon. Member for Bridgend also highlighted. It is a great concern that parents of disabled children do not find it easy to get the necessary child care, either because of cost or because of their special needs.

In my constituency, there are mothers of disabled children who would like to return to the workplace but simply cannot find provision of satisfactory quality, where they would be happy to leave their children and which has the necessary facilities. We should all be considering this important issue to ensure that such child care provision is dealt with satisfactorily.

I welcome the Bill in principle, because I am a strong supporter of the aims of providing quality and affordable child care for working families. Therefore the general thrust of the Bill is to be welcomed. An increase in provision and greater access to child care must be priorities in today's society. Life today is more hectic. More men and women want to return to work whenever they can. When they have children, they obviously want the best for them, but they also want to get on with their careers, because that in itself can help their children. We heard from some hon. Members that in today's society, in which people have children later in life, they may have young children and be responsible for elderly parents at the same time. Life is demanding now for people. At the age when many people now have children, they often have elderly parents to care for as well.

Choice and opportunities are two issues that have come up in several contributions from Opposition Members and Government Members. We passionately believe that there should be choice and that people should not be forced into just one form of provision. Parents should have a choice and feel comfortable. Some of the Secretary of State's comments seemed to suggest that there was a greater emphasis among Government Members on one type of opportunity and less choice. I do not think that she meant that, or least I hope that she did not, because choice and variety of provision make the situation better for parents. Parents can make a choice about what they think is more appropriate for their children.

As I said in an intervention on the Secretary of State, child care costs are very high. We hear that costs in this country are probably among the highest in western Europe. They are prohibitive for certain people, particularly those who are returning to low-paid jobs. In London—my constituency is in south-east London—the costs are particularly high and are out of reach of

[Mr. David Evennett]

many people on low incomes. Many parents are therefore forced to stay at home and look after their children—which might not be the best thing for them or for their children—because they cannot afford to pay for the child care that would enable them to go back into the workplace.

I am also concerned at the fall in the number of playgroups, pre-school places and childminder places in Greater London. Such schemes all offer parents greater choice. Many private and voluntary sector child care places have also closed, and that is regrettable. The Conservatives want more choice to be available to parents, and we would like to see more work being done with business and the voluntary sector to provide more affordable child care places, more childminders, more workplace nurseries and more clubs for older children.

John Bercow: I agree with what my hon. Friend says about workplace nurseries. Would it not be sensible to consider tax incentives for the provision of such facilities? If the Government were worried that that might represent a dead weight cost, or that it might be an imprudent use of public funds if relatively well-off companies were to take advantage of such an opportunity, might not a way round that be to incentivise businesses to provide workplace nursery places for low-income employees who might not otherwise be able to benefit from them?

Mr. Evennett: My hon. Friend makes a sensible point, as he usually does on these matters. We should consider tax incentives, because they would encourage an increase in provision. If we are serious about increasing provision, we must consider all the available opportunities, and not just focus on a narrow few.

There has been much debate today on the duties of local authorities in England and Wales. Those authorities will have to secure, as far as is practical, the provision of child care to meet the needs of parents, and that is welcome and encouraging. However, giving local authorities more powers and responsibilities raises the question of cost. The Secretary of State did not really answer our questions on that earlier, and I hope that the Minister will look a little harder at the issue. No extra money is being provided. The Government have said that they have put adequate money aside, but other duties will be required of local authorities, including advice and assessment and even the provision of child care. They do not know how much that is going to cost, having made their assessment, or how much child care they are going to have to provide, but there will be an increase in cost.

Any such increase would worry my constituents. If the Government are not providing extra money to pay for the extra responsibilities, will council tax payers have to pick up the bill? My local authority, Bexley, has already had a 35 per cent. increase in its council tax over the past three years, and that has hit people hard, particularly people on low incomes with families, pensioners and people on fixed incomes. If the local authority had to increase the council tax to provide the additional services required by the Bill, it would probably hit hardest those who could least afford it, and that worries me. The Secretary of State did not give us enough reassurance that that would not happen. A further problem is bureaucracy.

As a former teacher and lecturer, I have some concerns about the educational aspects of the Bill. Parents are the primary educators. Of course, we need to help them, but we should not dictate to them. They generally know better than Governments or bureaucrats—or supposed experts—what is best for their child. However, the Bill feels somewhat prescriptive. The Government like rules and regulations, and it worries me that the Bill contains new rules that dictate how infants should communicate, use language and literacy, and so forth.

Childminders and nurseries will have to teach the early-years foundation stage curriculum from birth to three years old. Ofsted will come along to check that the children are developing according to Government policy, and the Department for Education and Skills will be in control. That worries me, because children in their early years should be encouraged to learn through enjoyment and to develop at their own pace. They need to zone in on their social skills by co-ordinating, talking and sharing. Every child will develop to a different level and a different ability, as my hon. Friend the Member for Buckingham said earlier. It worries me that the Bill is so prescriptive about the level of educational involvement. Older children should certainly have formal education, but a more detailed curriculum is inappropriate for children in their early years. Parents, not Ministers, know best how to bring up their children. Of course we want more child care places, but we want to give parents the ability to superintend their child's development.

Mark Williams (Ceredigion) (LD): Perhaps it would be helpful to reiterate that the word in the Bill that is giving many of us a problem is "taught". I, too, am a former teacher, and I think that the phrase that we are looking for is "structured play". That would give the children the opportunities that they need. I suspect that that is covered by the Bill, but the phraseology of the provisions gives us cause for concern.

Mr. Evennett: I totally agree with the hon. Gentleman that what is needed is structured play. We want our children to develop to maximise their potential; we do not want to teach or control them at that stage.

Mrs. Moon: I have listened to this argument throughout the afternoon, and I think that hon. Members are making a mountain out of a molehill. We are talking about parents educating their children, but this is also about, for example, children pouring water into jugs and seeing how much water goes into them. That is education, but it is also play. It is about children playing with sand, and getting paint all over their fingers. That is play, but it is also education. We must remember that we are talking about the same thing.

Mr. Evennett: I very much hope that we are, but I have a niggling feeling that the Bill is proposing something more structured. If it is not, of course we would welcome it. The hon. Lady is absolutely right: play is education, and the two go together. However, the phrasing of the Bill contains a hint of more formal instruction, and that

worries me. I would be grateful if the Minister would tell me if I am wrong, but the wording does place a question mark over this issue.

John Bercow: This theme has percolated much of the debate. I confess that I am much more sanguine about the provision than some of my colleagues, many of whom have focused on the word "taught". I am keen to close down this part of the argument, and I would like to suggest that the real problem in clause 41 lies in its use of adult language to describe things that we hope very young kids will be able to do. We are not seeking to create mini-intellectuals, but the problem lies in the Bill's use of such phrases as

"knowledge and understanding of the world"

to describe circumstances applicable to nought to five-year-olds.

Mr. Evennett: Time will tell on that one. I am sure that this issue will be discussed further when the Bill goes into Committee.

I am a great supporter of grandparents. When my children were young, my parents and parents-in-law were a tremendous help and support to my wife and me, looking after the children and taking them out. Unfortunately my parents-in-law are now deceased, which is a great sadness. Peggy and Ron Smith did a tremendous job for us as grandparents, though, and I welcome what grandparents do. I shall continue to stress the value of grandparents as child minders, and the fact that we should not write them out of the equation—not that I am suggesting that the Bill does that.

The Bill has potential. Some aspects still need to be addressed, but I think we have overcome the earlier to-and-fro of the debate. It was suggested that Conservative Members were not concerned about child care, or wanted to turn the clock back. That is ridiculous. We want to move forward. We are positive and enthusiastic: we want to give people more choice, and to allow them to return to the workplace in the knowledge that their children are being looked after well in an environment that is conducive to both education and play.

We must always consider the needs and interests of the child. We must bear in mind what is best for children, while also thinking about what is affordable and appropriate for parents. Parents must have a genuine opportunity to decide what is best for their children. None of that will be achieved through bureaucracy. Shortage of funds and uniformity are issues to be borne in mind. I glory in diversity, because I think that that is the best way of securing the best possible provisions.

I hope that the Government will take account of our concerns, because they have been expressed in a positive spirit with the best interests of society in mind.

7.41 pm

Dr. Roberta Blackman-Woods (City of Durham) (Lab): I support the Bill, and I am pleased to follow the hon. Member for Bexleyheath and Crayford (Mr. Evennett), who I think welcomed it broadly as well.

For decades, my hon. Friends and I have campaigned for decent child care. The Bill brings that ideal one step closer. Nothing is more important than investing in our children's future. The Bill is intended to support families, particularly parents who wish to work or undergo training, and to enable them to take such action safe in the knowledge that their children are being well looked after. It builds on the significant amount that the Government have already invested to support hard-working families with, for instance, extended maternity leave and extended paid maternity leave.

Since 2003, parents of children under six or disabled children have had the right to apply to work flexibly and to have that request considered seriously. Paid paternity leave has also been introduced. Moreover, as was pointed out by my hon. Friend the Member for Blackpool, North and Fleetwood (Mrs. Humble), for the first time adoptive parents have been given rights to adoption leave and pay. The Government have invested in Sure Start centres, which are intended to provide excellent child care in a multi-disciplinary setting and a range of services to support young children and their families in our most disadvantaged communities. That programme is being extended, and a pledge has been made that there will be a children's centre in every community by 2010. I applaud that.

An important framework of support for all parents, catering for a wide range of needs, is already in place, but the Bill aims to go further. Under the present Government more people are in work, and that can have beneficial effects on children. Children with working parents are less likely to live in poverty, more likely to do better at school and less likely to become disadvantaged adults. A variety of Government policies and initiatives have been devised with the aim of enabling parents to enter and remain in employment, from the new deal to in-work financial support and extended nursery provision—along with, of course, many opportunities for learning and skills development.

When we consider the employment patterns of families with dependent children, the need for more good-quality child care is obvious. According to data from the Office for National Statistics and on labour force trends, in 2004 most working-age families with dependent children included at least one parent in employment, and half of them included two parents in employment. When only one parent was employed, it was usually the father. Couples with pre-school-age children were much less likely to be dual earners than those with school-age children, and couples with three or more children were less likely to be dual earners than those with one or two children. That may indicate a need for more flexibility in child care provision.

Employment rates among parents have increased steadily in recent years. That upward trend reflects increases in both full-time and part-time employment. Over the 10-year period up to spring 2004, employment rates for couple mothers and lone parents with children under five increased by eight and 12 percentage points respectively.

The need for high-quality child care is clear. As I said earlier, a good start has been made with Sure Start, extended schools and the local focus on "Every Child Matters", but more needs to be done to implement the Government's 10-year child care strategy. Many families have difficulty in finding affordable child care that fits their circumstances and is flexible enough to meet their needs. Services that seek to support families with young children can be disjointed and lack

[Dr. Roberta Blackman-Woods]

effectiveness. The complexity and inconsistency of the current inspection regime sometimes makes it difficult for parents to secure the assurances that they expect about the quality of the provision on offer.

The Bill attempts to deal with those problems, and to implement the child care strategy further. It should be given credit for building on current public service agreement targets in giving local authorities a new duty to improve the well-being of young children in their areas, and in particular for introducing the requirement for gaps to be closed between the most deprived groups and the better off. That emphasis on tackling inequality is hugely welcome. I urge the Secretary of State to use the powers conferred by the Bill to set targets for the reduction of inequality if they prove necessary.

The new duty imposed on local authorities to secure sufficient child care for working parents is welcome. I explained earlier why that is so necessary. The extended duty to ensure that parents have access to information about services and facilities for children and young people is also a positive step. Moreover, a more robust and appropriate inspection regime is being introduced. Many Opposition Members have spoken of the need to provide quality child care, but we cannot be sure that we are delivering quality child care without a sound inspection regime. That is what the Bill aims to provide.

Local authorities will have a duty to assess all child care provision within a year, and subsequently once every three years. That will be necessary to ensure that provision is adequate, and to test the role of the public sector in the delivery of child care.

A number of measures in the Bill are welcome. There is substance on which local partnerships can build—and, as many of my hon. Friends have said today, there is much on which to build: 525,000 new child care places, nearly 1,300 more neighbourhood nurseries, and nearly 600 children's centres have been provided since the Government came to power.

Let me end by describing a visit I made some weeks ago to a nursery facility at Witton Gilbert school in my constituency. It is a partnership between the school, voluntary sector and local parents, delivering nursery provision at its best, with excellent and committed staff, extremely well resourced facilities and a sound mixture of structured and free play. I had a truly wonderful experience, and I had not realised that I would need skills in sand and water play and storytelling as an MP. It was really pleasant to sit down with the three-year-olds and have free milk and fruit—restored by this Government and disgracefully removed by the previous, Conservative Government, who obviously put the needs of very young children to the bottom of their agenda. That excellent facility also complements two new Sure Start centres in my constituency. If the right hon. Member for Maidenhead (Mrs. May) and the hon. Member for Mid-Bedfordshire (Mrs. Dorries), who is not in her place, are really not certain about the benefits of Sure Start, I invite them to come to see what is being achieved in my constituency. Those centres are not only giving valuable opportunities to disadvantaged children but helping their parents with parenting skills, training and routes to employment. Importantly, they are also giving essential support to grandparents who provide care for their grandchildren.

As a young student some time ago—I will not say how long—I carried out a comparative study of pre-school provision and the quality of pre-school provision in a range of European and western industrialised countries. Much to my dismay, Britain came bottom of the league table on almost every indicator of child care provision. We had pretty good child care facilities in this country during the second world war and shortly afterwards, but successive Governments failed to invest in child care, so we ended up at the bottom of the league. Thanks to this Government, who have invested in child care, we are now nearly at the top. This Bill should help us to build on the excellent record of the Government so far. We all want excellent child care, such as that in Witton Gilbert in my constituency, to be available to all young children. I therefore urge Members to support the Bill.

7.52 pm

Kitty Usher (Burnley) (Lab): I welcome the Bill, which, I believe, encapsulates the heart of our party's values—to aim to break the link between people's income and their opportunities. The Bill will benefit children through a more structured curriculum, better protection for the very young and extended hours proposals, but will also break the link between income and opportunity for those adults who wish to enter the work force but who have so far been prevented from doing so. It is heartbreaking to be told by someone that they want to work but cannot afford the child care, or, in extremis, as I once heard in my constituency, that they want to go to a job interview in order to work but cannot afford the child care to do so. As a result of the Bill, both those occurrences will be less likely. I am proud to follow my hon. Friend the Member for City of Durham (Dr. Blackman-Woods), whose advocacy of the Bill was intelligent and wide-ranging.

During the opening speeches, some Opposition Members—I apologise for not having been present for the entirety of this afternoon's debate, due to my Select Committee commitments—tried to imply that the Government are introducing this Bill to force parents to work. That is not my understanding. The Government will support all parents as they make their own choices about how best to balance work and family commitments. They understand, as I do, that different people will want to work in different ways at different stages of their life. The Government's job is to make those choices easier.

Let us not beat about the bush. In the past, and unfortunately even now, choice in terms of child care has been a middle-class preserve. If one has a higher income, it is easier to pay to have one's children looked after if one wishes to go back to work than if one has a lower income. Much of what the Government are trying to do is to extend that type of choice to all families. I believe that this Bill will do that.

I welcome the new duty on local authorities to assess the type of child care available in their areas, and to provide more child care through whatever means they consider most appropriate. I note that the Bill is not the vehicle for discussing finance, and that the spending review is the best place for that, but I want to put it on record that the Government are already making a huge investment in various types of child care through free nursery places, funded Sure Start schemes expanding into children's centres throughout the country, the child

tax credit and child care tax credit. I would be interested to hear whether the Conservative party can confirm its commitment to both those tax credits in the wind-up to the debate. Once the supply of places is increased under the new duty on local authorities, the Government will, in effect, indirectly subsidise the demand for those places through our tax credit system, which aims to help precisely those people who have been unable to afford to go to work when they have wanted to do so previously.

I notice that the duty on local authorities will be to increase child care supply as far as is reasonably practicable. Can the Minister give some more examples of what "reasonably practicable" will be interpreted to mean? Can a local authority say, for example, that it has other priorities or does not have the finance available? I hope that that is not the case.

The Bill builds on Sure Start, which has been one of the most important programmes introduced by the Government. Constituents have said to me that they are surprised that politicians introduced such a programme, because it will be a long time before its effects are felt. To the right hon. Member for Maidenhead (Mrs May), who implied that its effects have not yet been proven, I would say that that is the case almost by definition, because it will be a long time before there is an economic impact. My understanding, however, is that there is a great deal of evidence to show that young mothers who benefit from Sure Start are more likely to quit smoking, access training courses and go into education and then employment if that is what they want, and that both their mental and physical health have been improved. In my constituency, the same applies to some dads, too. I very much welcome the Government's commitment to build on that and to expand the number of children's centres.

I want to share with the House one anecdote from my constituency. When I was campaigning and canvassing in the general election only six months ago, a person who is now my constituent said to me that they would not vote Labour because they could not access their Sure Start programme as they lived just outside the geographic boundary. I had to explain that Sure Start would not exist were it not for a Labour Government, and that our plans were to expand it sufficiently so that every community had a children's centre. Let us make sure that we do not lose the fantastic reputation that Sure Start has, and that we keep the brand. Some people working in Sure Start centres seem to think that it will be replaced, whereas I understand that the opposite is true and that we will build on it.

I welcome this Bill, which is overdue. It will be long-lasting and will have effects not only on our children, but, I hope, on our children's children. I hope that it can be supported on both sides of the House.

7.59 pm

Tim Loughton (East Worthing and Shoreham) (Con): I am delighted to be addressing such a packed House at this time of the evening. I feel that the general consensus that was breaking out at one stage has shortened this debate, which has been a good one with well-informed and weighty contributions from both sides of the House.

We started with the Secretary of State, who I am sure has been scuppered by the time adjustment this evening, talking about the £17 billion extra that has gone into child care. She was being a little disingenuous. It would be interesting to know how that figure extrapolates, because a large part of that money is wound up in the additional funding going into Sure Start, which we have supported. We said on numerous occasions before the election that we would ring-fence that money.

Contrary to what the hon. Member for Doncaster, North (Edward Miliband) said, we are the only party since 1997 that has held debates on children's matters in this Chamber. The Government have never held a debate on children's issues in their own time. In those debates and at questions we said that we supported Sure Start and would protect its funding, although we had ambitions to change some of its emphasis.

It is rather disingenuous for the Secretary of State to claim that there are no new unfunded costs attached to the Bill. The Bill contains a large number of directives to local authorities to ensure the sufficient provision of child care, to carry out assessments, to facilitate training in order to bring about the big increase in staff that is needed and to provide information. All of that will have costs attached to it.

As the hon. Member for Mid-Dorset and North Poole (Annette Brooke) rightly said, one of the big issues will be providing the child care work force required to make this Bill a reality. The transformation fund allocation of £125 million will just scratch the surface of what is required to provide training and encourage people into that line of work, as well as giving them the sustainable and decent wages that are all too often lacking now. If we do not get the staff, many of the aspirations within the Bill will not be achieved.

The hon. Member for Blackpool, North and Fleetwood (Mrs. Humble), the chairman of the all-party childcare group, made a well-informed speech, as usual. She mentioned the child care element of child tax credits and their relatively low take-up at the moment. She also emphasised the social care input that is so vital for children in early years. She raised many of the questions that many hon. Members wanted to raise in terms of some of the definitions in the Bill and what is involved in the "sufficiency" description in parts of the Bill. She also talked, rightly, as did many other hon. Members, about the problems of children with disabilities and how a relatively small number of their parents and carers are working parents and carers, with all the difficulties attached to that.

The hon. Member for Stockport (Ann Coffey), who is in her place, made a good point; we need to see some of the regulations as soon as possible because a lot of the detail is not included in the Bill. It is vital that we have sight of at least draft regulations so that, in the discussions in Committee—as well as in another place—we can talk about the realities and the detail.

My hon. Friend the Member for Wycombe (Mr. Goodman), who is also in his place, rightly mentioned the many stresses on parents struggling to bring up children in difficult circumstances and with financial pressures, and said that parental child care does not feature in the Bill, very important though it is. He also mentioned the word "discovery", which is useful in terms of how children develop in the early years and is different from the terminology of "taught", which features in the notorious clause 41, to which we will return on many occasions.

[Tim Loughton]

My hon. Friend also mentioned the costs that will be imposed on local authorities and the potential increases in council tax that may result from that. He also talked about the need to simplify the funding streams attached to certain aspects of child care.

The hon. Member for Bishop Auckland (Helen Goodman) said that the Bill was a real transformation and mentioned that we needed to double the number of child care places. She said that she would be setting up the all-party group of play, which is such an important element of the Bill.

My hon. Friend the Member for Reading, East (Mr. Wilson) mentioned the importance of the family and added that this was a prescriptive Bill in many respects. To give him his due, he gave credit to Sure Start and said that his constituency had benefited from Sure Start projects. Mine has not, because we have no Sure Start project in my constituency even though I have areas of real deprivation. My hon. Friend also said that we needed a level playing field between existing and future providers and cited the issue of differential VAT treatment between private, independent providers and those working through Sure Start.

The hon. Member for Doncaster, North, who is back in his place, spoke in dramatic terms about crossing the rubicon and about the state extending its role. I think he is right and it was very good of him to admit it up front. Some of us have concerns about the state extending its role as a parent when the state's record as a parent is a lousy one, has been for too many years and still is for those looked-after children for whom it has direct responsibility.

The hon. Member for Doncaster, North also mentioned spending. If we analyse the costs attached to the Bill, we see that it is right that we need to spend more, but that spending must be cost-effective and well targeted. The average capital cost of a new nursery place is about £15,000. At the moment, the occupancy rate among the private and voluntary independent providers is about 76 per cent. On the face of it, there are a lot of available places, most of which are described as good quality places that could be used without the considerable capital start-up costs that will be involved in the way envisaged by the hon. Gentleman. We need to have a proper debate about whether the money is being used properly. Much of the criticism of Sure Start projects in the past was that they could not be scrutinised in isolation but must be scrutinised holistically in terms of their effect on other existing providers in those areas where they have been set up. We want to return to that.

Helen Goodman: The hon. Gentleman said that there were many areas with spare capacity. Does he have any sense of which areas those are, and if they are in the same places where there is a shortage of child care places? It is an interesting notion.

Tim Loughton: That is a good point. If one looks at the survey that the National Day Nurseries Association has conducted among a large sample of its members, many of the vacancies are in areas where new providers, heavily subsidised at the front end, are coming in. That cannot make sense and that is why partnership and co-operation, as well as some of the conditions placed on local authorities in determining whether there is a sufficiency of supply, are vital to the Bill. We want more assurances from the Government on that.

The hon. Member for Caernarfon (Hywel Williams) characteristically went on at length and in detail about the problems of providing child care in rural areas and, not for the first time, talked about the shortage of Welsh-medium child care. If he is on the Committee scrutinising the Bill, we may find ourselves talking about those subjects at length, as we have on previous occasions. The hon. Gentleman, in common with many other hon. Members, also talked about the extended family, and he made a good point about the need for some sort of intermediate category between formal and informal child care. There is certainly some merit in that.

The hon. Member for Bridgend (Mrs. Moon) mentioned the problems of child care that affect us all across the country, in particular those relating to disability and the extra costs associated with that. She spoke highly of the Genesis project—a Sure Start project—in her own constituency.

My hon. Friend the Member for Bexleyheath and Crayford (Mr. Evennett) said that the Bill represents a positive way forward. He referred to costs and factors relating to special needs that hold back many women from returning to the work force, but he rightly said that choice has to be an important part of the Bill. The one-size-fits-all model is inappropriate. He spoke about the high cost of child care places, assuming it is possible to find them, in London and also mentioned the importance of children being encouraged and enjoying their development at an early age as opposed to being formally taught. He cleverly managed to sneak in a reference to his in-laws, Peggy and Ron Smith, as we approach Christmas. I am sure that he will be relying on them for cover during the Christmas holidays—and not least for a present, too. I shall perhaps mention my in-laws later.

The hon. Member for City of Durham (Dr. Blackman-Woods) made an interesting contribution about employment patterns, using some of the Office for National Statistics data. She was the only hon. Member to refer in detail to the need to close gaps and to tackle inequality, which is an important aspect of the Bill. She then said that we need to rely on targets to achieve that, which is where we may part company. There are many ways of reducing inequality and we believe that it should start with levelling up rather than levelling down. We will want some assurances about that when we come to debate the detail in Committee.

The hon. Lady also referred to the inspection regime, which is necessary to measure quality. We can tick as many boxes as we like and increase the numbers by as many as we like, but quality is crucial. If they are not quality child care places, we are not doing any service for the children who need them and their parents. The hon. Lady also mentioned the pet Sure Start project in her constituency. It was all going so well until she lapsed into a little partisanship. To mention what happened eight and a half years is no longer sufficient; we have to go back about 34 years to refer implicitly to "Margaret Thatcher, milk snatcher"—all those years ago.

Finally, we had a late entry from the hon. Member for Burnley (Kitty Ussher), who made a very good contribution about breaking the link between income and opportunity and raised a fair point about the need to give choices to a wider range of people. That is what the Bill should be all about.

As I said, we have had a good debate and, to reiterate the opening comments of my right hon. Friend the Member for Maidenhead (Mrs. May), we welcome the Bill and will support it, just as we have welcomed previous child care measures. I was involved in the Children and Adoption Bill and the Children Act 2004. Indeed, we worked together across the House to improve the legislation as it went through its Committee and later stages. I hope that the same will be true of this Bill—that we have a good, well-informed and constructive debate in Committee.

Affordable and quality child care is a subject that is at last coming of age in Westminster politics and, given the significant proportion of our constituents who are affected, that is long overdue. Ahead of the last election, it was interesting that when we produced a manifesto solely on the subject of child care, it generated considerable interest among the Government, such that the Prime Minister had to come forward at that stage and produce his own thoughts on child care. All parties recognise the importance of getting child care right. That has many implications for children, parents, child care providers and children's voluntary organisations now, but, more importantly, getting it right now will have enormous implications for the future social, educational and career development of those children as they grow up.

It is interesting that the under-fives are the only part of the population that is projected to grow by 2012—*[Interruption.]*—by some 4 per cent. to 2.9 million children. It is clearly the sector of population that we should focus most on while the rest of the population shrinks—*[Interruption.]*—in numbers, not in size: ho, ho. I am trying to raise the level of the debate a little. As a recent report from the US National Academy of Sciences found:

"A failure to receive care as a child can disrupt the normal development of a hormone system linked with social bonding which has significant implications for whether children develop into good and responsible citizens."

The Bill should be subject to detailed scrutiny, and we welcome the Government's intention to allow, as I understand it, three weeks in Committee without knives, so we can properly study those proposals that require the most detailed examination. A common complaint across the House has been the lack of detail at this stage. I, for one on the Conservative Benches, have form for criticising legislation that leaves too many of the detailed considerations to secondary regulation and codes of conduct, which are all too often not produced until well after a Bill has passed all its parliamentary stages. I therefore ask the Minister whether the Government will make draft copies of their proposed regulations available during the passage of the Bill either through this House or in the other place, as that would greatly assist our deliberations.

The general principles that we should apply to the scrutiny of the Bill are as follows. First, the measures should maximise parental choice. Whether a parent chooses to send his or her child to a state-run nursery, a voluntary-sector nursery, an independent provider, an extended family member or to leave the child at home if possible, they should not be hampered—and certainly not financially disadvantaged—in doing so. They should choose whatever course of action they believe is most suitable for their own children. As the Pre-School Learning Alliance put it:

"Parents should be supported in whatever childcare choices they make, regardless of their personal circumstances."

The second criterion is one of quality over quantity. It would be detrimental if, in expanding the accessibility of child care places, quality was compromised so that the development of children at crucial early years was prejudiced by inappropriate levels of care from inappropriately qualified providers. Inappropriate day care could make children more likely to suffer from emotional problems. Do the skilled work force exist or will they exist in the next few years in order to provide the quality of care that we are all agreed that we need?

Thirdly, we will judge the Bill on the degree of accessibility provided on a level playing field. There is concern that the Government intend to increase provision through working tax credits only, thereby supporting parents into work. Obviously, we need to help the most disadvantaged families—the result of poverty, disability or whatever—most of all, but many non-working families would benefit from access to additional child care help yet that funding arrangement will not apply to them. Lack of affordable child care is a problem for all parents across all social scales. In any case, the take-up of the tax credit is relatively low with only about 300,000 families currently accessing the child care element of the working tax credit. We need some answers about who else will be able to access the new child care places.

The fourth criterion that we will apply to the Bill is simplicity and transparency. Child tax credit is notoriously complex and bureaucratic and any new arrangements for funding child care should avoid bureaucratic procedures for providers and parents—a point made in the briefing note from the National Union of Teachers.

Fifthly, we need to achieve the right balance. What is the right child care balance between care, education and play; and what is the right balance between family care and paid professional care away from home? The Bill is centred almost entirely on the non-maternal care of young children by paid employees.

Sixthly, another criterion that we shall apply in scrutinising the Bill is one of sustainability. It is no good creating new, heavily subsidised child care places only to knock out perfectly good-quality existing ones. As my right hon. Friend the Member for Maidenhead mentioned, for every two new places that have been created, one has been lost.

The concern is that the advantageous models of capital cost will be paid up front, through various neighbourhood nursery schemes, for child care that is not viable in a financial sense, so that when the funding runs out after three or five years, those schemes' viability will be questionable, even though they have knocked out much of the competition. We need competition, but we need it on a level playing field that is fair to all; indeed such criticisms have been made in the past. So there are many questions that we want the Government to address this evening and during the Bill's later stages.

[Tim Loughton]

Does the Minister genuinely believe that these aims can be achieved without extra funding? The Local Government Association is concerned that extra funding is simply not going to be attached to this Bill, at a time when children's services departments throughout the country are greatly stretched and undergoing significant reorganisation, largely as a result of the Children Act 2004 and the Adoption and Children Act 2002. They are rightly creating new children's services departments and directors of children's services, and new structures for child protection and for greater co-operation between, and working with, all interested parties. Can the Minister be sure that in pushing forward the measures in this Bill, those departments will not suffer from a lack of funding, and from a lack of ability to pay the attention that they must continue to pay to elements of recent legislation that they are still trying to absorb?

According to the interdepartmental child care review, the child care work force needs to expand by some 8 per cent. every year to meet Government targets on child care growth. We need reassurance from the Minister, given the slightly disappointing child care work force strategy that was published in the spring, that the Government are on course to produce those skilled people. Turning to the difference between care and education, and the early years foundation stages innovations, the National Union of Teachers pointed out that there are no initial teacher training courses appropriate for the learning and development needs of children aged from birth to three. Concern has also been expressed about the many other responsibilities placed on local authority children's services departments, which are still absorbing and adapting to recent legislation, as I said.

Can the Minister give us some idea of how we define the Bill's reference to reducing inequalities? Will the definition be very broad? How on earth do we define the various contributions made to society? It was difficult enough to define that in the Children Act 2004; it will surely be much more difficult to define in dealing with children between the age of birth and five. What will be the precise duty relationship between local authorities and their partners? Here, there appears to be some discrepancy with the requirements for co-operation contained in the 2004 Act. What targets are to be prescribed by the Secretary of State, and can we be assured that they will be based on quality outcomes, rather than on the ticking of quantitative boxes? How does all this relate to looked-after children? There is of course a potential conflict of interest when the local authority is facilitator and provider of early-years child care, as well as corporate parent. So we have a number of questions concerning the outcomes for looked-after children.

On the duty to secure sufficient child care for working parents, as outlined in part 2 of the Bill, what does "sufficient" mean? What are the penalties if a local authority is deemed not to have provided sufficient child care? How does a parent complain or exercise their rights if there is insufficient means of child care in their area? Will there be an appeals process for providers if a local authority does not genuinely secure a mixed economy, or encourage proper partnership with all providers?

Turnover of staff could also give rise to the questions of quality and continuity. What measures exist to encourage continuous improvement in quality once the initial targets have been met? How will central Government and local authorities most effectively provide guidance to parents on how to judge what factors will best benefit their children's learning that cannot come from parents themselves? How is affordability to be determined? The Bill leaves that issue hanging in the air.

The sustainability criteria in this Bill are important. The National Day Nurseries Association has warned:

"In many areas good quality provision is being undermined through the creation of child care for the under 5s in schools and in some newly developed Sure Start children's centres."

Occupancy levels in many NDNA nurseries are dropping, having declined in the past year from 82 per cent. to an average of 76 per cent. They are in danger of becoming unsustainable. According to Laing and Buisson, an occupancy level of 90 per cent. is required to guarantee sustainability. What assessment has the Minister made of current spare capacity in the sector?

If schools provide child care for three and four-year-olds, private and voluntary providers will be left to cater for one and two-year-olds. That is an unsustainable model, given the high staff ratios required for under-threes. It is therefore essential that Sure Start children's centre programmes build on existing child care provision, rather than duplicate it. An NDNA survey revealed the following:

"Almost 50 per cent. of day nurseries reported that their local authority is creating a children's centre, with Government funding, nearby to their own setting. This unnecessarily duplicates existing PVI provision, the overwhelming majority of which provides services of good quality ... The principle of a mixed economy in child care, favoured by the Government",

is in danger of

"being overlooked, with opportunities for local partnerships being missed. This threatens the sustainability of childcare overall".

Other respondents to the survey said that the majority, 71 per cent.,

"reported that local authorities were not yet involving them in the delivery of local children's centres ... 47 per cent. of day nursery respondents confirmed that a local children's centre or school had launched childcare services aimed specifically at the under-fives, which directly competed and duplicated their own services."

Chapter 2 of part 3 of the Bill, which deals with the requirements to be met by early-years providers, will doubtless lead to some fireworks in Committee. We have major concerns about this issue. The provision has been described as standard assessment tests for embryos. Perhaps the point is encompassed in the use of the word "taught" in clause 41(2)(b), as has been mentioned. The Daycare Trust points out the following:

"It is important that the new Early Years Foundation Stage Framework looks at children's development in the broadest sense and does not simply educationalise services for very young children."

The trust has also referred to this as

"the schoolification of early years provision for very young children."

As the Minister knows, the first two years of a child's life are crucial. The way that they develop, and are helped to develop, has a major impact on how they turn out. The wiring of the brain is a physical development—

the joining together of neural pathways that takes place between birth and the age of two. At between the ages of six months and 18 months, the "social" part of the brain grows; it is not there at birth. The growth, or lack of it, depends on positive stimulus from an attentive and loving care giver. The satisfactory development of the brain almost entirely depends on the quality of attachment achieved during the first two years. That is basic attachment theory, but the point is that those first two years are very different from the following three. Yet the Bill does not differentiate between the first two years and later years. We need to pay some attention to that point.

Helen Goodman: Opposition Members, including the hon. Gentleman, have repeatedly said that they do not want targeting or the early-years foundation stages, and that they are unhappy with the criteria set out in clause 41. They have also said that they want to know how effective Sure Start and other provision is. Can the hon. Gentleman square that circle for us?

Tim Loughton: I do not think that there is a circle to square. My point is that we are in danger of treating all children under five the same, but basic attachment theory shows that children are very different in the first two years, which are all about the connections that the child makes with the parent or child care provider with whom it comes into close contact. Trying to educationalise or schoolify, as people have put it, those crucial early years threatens to upset the social development of that child. That is why we need to be assured that the early education plans are not as prescriptive as many people fear.

The explanatory notes for clause 41 mention

"six areas of learning and development ... what most young children are expected to achieve ... educational programmes, setting out what should be taught to young children ... arrangements for assessing the learning and development".

That is educational language, not the language of social development. That is why we are so concerned about the prospect of prescriptive schoolification of provision for very young children, when what they need is the chance to interact socially and form attachments. They need to be observed, encouraged and stimulated, not tested and not taught.

As the NUT has warned, the proposal to extend the national literacy and numeracy frameworks downwards to age three will result in formalised learning too soon. We want to scrutinise that closely and, in particular, table amendments to ensure different treatment for children at that early age.

We support the principles behind the Bill, but we want to scrutinise it closely. There is a lot at stake and we cannot risk an approach that puts quantity ahead of quality outcomes. We must not apply to this area the Government's obsession—as shown in so much other legislation—with testing and ticking the boxes, instead of letting children grow up and learn to interact socially with their carers and peers. We need to encourage a child to develop its own sense of self. Subject to the criteria that I have set out, the Bill will have our support where it genuinely extends more choice and flexibility to more parents and their children; where it improves quality; where it complements and builds on what is already there rather than duplicates and undermines it; where it creates a genuine partnership between local authorities and all other interested parties; where it recognises that a child does best when allowed to be brought up by a loving family and parents, where possible; and, above all, if it allows children to grow up as well rounded individuals, given the best start in life that they all deserve.

8.32 pm

The Minister for Children and Families (Beverley Hughes): We have had an interesting debate, with some knowledgeable contributions from hon. Members on both sides of the House who clearly care about young children, early education and child care. I welcome the fact that Opposition Members support the Bill in principle.

Since 1997, the Government have introduced a new and unprecedented commitment to our youngest children and their families. I can tell the hon. Member for East Worthing and Shoreham (Tim Loughton) that we have invested more than £17 billion in early years and child care; guaranteed every three and four-year-old a free nursery education place; started to integrate education with care in every setting; committed to provide a children's centre in every community; extended services in schools; introduced the working tax credit, which is likely to be worth some £800 million this year, to enable low-income families to access child care; and established more than 500,000 new child care places.

We have done all that for two reasons. First, we know that good quality, regular pre-school provision has a markedly positive impact on young children and their subsequent development. Even after one takes into account the characteristics of the child, the family and the home, the evidence shows significant links between quality child care and better child outcomes. The research to which several hon. Members referred, including my hon. Friend the Member for Bishop Auckland (Helen Goodman), suggests that the difference in child development between having pre-school education and not having it can be of the order of four to six months. For the highest quality integrated centres, the difference can be as much as nine months. That substantial difference is achieved in only a two-year period of a child's life, which is remarkable. Good quality, integrated child care is good for young children and it helps the most disadvantaged children the most. Committed as we are to ensuring that poorer children get every chance to reach their potential and to rise beyond the circumstances of their birth, giving them the best and earliest start is essential.

The second reason is, of course, that today's parents combine family and work—many choose to, but many have to—and need the reassurance of high-quality, reliable child care in which they can have confidence. Such child care is not only safe, but provides stimulation and the kind of developmental opportunities that every good parent provides at home.

The Bill brings child care into the mainstream of the local services that parents can expect to be available. It ensures that parents will get the information and help that they need to gain access to those services. It gives outcomes for our youngest children the recognition and status that they deserve for the first time, and it puts

[Beverley Hughes]

statutory force behind the drive to reduce inequalities among young children. My hon. Friend the Member for Doncaster, North (Edward Miliband) was right to set the Bill in the context of the drive for equality in the interests of children, their families, our economy and, indeed, our social fabric.

A number of important themes have been touched on by many hon. Members during the debate. The first theme is choice, which was raised by the right hon. Member for Maidenhead (Mrs. May) in her opening speech. I was somewhat perplexed to understand her contention—I paraphrase, but this is more or less it—that there is less choice under Labour and that private, voluntary and independent providers are going out of business. The facts do not stack up with that analysis.

In 1997, 56 per cent. of three and four-year-olds were in some form of free nursery provision. The figure is 98 per cent. now. In 1997, there were just over 600,000 registered child care places; there are 1.2 million now—an increase of 95 per cent. In 1997, there was a registered place for one in eight children. There is now a registered place for one in four children. There were 6,000 day nurseries then; there are 13,000 day nurseries now. There were 3,500 out-of-school clubs in 1997; there are more than 10,000 now. Given the expansion in all kinds of provision, we can see that the choice available for people is much better now.

A number of hon. Members expressed concern about the position of private, voluntary and independent providers. Today, 75 per cent. of full day care is provided by the private sector; only 3 per cent. is provided by local authorities. Some 63 per cent. of sessional day care—playgroups—is provided by the voluntary sector; only 4 per cent. is provided by local authorities. Far from causing a diminution in the sector's diversity, we have been increasing its diversity, and we want to continue to do so.

None of the Opposition spokespersons picked up the point that, at least for England, the Bill says that local authorities can attempt to fulfil the sufficiency duty and fill identified gaps in child care themselves only as a last resort and when that is clearly the only acceptable thing to do. In other words, they must work with parents and providers to ensure that the gaps are filled outside the local authority sector.

The theme of choice ran through other hon. Members' speeches. The hon. Members for Reading, East (Mr. Wilson) and for Caernarfon (Hywel Williams) seemed to suggest that, somehow, the Government extending provision and choice is tantamount to pushing parents out to work. I want to say categorically that that is not so. We believe that parents can choose whether they wish to work and, if they wish to work, what child care they want to use. It is not for the Government to regulate the use of relatives or grandparents and subject them to Ofsted inspections. I am sure that the hon. Member for Reading, East did not intend to imply that, but that is what bringing them within the Bill's scope would mean.

Mothers and fathers are free to organise their lives and child care as they think best. I am glad that, in the end, a Conservative Member—the hon. Member for Bexleyheath and Crayford (Mr. Evennett)—mentioned fathers. Of course, we know that many fathers—albeit perhaps not Conservative Members—increasingly want to take an active part in the upbringing and care of their young children, so we want to support that. My hon. Friends the Members for Bridgend (Mrs. Moon), for City of Durham (Dr. Blackman-Woods) and for Burnley (Kitty Ussher) recognised the importance of choice to parents and the economy, and the fact that employers are increasingly recognising the business case for child care.

The hon. Member for East Worthing and Shoreham was right to say that the issue now is not quantity, but quality. That is of paramount importance, so I share that concern with every hon. Member who raised it, including my hon. Friends the Members for Blackpool, North and Fleetwood (Mrs. Humble) and for Stockport (Ann Coffey) and the hon. Member for Mid-Dorset and North Poole (Annette Brooke), who made an intelligent and detailed speech about the importance of quality. I welcome the support of the hon. Lady and my hon. Friends for the Bill and our drive for quality.

I can tell my hon. Friend the Member for Stockport that clause 7 provides the legal underpinning for free entitlement for all three and four-year-olds, including children in need. That is why we introduced the outcome duty, under which local authorities must pursue outcomes for children though integrated education and care. We know that such integration will drive up quality.

That is also the drive behind the early years foundation stage and the integrated regulation and inspection framework. Much of what has been said about the foundation stage has not been helpful. It will not involve formal education and there will be no tests or rigid timetables. It will cover the sort of things that good parents do with their children—I suspect that they are things that hon. Members did automatically with their young children—so people would expect such activities to form part of a good child care setting. The foundation stage will be play-based. Children will be provided with the experiences and activities that they need to grow, learn and develop.

We are building on existing frameworks. Although I do not want to detain the House, I recommend the "Birth to Three Matters" framework to the hon. Member for East Worthing and Shoreham—I thought for a moment he had lifted sections of it and incorporated them into his speech. Practitioners will plan for each child. They will adopt a structured approach, but the experience of the child will be spontaneous and free-flowing. Practitioners will assess children by observation and discuss progress with parents.

Bringing together the existing "Birth to Three Matters" framework and the foundation stage will give providers a much more coherent framework to apply and follow. They are applying and following a framework now, but it is in two separate bits and it does not include the care standard. Our aim is to bring forward a coherent rationalisation of what exists at the moment.

Quality and affordability are also important. Quality depends on a qualified, trained work force, and developing the work force can have an impact on costs. As hon. Members have rightly recognised, it is difficult for us to square that circle. We have introduced the

children's work force strategy and the development council that is now helping us with it. Local authorities will have to develop their own work force strategies because different situations will exist in different areas. We will be giving £52 million a year to local authorities from next April to develop their work forces. The money will be additional to that from the transformation fund to which several hon. Members referred, through which we will try to support the development of better qualifications among the work force.

On the demand side, the working tax credit is helping more than 330,000 families to afford child care. Of course, the free part-time education offer for all three and four-year-olds is also helping parents. The situation is complex, but with the strategy and the work force development council, and along with local authorities, we have put in place a mechanism by which we can try to ensure that we make progress. Indeed, the duty on child care is framed towards people claiming the working tax credit so that we can ensure that the child care provided is affordable.

A number of hon. Members mentioned the role of local authorities. I was pleased that the hon. Member for Wycombe (Mr. Goodman) recognised that they are the appropriate lead body to develop sufficient child care and to be accountable for children's outcomes in their areas. Child care has to have a local dimension. Rural areas will be different from urban areas, and it will be different for different groups of parents. That is why it is important, in terms of pursuing the flexibility to which some hon. Members referred, that local authorities take the lead.

I do not accept that the burdens are unfunded. All the duties, in part, are already local authority duties under either the Children Acts or other regulations. Local authorities have received significant amounts in the general Sure Start grant for children's centres, extended schools and work force development. By 2007–08, they will receive £1.8 billion, which is double the figure for 2004–05. That is a substantial resource and is in addition to the £3 billion to fund the under-fives early education offer, which is going to all settings that meet the standards.

Disabled children were mentioned. I assure hon. Members that the focus on disabled children is a result of our determination to ensure that we improve the situation for them and their families. The duty on outcomes will focus on disabled children. The child care duty highlights the needs of disabled children. The early years foundation stage will contain explicit references to children with disabilities and those with special educational needs. My hon. Friend the Member for Blackpool, North and Fleetwood was right. The findings of a recent Ofsted study show that in a majority of cases a positive attitude and a well trained team of staff make the difference between a disabled child being welcomed and included or not.

This is a landmark Bill. It is the first Bill devoted specifically to early years and child care. It reflects our commitment to give every child the best possible start in life, with enriching experiences that will enhance their development and learning throughout their childhood and the rest of their education. It is a major public service reform, bringing integrated early years education and child care into the mainstream of a modern welfare state. It establishes once and for all that the services will be available to parents, part and parcel of the locally based family services that parents rightly expect in today's society. It is a major commitment to disadvantaged children, with a statutory duty to improve outcomes for all young children and reduce inequalities between the most disadvantaged and the rest. It puts children and parents at the heart of the legislation, and it confirms the role of local authorities as champions of those children and parents. It will give fathers and mothers genuine choices on how best to balance work and family life, and the assurance that whatever choice they make, the system is working to ensure high quality and consistency.

I hope every hon. Member will join us in supporting these radical measures. We have the opportunity to transform permanently the shape, quality and availability of early years services for the youngest children and their parents. I hope that we can do so with consensus. I commend the Bill to the House.

Question put and agreed to.

Bill accordingly read a Second time.

CHILDCARE BILL (PROGRAMME)

Motion made, and Question put forthwith, pursuant to Standing Order No. 83A(6) (Programme motions),

That the following provisions shall apply to the Childcare Bill:

Committal

1. The Bill shall be committed to a Standing Committee.

Proceedings in Standing Committee

2. Proceedings in the Standing Committee shall (so far as not previously concluded) be brought to a conclusion on Tuesday 10th January 2006.

3. The Standing Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.—*[Mr. Coaker.]*

Question agreed to.

CHILDCARE BILL *[MONEY]*

Queen's recommendation having been signified—

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a) (Money resolutions and ways and means resolutions in connection with bills),

That, for the purposes of any Act resulting from the Childcare Bill, it is expedient to authorise the payment out of money provided by Parliament of—

(1) any expenditure incurred under or by virtue of the Act by a Minister of the Crown or government department, and

(2) any increase attributable to the Act in the sums payable under any other Act out of money so provided.—*[Mr. Coaker.]*

Question agreed to.

CHILDCARE BILL *[WAYS AND MEANS]*

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a) (Money resolutions and ways and means resolutions in connection with bills).

That, for the purposes of any Act resulting from the Childcare Bill, it is expedient to authorise the charging of fees by Her Majesty's Chief Inspector of Schools in England under provisions of the Act relating to the registration of persons providing childcare.—*[Mr. Coaker.]*

Question agreed to.

NHS (Havering)

Motion made, and Question proposed, That this House do now adjourn.— *[Mr. Coaker.]*

8.49 pm

James Brokenshire (Hornchurch) (Con): The issue that I wish to highlight during this Adjournment debate relates to the state of health services in my local area in the London borough of Havering. In opening this debate, I pay tribute to the tremendous hard work of NHS staff in my constituency and more widely in the borough. I put on record and highlight at the outset their professionalism and commitment and the skill that they show in providing high-quality care for my constituents. However, there are a number of concerns and developments in the local health service, which I hope to highlight and which need to be given greater attention by local health care professionals and the Department of Health when seeking to ensure the provision of the high-quality health service that my constituents rightly deserve.

The backdrop to this debate is the fact that Havering primary care trust, which administers health care at primary level in the borough, currently has a deficit of about £3 million. That has raised questions about whether some health service provision is being rationalised and the impact that that is having on local health services. I note in particular a press report at the weekend attributed to the Department of Health about overspends and PCT budgets, which said:

"It is not acceptable for any NHS organisation to spend more resources than it has been allocated or received in income.

That is why organisations posting a pre-audit deficit received a letter from the Secretary of State and the NHS chief executive making it very clear that this is not acceptable and that performance must improve."

Obviously, we are looking for high-quality care and efficiencies in the health service, but such comments raise concern about the pressure that is being brought to bear on health service executives and what that means for immediate care—whether decisions are being made responsibly for the long term and in order to ensure that we maintain high-quality care for everyone in the local community. I know that my PCT works very hard. I have great respect for the management of the Havering PCT. However, they are under tremendous pressure and that is leading to careful consideration of the future provision of a number of services.

I know that the Minister is aware of my concerns about the podiatry service—the foot care clinic that is made available to older members of my community. I am grateful to the Minister for her reply to me in the past day or so about some of the issues that I have been highlighting. I noted in her letter a recognition of the fact that

"Podiatry services are now only available to individuals with limb threatening conditions or those with a high clinical need as assessed by a podiatrist."

I draw the Minister's attention to comments made by one of my constituents who formerly used the podiatry service. Following her reassessment, she no longer receives the benefit of it. She said:

"In short, if you are not diabetic or have peripheral neuropathy you are not eligible. They do not take into account that I have chronic and severe arthritis in both knees. Therefore, with the best

will in the world I cannot bend them to cut my own toenails. Furthermore, due to a long-ago accident my toenails grow unusually thick . . . You would just not believe how painful they become when they grow too long . . . Surely this . . . new criteria must make some exceptions."

I know that the Minister is aware that Age Concern, effectively, provides an alternative service, for which people pay about £8. My constituent comments:

"I am embarrassed to say, I simply cannot afford the £8 they charge. I'm a widow and an OAP and that's three dinners! When one is surviving on just the state pension, that's the grim reality!"

Given such concerns, I am worried about the impact of the measure on older people in my constituency who are not lucky enough to have high incomes so that, in the case of that particular constituent, they cannot afford to access those services. The most vulnerable members of society may not necessarily receive the attention that they deserve. In such cases, there will be an impact on people's mobility. If it is too painful for them to walk they may not be able to leave their home, which could lead to a deterioration in their mental health, depression and many other problems. I am therefore worried about people who cannot afford to obtain such a service elsewhere or who they feel barred from using it.

I have highlighted the issue of mental health. In the past few months, the Duchess of Kent day hospital, which provided services, particularly psychological therapies, to people suffering from mental health conditions, has closed. A decision was made earlier this year to re-examine those services and provide them in a different way, because the facility was not close to Havering. The review concluded that the Duchess of Kent day hospital should close on 30 September this year and that new provision would be put in place in the next financial year. The problem is that there is a gap between 30 September and the beginning of the next financial year. Services provided at the Duchess of Kent hospital are no longer being made available, and my understanding is that no long-term psychological therapies are available to mental health patients in my constituency and in the London borough of Havering, who must wait for new tier 3 mental health services to be put in place in the next financial year.

Mr. Peter Bone (Wellingborough) (Con): Will my hon. Friend give way?

James Brokenshire: My hon. Friend has given me notice of his wish to intervene, so I will give way to him.

Mr. Bone: My hon. Friend was talking about extended waiting times. Is he aware that in column 897 of *Hansard* on 15 November, the Government motion stated that no one waited more than six months for NHS treatment? I have discovered that 397 people in Wellingborough have waited more than six months for treatment. Has he encountered similar cases in his constituency?

James Brokenshire: I am aware of services with considerable waiting times, some of which I shall highlight. Access is an issue, and if a target is not set for a particular treatment to ensure that someone is given a consultant's appointment or a diagnosis, there will be a long wait. In the London borough of Havering, it probably takes someone about a year to seek a digital hearing aid, given the demand and the available appointments. The issue has arisen in my hon. Friend's constituency, and it is a problem in Hornchurch and for my colleagues in neighbouring constituencies in Havering.

I was highlighting the issue of the Duchess of Kent day hospital and the gap in provision. A further problem was the delay in notifying patients of the closure. I understand that some staff were not in agreement with the decision and had reservations about the closure process, and the delay in notifying patients was exacerbated by the fact that the decision was taken just before the general election, so the primary care trust was unable to go through the usual processes of the overview and scrutiny committee of the local council.

If that is the case, the Minister might reflect on the entire process. If there is a significant change in health service provision, such as the closure of a facility, it seems odd that the calling of a general election should prevent health bodies from telling patients and local residents that that change is coming into effect. We ended up in the bizarre situation where the Duchess of Kent day hospital closed on 30 September, yet letters notifying patients of its closure went out only a week before. The report on a complaint that was made to the North East London Mental Health NHS Trust concluded that

"it is clear that the closure process was not robustly managed and that the clients of the Duchess of Kent were probably caused some distress through the delay of information regarding the service closure and the future plans for following them up as individuals. It is right and proper therefore that an apology should be offered to the former clients of the Duchess of Kent. Assurance should also be given that lessons will be learnt from this process, that will be used in future service redesign processes."

Because of the hiatus that I have described, some of my constituents who were mental health patients receiving support from the Duchess of Kent had to form their own self-help group. I understand that in the past few weeks one patient who was using those facilities has unfortunately been readmitted to Mascalls Park, which is the acute facility dealing with mental health patients in the London borough of Havering. Although I could not say that that is directly connected, it suggests that if the therapies to help such patients are not in place, acute episodes may occur as a result, and people who need more significant care and attention may have to be taken into an acute hospital. That is not how we should be dealing with the care of mental health patients. We should ensure that care is available in the local community to support them, and provide the therapies that they need. I know that that is the thrust of general health policy, and I wholeheartedly endorse the provision of primary care support for mental health patients.

It is very bad that there is a gap in service provision for patients trying to access tier 3 support. I was assured in July that patients' needs for on-going clinical care would be met

"in a timely and appropriate manner".

I do not see it as timely or appropriate if there is a six-month hiatus in services and people have to wait that length of time for psychological therapies that they were previously receiving at the Duchess of Kent hospital, particularly as one in four people are likely to suffer

[James Brokenshire]

from some form of mental illness during their lifetime. Does the Minister regard the provision available to people in my constituency as an acceptable level of care?

A further example relates to parentcraft classes for expectant mothers and fathers. As a young father with two little daughters—one of whom will celebrate her birthday tomorrow; I hope she will wake up to find daddy at home in the morning, as that would make her very pleased—I remember clearly how important the run-up to the birth of a child is in preparing for a traumatic situation, when things happen quickly. When people go into hospital, they are unsure about what is to happen and parentcraft and antenatal classes are important in helping us to understand what is likely to happen. In sharing our experiences with other expectant mums and dads, we realise that we are not alone and that there are support mechanisms to get us through a traumatic and difficult time. The Minister is nodding, so I am sure that she understands what I am talking about.

I was thus astonished a few months ago when I received letters from constituents pointing out that antenatal classes in the community were being stopped. Parentcraft classes were no longer being supported in the NHS, which would mean that expectant mums and dads had to try to find private or non-NHS provision. The Barking, Havering and Redbridge Hospitals NHS Trust accepted that there was a problem, saying:

"This is due to the increasing number of births compared to the number of midwives providing acute care and as such we do have to concentrate on the more critical areas of the service".

In other words, the trust had to prioritise women in labour. Antenatal check-ups would not be affected; only the parentcraft classes would go. That may be all well and good in terms of service management, but I found parentcraft classes valuable and important and am disappointed, to say the least, that preparation for parents appears to be a casualty in the service.

At the other end of the health service is the treatment of older people. My particular concern relates to services based at St. George's hospital in the centre of my constituency. The Minister may be aware of some of the concerns about the future of St. George's hospital in Hornchurch that I highlighted on my website and during my 18-month-long campaign. The facility currently has about 177 in-patient beds, mainly for the rehabilitation of older people recovering from strokes and similar ailments. In spring 2004, the PCT published an outline business case setting out various options for the future of services at St. George's hospital. Its preferred option was simply to close the whole hospital site, with one or two small exceptions, and relocate all the facilities outside my constituency, at Harold Wood in the north of the London borough of Havering, because significant changes are taking place in the property estate of the NHS, with the opening of the new Oldchurch Park hospital in the neighbouring constituency of Romford. I note that my hon. Friend the Member for Romford (Andrew Rosindell) has joined us in the Chamber this evening. A new hospital is opening there, with the result that certain other facilities are due to be closed or reused in some way.

The primary care trust saw that as an opportunity to review services, and to examine the care of elderly people living in the borough and how those services could be best provided. Its preferred option was to relocate those services to Harold Wood. That was due in part to the fact that around a third of the 117 beds that are currently at St. George's hospital are allocated to the Barking and Dagenham primary care trust—two thirds are allocated to the Havering primary care trust. The Barking and Dagenham primary care trust has indicated that it wishes to move its beds closer to its local community. As a consequence, 60 of the 117 beds in all likelihood are to be moved off the St. George's site. Therefore, the facilities at St. George's, and how services are to be provided from there, needed to be considered.

The problem was that all that seemed to be happening without sufficient local consultation. When I contacted local residents to find out what they thought about the way services would be provided and what was important to them, they emphasised heavily the need to retain health care facilities on the St. George's site.

Let us look at the demographics and the way the area is changing. The Thames gateway area is partly within the constituency itself in south Hornchurch and Rainham. There is the prospect of a lot of housing development in the southern part of the borough. It is important that we retain a significant health facility in the centre of the borough. The problem is that, if all the resources and facilities were relocated to the north of the borough, which was what the primary care trust suggested, effectively people's journey times on the transport links across the borough would increase.

I do not see that as the most sensible way to proceed. If one is looking to provide a service that is at the centre of things, at the heart of the borough and close to where people live, St. George's is the right site to examine, particularly when we consider the fact that we are talking about elderly patients who may have relatives living nearby. We need to ensure that they are able to see their relatives and that they are given the best chance to recover and to get back into the community, which is what we all want.

Since all this started, there have been a number of delays in deciding what the future of the services at St. George's would be. That inevitably prompted me to ask a written question to the Secretary of State for Health recently. I was somewhat disappointed that the Minister of State, Department of Health, the hon. Member for Doncaster, Central (Ms Winterton), gave me a rather anodyne reply. I asked whether the Secretary of State would make a statement on the future of St. George's hospital. The response was merely that that was

"a matter for Havering primary care trust (PCT) as PCTs are responsible for commissioning services for the population that they serve."—[*Official Report*, 23 November 2005; Vol. 439, c. 2121W.]

That is true, but it is a little disappointing that it took the Department a month to tell me that. Given that primary care trusts are effectively creatures of Government and report to strategic health authorities, which report to the Department of Health itself; given that, as I have highlighted during this debate, the Secretary of State is bringing considerable direct pressure to bear as regards primary care trusts; and given that the matter is a significant concern to constituents living in the area, I was somewhat disappointed with that response from the Department.

Whether this was a coincidence or not, however, within the past couple of weeks, the primary care trust and the strategic health authority have issued a joint press release basically saying that the decision on the future of the hospital has been delayed for another year, so there is continuing uncertainty as to the future of that site. The Minister may think that, from my perspective, that is all well and good because no decision has been taken to close the hospital, or to transfer services from the existing hospital site. However, I remain deeply concerned about the hospital's future. In the past fortnight, I have been told that bed numbers have reduced significantly and that some wards have closed. I assume that that is part of the reorganisation, with the withdrawal by Barking and Dagenham primary care trust of some of its beds from St. George's. From the feedback that I have received from some staff, it appears that that was not communicated to them as effectively as it might have been. Anecdotal evidence suggests that morale is currently low at St. George's and that there are fears of job losses.

There are also concerns about whether services are being scaled back even more. I said that two thirds of the 177 beds are allocated to Havering. That would reduce the number to approximately 117. However, it has been suggested that the number might decrease even further, to 90 beds. That makes the staff worried about what the future holds, especially given that the services at the day hospital appear to be reduced. That gives an impression—rightly or wrongly—that services are being scaled back slowly but surely. I am worried about that, and I would be angry if such scaling back were presented as a fait accompli and if, in six months, everybody told me, "Services have been scaled back; this isn't viable any more and we've got no choice but to close the hospital and reallocate resources"—to, for example, Harold Wood hospital, which was the PCT's preferred option.

There is also the problem of whether the site is being redesignated outside the green belt. Again, that gives the impression to the local community of a fixed agenda to close the hospital—whether now, in six months, 12 months or two years. I ask the Minister for an assurance that she will ensure that services are not run down and that the local community will not be presented with a fait accompli. I ask for a further assurance of proper engagement with the local community and proper consultation before any final decisions are made about services that are currently provided from the St. George's site.

I want to consider the future, especially the new Oldchurch Park hospital in Romford, which will act as the new acute hospital for the surrounding area. I greatly welcome the opening of the new, state-of-the-art facility and I look forward to that happening at the beginning of 2007. However, I am worried about whether it can cope with demand. The bed numbers at the new hospital will be fewer than the combination of those at the existing Oldchurch hospital and Harold Wood hospital, which the new Oldchurch Park is intended to replace. Although some additional flexibility has been built into the design so that it is possible to open a new ward if required, I emphasise that there will be fewer beds than in the two existing hospitals.

I appreciate that the plans are based on business and healthcare models that expect additional resources in the community. It is therefore argued that so many beds will not be needed because efficiencies in theatre use, better facilities and primary care mean that there will be sufficient space, beds, resources and facilities at the new Oldchurch Park hospital. I have listened to that argument, but I remain sceptical about it. Although various local improvement finance trust—LIFT—projects are being financed in the local community to put additional primary care resources in place, I remain worried that they will not go in early enough, given that the new Oldchurch Park hospital is due to open at the beginning of 2007. I am also concerned that patients' attitudes to the NHS and to the way in which they gain access to services will not be sufficiently changed to ensure that, when the wonderful, new, sparkling hospital opens in January 2007, it will not create additional demand and people will not view it as their gateway to the health service. That is particularly the case in areas such as Rainham and south Hornchurch, where access to GP services is not the best. Sometimes it can take longer to get access to a GP there, and they are very overstretched. I know that steps are being taken to address that problem, but it will take time. Looking at the services that will be offered by the new hospital will require a different mindset; there will need to be a step change in terms of how services are accessed. I am genuinely concerned that, when the new hospital opens, it will not be able to cope with the demands that are placed on it.

Theatre time is a key element in these arrangements, and it is extremely important that it should be used efficiently and effectively. I will continue to raise my concerns in this regard with the acute trust, to ensure that the necessary changes are implemented now, because they will need to be in place well before the new hospital opens. The new practices and approaches—the road testing, if I may use that term—must be well in place before the new hospital opens so that they are ingrained in the surgical teams, to ensure that the bookings and all the other arrangements run efficiently and effectively, and that we do not experience problems after the new Oldchurch Park hospital opens.

I prefaced these comments by welcoming the new hospital, but I am worried that the demand and the way in which services there will be handled will create additional pressure, when people see that it is there and seek to access health care at the site. However, I welcome its opening at the beginning of 2007. I also welcome the tireless hard work that so many health care professionals provide in Havering and in my constituency of Hornchurch. They work tirelessly to ensure that my constituents and those of my hon. Friends in Romford and Upminster receive a high quality of care. However, I am worried that they are not being given the correct support, motivation or direction to ensure that they feel motivated and positive about the services that they provide. I am sure that the Minister will tell us the amount of resources that have been put into the local and national health service, but given the issues about access to health care that I have mentioned, I am worried that those resources are not getting to the front line to ensure that those issues are dealt with effectively and that all patients get the quality and standard of care that they expect and deserve.

9.23 pm

The Minister of State, Department of Health (Jane Kennedy): I am grateful for the opportunity to share this debate with the hon. Member for Hornchurch (James Brokenshire), and I congratulate him on securing it. This is clearly a matter of great concern to him and to his constituents. I am grateful to him for advertising the detail of his speech on his website; that was a great help in preparing my response. I also compliment him on the depth of knowledge that he has displayed, and on the coherent and cogent way in which he has advanced his case. I am sure that that will not have been lost on his Whips, and that they will draw it to the attention of whoever wins the Conservative leadership contest. I am sure that he has a bright future here. It particularly gives pause to a Minister to hear someone who clearly understands the nature of the challenges that the health service faces in their area.

I give credit to the hon. Gentleman for—and join him in—paying tribute to all the staff in the local health service in Havering, whose hard work and commitment are delivering improvements to the local health service, notwithstanding the challenges that the hon. Gentleman has described. It is because we believe that local people are best placed to take decisions on the shape of local health services that we have now devolved more than 80 per cent. of the health service budget to the front line, for decisions to be taken at primary care trust level. As a direct result of that, the hon. Gentleman's local primary care trust will benefit.

The hon. Gentleman is right. It is incumbent on me to remind the House and the public of the investment that the health service has received. His PCT will receive £303 million in 2006–07 and £331 million in 2007–08. That represents a cash increase of £52.6 million, or 18.9 per cent., over the next two years. Those resources should deliver significant benefits to the local population.

Only last week we announced a further £2.6 million for choice and control pilot projects, of which there will be 13 in England. One will be run by the London borough of Barking and Dagenham council, and another by Essex county council. Those pilot schemes will enable older and disabled people across England to receive, as part of an innovative programme, a virtual money box, which will allow them to take control of their own social care budgets to manage their support and to choose the services that suit them best. It will help them to lead the lives that they want.

I am particularly grateful to the hon. Gentleman for giving me the opportunity to discuss certain subjects, such as mental health services. I take a close interest in mental health, although it is not part of my portfolio. Let me deal, however, with the local issues that the hon. Gentleman raised, particularly mental health services but also podiatry services and antenatal classes for expectant mums and dads in his constituency.

Havering PCT's planned investment in mental health services delivered by the North East London Mental Health trust has increased from £14.9 million in 2002–03 to just over £16.5 million in 2004–05. The trust now has—is to be applauded for it—six crisis resolution teams with 55 staff, compared with the single team that it had in September 2001 with only 12 staff. It also has four assertive outreach teams with 41 staff. I should add that since 1997, North East London strategic health authority has been given over 3,267 more nurses, 445 more consultants, 385 more doctors in training, 121 more GPs, 1,882 more health care assistants and 174 more qualified midwives.

The hon. Gentleman was careful not to say that nothing was going well, although he rightly highlighted areas of concern. He mentioned the £245 million new hospital. I am sorry that I could not attend the celebration earlier in the month, but I hope to rearrange that. An extra £410,000 has been invested in primary care mental health services in the 2004–05 financial year. Much good work is being done, and a great deal of real, serious financial investment is leading to real improvements in local services.

Before I talk about podiatry, I should deal with the hon. Gentleman's questions about the Duchess of Kent day hospital, which relate specifically to the mental health problems he described. I was interested to hear his description of the break in service that he believes some of his constituents will experience. Havering PCT decided to close the unit following the expansion of primary care-based services, which resulted in an increasingly limited range of services being offered at the day hospital. Before the closure, a formal meeting was hosted by the borough director and the therapy service manager in June 2005. Approximately 20 service users attended, so there was prior consultation. I will look into the hon. Gentleman's points about the lack of formal consultation, but care was clearly taken to ensure that service users were advised of the changes that would take place. They were given an opportunity to discuss their concerns and raise questions with clinical staff and others, who were also given the chance to discuss their concerns although they could not attend the meeting. When the unit closed, the majority of service users had completed their therapy. A very small number of service users—only six, I understand—were referred for additional therapeutic work elsewhere. I will examine all the issues that he has raised, but I wanted to reassure myself about that point.

With regard to podiatry services, I want to reassure the hon. Gentleman that the rationale for changes to those services was based on clinical need—I accept that he does not quarrel with that—to ensure that those patients who had medical conditions that placed their lower limbs at risk, such as diabetes mellitus, peripheral vascular disease, and rheumatoid arthritis, and who were in the greatest need had access to services to improve their quality of life. I listened carefully to his representations with regard to his constituent, and he might want to write to me following the debate with the details of the case that he has in mind, and I will look into it further. He is right, however, that the PCT has sought to prioritise the way in which it uses its resources and has made those decisions. I will not offer to second-guess the decisions that the PCT has made. It is rightly charged with the responsibility of making those decisions.

On the issue of parentcraft classes, he is right that it is a scary time for parents-to-be. The London strategic health authority cabinet has commissioned a review of maternity services across the whole of London, in direct response to the increase in births in the capital in recent years. That rise is expected to continue, which is the reverse of the national and international trend. Barking,

Havering and Redbridge Hospitals NHS Trust maternity services, the main provider of maternity care for women living in the three boroughs, has developed initiatives to improve midwifery services. Those initiatives include the home birth support team, which has seen home births increase from 1 to 3 per cent. in the past year, and the small team of midwives focusing on the special needs of teenagers in Barking and Dagenham, which has the highest level of teenage pregnancies. I was delighted to learn that the trust won "Nurse of the Year" for that innovative service, which is in fact being driven by young mothers in the area. Midwifery-led care has been introduced for a proportion of low-risk women who are cared for solely by midwives and not consultants, who are obviously carefully selected in line with the national service framework. That is an innovative development in delivering maternity services locally. In line with the reshaping of maternity services, we expect the report from strategic health authorities in London early in the new year.

A final new initiative was the realigning of the current skill mix for support workers in maternity services and training them to support women, both at home and in hospital, in relation to breastfeeding. Barking, Havering and Redbridge hospital is part of the Department of Health pilot for that. That does not address his specific concern about the loss of parentcraft classes, but it demonstrates the way in which the PCT has been realigning the resources that it has available in line with the priorities that it has determined locally.

James Brokenshire: I hear what the Minister has said, but will she accept the importance of parentcraft and antenatal classes in preparing parents for the birth of their children? To return to podiatry services, does she acknowledge that some users will clearly no longer be able to access the service and the fact that that might have an impact on them?

Jane Kennedy: I am happy to acknowledge that when local decisions of that nature are taken, clearly, some patients will not be able to access services that would previously have been available to them. The hon. Gentleman is right about that. Parentcraft classes are an important way, particularly for new parents and those who have not gone through the process—when people have done it once, they are old hands—to reassure parents-to-be, who can be very anxious. Those decisions have been weighed in the balance by the local PCT.

The hon. Gentleman raised concerns that Suttons House is to be closed, and referred to discussion about St. George's hospital. I want to assure him and his constituents that I am advised that there are no current plans to close the older people's day hospital at Suttons House. I can tell him categorically that there are no secret plans in the Department of Health. I am not advised that there are any secret plans anywhere. Clearly there will be a consultation process.

I also note the hon. Gentleman's optimism following the North East London strategic health authority and Havering PCT's recent decision that further work was required on the re-provision of services currently being provided from St George's. The press release said that the PCT and the SHA believed that there was a need to further develop the overall strategic context within the local health economy.

The SHA and the PCT also wish to see what impact the anticipated White Paper on care outside hospital and changes arising from "Commissioning a Patient-Led NHS" will have for their local health service and therefore they feel now is not the time to make such a major decision on the way services are provided for this vulnerable group.

James Brokenshire: The Minister was careful to mention only Suttons House day hospital, which is only a small part of the services provided at St. George's hospital. Could she clarify those words, given that this is an important issue?

Jane Kennedy: I was just about to come to that point. I am anxious to get him home so that he can get a good night's sleep in order to share his daughter's birthday, for which I wish her many happy returns.

The decision not to continue, for the time being, with the proposed changes at St. George's hospital does not mean that the PCT will not continue to develop its strategy for older people. In fact, it means quite the opposite. I am advised by officials that the SHA and the PCT will continue to develop the strategy and refine their model of care, working in partnership with the local authority to ensure that the quality of service it provides to older people continues to improve. I will look to be kept informed on the issue.

I have listened to and appreciated the comments made about mental health services, podiatry services and antenatal classes. I am always happy to hear hon. Members represent the views of their constituents, which helps to keep Ministers informed as to how the policies we develop in Whitehall are carried out on the ground. However, as I have mentioned, decisions about the configuration of local services now rest with the NHS locally. I am sure that the hon. Gentleman's comments will have registered with local decision makers.

I would urge the hon. Gentleman to continue to work with his local strategic health authority and primary care trust to ensure that his views and those of his constituents are taken into consideration for any changes to services in his community.

Question put and agreed to.

Adjourned accordingly at twenty-two minutes to Ten o'clock.

House of Commons

Tuesday 29 November 2005

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

FOREIGN AND COMMONWEALTH AFFAIRS

The Secretary of State was asked—

EU Budgetary Reform

1. **Mr. Desmond Swayne** (New Forest, West) (Con): What discussions he has had with his EU counterparts about the prospects of reforming the EU budget. [32388]

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Jack Straw): Many.

Mr. Swayne: I am tempted to ask "Why?" The Secretary of State has told us that reform of the budget is predicated on reform of the common agricultural policy. What proposals for the reform of the CAP have the Government put on the table during their presidency? Has the Agriculture Council even met during the British presidency?

Mr. Straw: I am very happy for the hon. Gentleman to ask me why; that is the purpose of the House. The reason we have had many discussions on the European Union budget is that there is an awful lot to discuss, and even more to explain to some of our European counterparts about how, to take an example at random, the United Kingdom has historically been paid significantly more than France over many years, notwithstanding the abatement that was secured in 1984—

Mr. Eric Forth (Bromley and Chislehurst) (Con): By Mrs. Thatcher.

Mr. Straw: The hon. Gentleman—

Mr. Forth: Right honourable.

Mr. Straw: The right hon. Member for fancy ties reminds us that the abatement was secured by Mrs. Thatcher. That is true, although in the debate that took place thereafter, in which I took part, that deal was treated with some scepticism—

Mr. Forth: Not by me.

Mr. Straw: No, by me. And I was right, because, as we predicted at the time, the deal failed to ensure any long-term reform of the common agricultural policy or of the EU's budget. Twenty years on, it has been left to the Labour Government of my right hon. Friend the Prime Minister to secure that reform.

Interim agricultural reforms have been secured, above all, through the efforts of the United Kingdom, although perhaps the hon. Member for New Forest, West (Mr. Swayne) has not noticed. Thanks to my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs we have for the first time achieved significant—36 per cent.—cuts in sugar subsidies, which is a major achievement for the British presidency.

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): The cuts in sugar subsidies represent an important step forward in agricultural reform, but will my right hon. Friend ensure that the new arrangements do not disadvantage our traditional allies in the Caribbean? Will he also ensure that sufficient money is put aside for the right transitional arrangements for them?

Mr. Straw: I share my hon. Friend's great concern about the inadvertent but none the less powerful impact of the changes in sugar subsidies, which could affect many of the Cotonou countries—the African, Caribbean and Pacific countries. I discussed this issue with a delegation from the ACP countries at the United Nations General Assembly in September, and my right hon. Friend the Prime Minister discussed it with Commonwealth ACP countries at the Commonwealth Heads of Government meeting. We have been pushing the European Union for cushioning support, with a two-year phase-in. So far, there has been a proposal, which has still to be agreed, for €40 million for 2006. We are pushing the European Union to increase that and to ensure that there is sufficient provision in the 2007–13 budgets, which have yet to be agreed, for the ACP countries.

Mr. Forth: Ugly rumours are circulating that the Prime Minister is prepared to give away Lady Thatcher's rebate in return for some vague promise or undertaking on CAP reform. Will the Secretary of State give the House an absolute assurance now that there is no question of our rebate being given away without the absolute certainty now of substantive CAP reform?

Mr. Straw: I thought that Ugly Rumours was a band with which the Prime Minister was associated. I am happy to say that I have never heard any of its tracks—

Mr. Forth: Let's keep it that way.

Mr. Straw: Indeed.

My right hon. Friend the Prime Minister said on 20 June, as on many other occasions, that the rebate was an anomaly, but an anomaly that was justified by a much bigger anomaly, namely the distorted spending of the common agricultural policy. Yes, we are ready to discuss the removal of that anomaly, but only in the context of significant reform of the common agricultural policy.

Mr. Doug Henderson (Newcastle upon Tyne, North) (Lab): Workers at the Nestlé chocolate factory in my constituency very much welcome the proposed changes to the sugar regime. They would have welcomed them even more had they gone a bit further. On the general question of the contributions, does my right hon. Friend agree that the question of who pays how much should be resolved among the richer countries of the European Union, and that the interests of the accession countries should be protected?

Mr. Straw: On the sugar subsidy, we would always like these things to go further, but I am grateful to my hon. Friend for his generosity. This was a significant deal, and it was achieved only as a result of the work of my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs.

I agree with my hon. Friend's second point. Let me make it clear, however, that whatever deal is agreed, the United Kingdom will pay a fair contribution towards the cost of enlargement. That is our duty and responsibility, which all parties have agreed. All parties in the House have supported enlargement. All the E15 wealthier member states must make fair contributions towards the cost of enlargement. That is a separate issue—although it is bound to mean that our contributions will rise— from whether or not we get rid of the rebate in return for reform of the CAP.

Mr. Graham Brady (Altrincham and Sale, West) (Con): President Chirac is reported as saying that a deal on the EU budget is being impeded by the power struggle between the Chancellor and the Prime Minister. The former Minister for Europe, the right hon. Member for Rotherham (Mr. MacShane), warns Ministers in *The Daily Telegraph* today that he will not accept a one-sided deal that only moves on the rebate. Would not it help the Foreign Secretary to present a clear, united position if he were now to come clean, publish the Government's budget proposal and give absolute guarantees, first, that the whole rebate will be kept until there is fundamental CAP reform—delivered and not just promised—and, secondly, that no budget will be agreed that costs the British taxpayer more, not less? Does he agree that the worst of all worlds would be for Britain to give way on our rebate with no guarantee of real CAP reform?

Mr. Straw: Our—*[Interruption.]* There is a lot of chitchat among Conservative Members as they try to work out their policy. Our position on the rebate has been made clear, and I spelt it out again today. I intend to publish proposals to our EU colleagues—which, of course, will also be made available to the House—at the beginning of next week, for what has been delicately described as a conclave of European Foreign Ministers, which will take place tomorrow week.

Mr. Denis MacShane (Rotherham) (Lab): Will the Foreign Secretary confirm that the majority of countries with which he must deal on this matter, and particularly the agri-protectionist countries, are governed by parties of the centre right, sister parties of the Conservative party? Is not it a real worry for Britain's future standing in Europe that the incoming leader of the Conservative party has said that he wants to break all political links with conservative parties in Europe? Is not it a fact that it is betraying British interests to uphold its anti-Europe—

Mr. Speaker: Order. That question is totally out of order.

Israel

2. **Mrs. Theresa Villiers** (Chipping Barnet) (Con): If he will make a statement on the situation in Israel. [32389]

3. **Mr. Brian Jenkins** (Tamworth) (Lab): What recent discussions he has had with the Palestinian Authority about the peace process in the middle east. [32390]

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Jack Straw): I am sorry that the previous question was out of order, Mr. Speaker, as I had a very good answer, but I am not challenging your decisions.

I had discussions yesterday in Barcelona with Ehud Olmert, Vice Prime Minister of Israel, and Mahmoud Abbas, President of the Palestinian Authority, about the middle east. Although, of course, many difficulties remain to be overcome, I am more hopeful about the prospects for a lasting peace between Israel and the Palestinians than I have been at any time in the past four and a half years. The withdrawal of the Israeli defence force from Gaza, and from some settlements in the northern west bank, was a hugely significant first step towards the creation of a separate and viable state of Palestine alongside a secure state of Israel, as was the opening of the border at Rafah between Gaza and Egypt, where the European Union is providing international monitors.

I have often commended Israel's Prime Minister Ariel Sharon for his courage in setting those events in train. I should like to do so again. He has now broken from the Likud party to form a new party, Kadima, which stands for "forward". A general election in Israel is due on 28 March.

Mrs. Villiers: The Secretary of State has acknowledged clearly that Israel's unilateral withdrawal from the Gaza strip and parts of the northern west bank is a major step towards a peace settlement and completion of the road map for that peace settlement. In the light of Israel's significant step and concession, will the Secretary of State guarantee to the House today that he will redouble his efforts to ask the Palestinian Authority to live up to its obligations under the road map, and to do everything it can to cease the attacks against Israel and its citizens by too many terrorist groups?

Mr. Straw: I have already placed on record my commendation of President Sharon, and I am glad that the hon. Lady agrees with it.

We must return to the road map as quickly as possible. The withdrawal from Gaza was a major first step, but there is much more to do. All sides have obligations that must be met. Under the excellent leadership of President Mahmoud Abbas, the Palestinian Authority is making significant moves

forward. It is getting a grip on its security forces, although it needs to do more. Self-evidently, no attacks were perpetrated by the Palestinian Authority on Israelis, including Israeli citizens. Some rejectionist terrorist groups are still operating from within the occupied territories and from across the northern border, and we look to the Palestinian Authority to continue its efforts to control those organisations.

Mr. Jenkins: I thank my right hon. Friend for his answer, but he knows that no one can compromise from a position of weakness. We recognise the brave leadership that Ariel Sharon has given to Israel. Does my right hon. Friend recognise that it is incumbent on all parties in the region to leave their entrenched positions if we are to achieve a peace that the international community can support?

Mr. Straw: I do recognise that. Following a period during which everyone was digging into preordained or preconceived positions, there has been a dramatic change in the politics of both the Palestinian Authority and Israel over the past 12 or 13 months. The position now taken by Prime Minister Sharon and members of his breakaway party—including Ehud Olmert, whom I met again yesterday—has moved significantly from the position that the Israelis were taking four years ago at the height of the armed intifada. The Palestinian Authority is also moving. I believe that gradually both sides have recognised that the only future for Palestinians and Israelis lies in peace and in two states.

Sir Menzies Campbell (North-East Fife) (LD): What will the British Government do to prevent the illegal encirclement of Jerusalem from continuing?

Mr. Straw: We continue to make strong representations both directly to the Israeli Government—I keep doing that—and to the Government of the United States, the Government with the most influence in the world over the Israeli Government.

The sooner we reach final-status negotiations, the easier it will be to resolve the issue of the wall. The Israelis say that they are ready to shift the wall, as they shifted an earlier line of control in the Lebanon, as soon as there is political agreement on the borders between the new state of Palestine and the state of Israel. Those issues are to be resolved in the final status negotiations. My reply to the Israelis is that while in one sense shifting a wall is straightforward, it would be profoundly objectionable for settlements to be built within the wall to pre-empt any shifting of it later.

Tom Levitt (High Peak) (Lab): As my right hon. Friend will know, there will be elections for the Palestinian Authority on 25 January. Does he agree that it will be impossible for the elections to be seen to be free and fair while more than 600 road blocks are operating in the west bank—an area the size of East Anglia—and that it is essential for everything possible to be done to allow the elections to take place freely? Otherwise, only the terrorists and those who oppose the peace process will benefit.

Mr. Straw: I accept that the election operation will become very difficult while the road blocks are there. That is a responsibility of the Government of Israel, but it is also a responsibility of the Palestinian Authority's security personnel and of the rejectionist terrorist organisations, which are subject to sophisticated political control from outside Israel. We look to all three parties to take steps to ensure that the elections can take place in reasonable order. The matter will be discussed at the ministerial level of the Quartet, which will meet in the second week of December.

Mr. James Clappison (Hertsmere) (Con): Is not the key to further progress towards peace, and removal of the wall and the road blocks, further progress on the question of security for the Israelis themselves, so that moderate leadership in Israel can be supported? In view of what he said about rejectionist elements—including Hezbollah, which during the peace process has launched rocket attacks on northern Israel—will the Foreign Secretary do all that he can to bring international pressure to bear on rejectionists and the states that have supported and encouraged them, including Iran, whose leader has made such reckless remarks?

Mr. Straw: I share the views expressed by the hon. Gentleman. Putting pressure on Iran, but also on Syria, which hosts Hezbollah, Islamic Jihad and Hamas, is extremely important. That is the subject both of our private representations to the Government of Syria and of very public condemnation, which I issued during the debate in the Security Council three weeks ago in respect of the Syrian Security Council resolution.

Richard Burden (Birmingham, Northfield) (Lab): My right hon. Friend referred to the encirclement of Jerusalem by the wall. Does he agree that the increasing destruction of Palestinian homes in and around Jerusalem is also a matter of concern, and that the international community needs to resist the "de-Arabisation" of east Jerusalem? Will he make urgent representations to the Israelis about that, and take up the suggestion of the EU heads of mission that we should press for the reopening of Palestinian institutions inside east Jerusalem, such as the chamber of commerce?

Mr. Straw: I accept what my hon. Friend says, and its implication—that if east Jerusalem were detached from the rest of the west bank, a functioning state of Palestine would be nigh on impossible to operate. That would be wholly unacceptable to the international community, as it would be to the Palestinians. We have made very strong representations to the Israelis—particularly about not encircling east Jerusalem and not continuing to build what is known as the E1 area, north-east of east Jerusalem—and we shall continue to do so. The suggestion by the EU heads of mission is an interesting one, which Ministers will consider within the EU General Affairs Council.

European Constitution

4. **James Duddridge** (Rochford and Southend, East) (Con): If he will make a statement on the future of the European constitution. [32391]

The Minister for Europe (Mr. Douglas Alexander): Following the rejection of the treaty in the French and Dutch referendums, the June European Council agreed unanimously on the need for a period for reflection to consider the right way forward for Europe. The position remains that the Council will return to the issue of the draft constitutional treaty at the June Council in 2006.

James Duddridge: What discussions has the Minister had with his counterparts in Germany, given that Chancellor Merkel has said that she wants to press ahead with the constitution, but the British public clearly do not want it?

Mr. Alexander: The Prime Minister has now met the incoming Chancellor of Germany, but it is to state the obvious to say that it is ultimately for the Germans to reach a decision on the ratification of the draft constitutional treaty on behalf of the German people, just as it is the perfect entitlement of the British Government, and ultimately the British Parliament, to reach a judgment on the right response of the United Kingdom to the decisive rejection of that treaty last spring by the French and the Dutch.

Keith Vaz (Leicester, East) (Lab): Clearly a period of reflection is in the interests of the whole of the European Union. However, there are elements of the constitution that match Britain's reform agenda. Is my right hon. Friend confident that during our presidency we have achieved what we set out to achieve in connection with reforming the structure of the EU? Will he assure the House that if we do not get those agreements by the end of the presidency, he and the Foreign Secretary will pursue this agenda until the EU is made more efficient and effective, irrespective of what happens to the constitution?

Mr. Alexander: My hon. Friend's question contains a number of points. First, the judgment that the British Government reached, in the light of the decisive rejection in France and the Netherlands, was that the best use of the time during the British presidency was to engage in a broader conversation about the future of Europe. That explains the agenda that we set for the Hampton Court meeting in October in relation to specific future reforms of the European Union. Of course we have made substantive reforms in policy areas—for example, on the sugar regime, as was mentioned earlier—but in the coming six months further reflection is needed on the correct way forward, not least given the disparate range of opinions now being expressed in Europe on the future of the constitutional treaty.

Angus Robertson (Moray) (SNP): Will the Minister confirm that existing treaties and EU rules remain in force, including guarantees on the rule of law, democracy and human rights? What is the UK presidency doing to clarify the serious allegations about detention camps and rendition flights, which are surely against all decent standards?

Mr. Alexander: The hon. Gentleman may be aware that my right hon. Friend the Foreign Secretary has, on behalf of the European Union, written to the United States Secretary of State on exactly that matter.

Mr. Wayne David (Caerphilly) (Lab): Does the Minister agree that, rather than concentrate on what people might view as abstract issues of constitutional detail, there should be an emphasis on bringing home to the British people the benefits of EU membership?

Mr. Alexander: I certainly agree that people in both France and the Netherlands were voting on the text, and we need to respect the judgment that they reached. The broader context of how Europe can meet the challenges of globalisation explains the broader conversation in which European leaders engaged when they met at Hampton Court in October.

Mr. John Redwood (Wokingham) (Con): As the EU presses on with the defence agency, criminal law code and the strengthening of foreign policy in many other crucial elements of the constitution, should not the Prime Minister keep his word to this House and the British people by holding a referendum in this country before the constitution returns to the EU agenda next year? The promise was unequivocal: we were told that we would have a referendum irrespective of what other countries did.

Mr. Alexander: That was a worthy attempt, but the position of the British Government has been set out several times in the House and elsewhere. The draft constitutional treaty would be ratified by means of a referendum in the United Kingdom, but the right hon. Gentleman is right to recognise that there needs to be a legal basis for decisions taken by the European Commission and, indeed, by the other institutions of the EU. That continues to be the case, notwithstanding the period of reflection for the constitutional treaty.

Kelvin Hopkins (Luton, North) (Lab): Given the reality that the constitution is as dead as the Monty Python parrot, would it not be better for Britain to propose a more sensible alternative: the idea that, in future, Europe should be an association of independent, democratic states responsible for their own internal affairs—[HON. MEMBERS: "Hear, hear."]—co-operating only where there is mutual benefit to be gained?

Mr. Alexander: I think that the cheers of Conservative Members reflect the candour with which my hon. Friend has revealed his true agenda, which underlies so many of the questions that he asks—not only in Foreign Office questions but in wider debates on the issue. It is, however, continually the case and remains the case that the draft constitutional treaty was agreed by 25 member states, so it is not the role of any one member state to declare it dead. That explains the unanimous decision that was reached back in June, which will be the basis of further conversations in the European Council next spring.

World Trade

5. **Mr. Mark Harper** (Forest of Dean) (Con): If he will make a statement on the EU's role in the Doha round of world trade talks. [32392]

7. **Chris Mole** (Ipswich) (Lab): What recent discussions he has had with EU partners regarding the World Trade Organisation talks in Hong Kong. [32394]

The Minister for Europe (Mr. Douglas Alexander): The Doha round provides an opportunity to tackle some of the most fundamental injustices at the heart of world trade. My right hon. Friend the Foreign Secretary chaired EU Foreign Ministers' discussions on the trade talks earlier this month. During our EU presidency, we have consistently made clear our ambition for a successful and balanced outcome to that round.

Mr. Harper: This year, the common agricultural policy will cost about £33 billion—equivalent to the gross domestic product of Ethiopia. Given that the Doha round talks are designed to liberalise trade and drive forward the millennium development goals and development more generally, does the Minister believe that the CAP should survive the World Trade Organisation talks in December?

Mr. Alexander: We have consistently made it clear that we want a fixed date to be set for the removal of export subsidies—one of the central elements of the CAP. I am glad to say that other countries, including the United States, have joined us in setting a time scale that they would like to be agreed at Hong Kong during this round. It is important to recognise that agriculture should not crowd out the other elements of a necessary agreement in Hong Kong—whether that means non-agricultural market access or the issue of services. A great deal of potential benefit not just for Britain but for the whole of Europe will follow from a successful conclusion to this round.

Chris Mole: Recent media reports have speculated pessimistically about the outcome in Hong Kong. Does the Minister share that pessimistic view?

Mr. Alexander: It is correct to acknowledge that recent expectations, not least as a result of the comments of the new secretary-general of the World Trade Organisation, Pascal Lamy, have begun to be lowered ahead of the critical meeting in Hong Kong next month. The British Government's position, during our presidency of the EU, has consistently been to argue for the continuing need for an ambitious and balanced outcome. That remains the Government's position.

Mr. Roger Williams (Brecon and Radnorshire) (LD): The EU Commissioner responsible for the trade negotiations in Doha is prepared to advocate reductions of 40 per cent. in some import tariffs, despite the fact that certain products—beef from Brazil, for example—cause considerable environmental damage and exploit labour. Will the Minister assure me that he will intervene and ensure that the reductions will not take place until those products are made without the abuse of environmental damage?

Mr. Alexander: From the question, I am not entirely sure towards which products the hon. Gentleman directs his concern. There has been an offer forthcoming from the Trade Commissioner, and the European Union now looks particularly to Brazil, and also to India, to match the offers that it has made, in order to regain some of the momentum that was apparent in the early autumn but that appears to have been lost in recent weeks.

Tony Lloyd (Manchester, Central) (Lab): Where does the UK stand, in respect of the EU's negotiating position, on deregulation of services? In particular, what is our position on the potentially damaging impact of a prescribed list of services that must be privatised by developing countries?

Mr. Alexander: Britain will not only be represented by Cabinet Ministers in Hong Kong, but will speak with the collective voice of the 24 other members of the European Union, and will be represented collectively at the world trade talks by the European Commission. That is right, because given the challenges that we face from countries such as Brazil, India and—not least—the United States, it is better to speak with the collective strength of 24 other members of the EU to maximise our influence. There are discussions at the moment on the issue of services and non-agricultural market access. I will ensure that my hon. Friend's representations are directed to the Department of Trade and Industry and that a reply is forthcoming.

John Bercow (Buckingham) (Con): Given that Benin, Burkina Faso, Mali and Chad depend on cotton for between 30 and 40 per cent. of their export earnings, will the Minister undertake to work with the EU as a bloc to exert remorseless pressure on the United States to end its obscene $3 billion annual subsidy to 25,000 large-scale and inefficient cotton manufacturers and stop dumping that produce on those four countries? That policy is morally wrong, economically counter-productive and serves to exacerbate the plight of some of the most destitute people on the planet.

Mr. Alexander: I assure the hon. Gentleman that we are pressing the United States on that issue, but his very specific points also make a general point. All of us who are genuinely concerned for the interests of developing countries—I certainly count the hon. Gentleman in that group—have an interest in seeing the multilateral talks succeed. The experience after Cancun was not that it led to a radically better deal being offered to such countries as he mentioned. In fact, it led to the US signing bilateral trade deals, with great imbalances in negotiating strength represented within those individual bilateral discussions. If we want to avoid a rash of bilateral deals that are disadvantageous to the interests of developing countries, all of us—and certainly the British Government—have an interest in ensuring a successful outcome to the Hong Kong meetings.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): I welcome my right hon. Friend's comments about the reduction in export subsidies from the EU, but will he stress—not only with the EU, but with other countries—that the huge potential benefits to be gained from the cancellation of world debt for developing countries could be undermined unless the developed world recognises the need to reduce export subsidies that undermine the economies of those countries?

Mr. Alexander: I take my hon. Friend's point. We have always seen 2005 as the opportunity to align the progress that was made in June, when European Ministers agreed effectively to double bilateral overseas development assistance from the European Union, with

the decisions reached by Finance Ministers—confirmed at Gleneagles in July—on the significant multilateral debt relief that my hon. Friend mentions. The third element of the trinity was the need to try to make real progress in Hong Kong. All of us recognise that if we have the right outcome in Hong Kong and when the round is concluded, it will offer the opportunity not only for more jobs and prosperity in the European Union but will be fairer for the developing world.

Miss Anne McIntosh (Vale of York) (Con): The UK has enjoyed traditional trading links over many years with Commonwealth countries, as the EU has with the ACP countries. In particular, sugar and bananas have had a great role to play in the Caribbean. What future will there be for those products and, in particular, for the Caribbean countries that export to the EU and to the rest of the world after the Hong Kong round?

Mr. Alexander: A range of issues are related to the hon. Lady's question. First, on sugar, fundamental reform was agreed last week, thanks to my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs. There is ongoing consideration as to what level of support can be provided directly during a longer transitional period than was initially envisaged.

Secondly, there is the issue of economic partnership agreements. Before the European presidency, the British Government set out a position that, I am glad to say, has found favour not just with NGOs in the United Kingdom but with other countries that are affected by changes such as those of which the hon. Lady speaks; but we need to continue to work, as the British Government, during the British presidency to make these cases to our European partners. That is why, when my right hon. Friend the Foreign Secretary chaired a meeting on trade talks, I took the opportunity to make the case to other European partners that if we got this round right there would be an opportunity to be both pro-jobs in Europe and pro-poor in the world—and that, particularly in relation to the sugar and banana regimes, a successful outcome would provide considerable gains not just to those individual countries but to us all.

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): Given the Government's laudable commitment to millennium development goal 8, does my right hon. Friend agree that the issue of trade far transcends even crucial matters such as aid and debt; that the European Union can indeed exercise a substantial role, coupled with the United States; and that, on these matters, transparency would indeed be welcome?

Mr. Alexander: My right hon. Friend makes an important point. It is hard to overstate the contribution that trade can make to the fulfilment not just of the millennium development goals but of those countries' potential. That point was driven home to me recently when I was reading speeches made by President John F. Kennedy during his term in office in the United States, when he spoke at the beginning of one trade round of the potential of helping developing countries such as Japan. If one looks around the world, one realises that it is hard to find an example of a country that has managed to lift its population out of poverty other than by having an open trading system. That is why we regard Hong Kong as having the potential to take forward the work that we have begun during 2005, but I fully accept the point that my right hon. Friend makes that it is a vital and very significant element in that trinity of increased development assistance, reduced debt payments from developing countries, and, of course, the fairer trade system that I know he favours.

St. Helena

6. **Norman Baker** (Lewes) (LD): If he will make a statement on his policy in respect of St. Helena. [32393]

The Minister for Trade (Ian Pearson): The Government are firmly committed to the defence and security of St. Helena; and to working closely with its Government to ensure the highest standards of probity, law and order and good governance of the island. We want to see St. Helena develop socially, economically and in a sustainable way, to bring lasting benefit to the island while protecting the environment.

Norman Baker: The Minister will be aware that St. Helena has a unique environment—indeed, Charles Darwin referred to the "unique flora" on the island—and that therefore the proposal to build an airport is highly controversial on the island. Does he agree that before any airport is built there should be a full environmental impact assessment, which should conclude that the flora and fauna of the island will be properly protected? If so, can he explain why Clive Warren, the Department for International Development's head of overseas territories, told a public meeting in St. Helena on 26 April that

"the airport will happen, come what may"?

Is that the Government's position?

Ian Pearson: I assure the hon. Gentleman that there will be a full and rigorous environmental impact assessment. That is ongoing and there has been extensive public consultation as a result of the inquiry.

We are not rushing headlong into anything. The first environmental analysis of airport options was carried out in 1999, and further environmental scoping studies were conducted in 2001 and 2004. We want to ensure that we can bring an airport to the island, but we want to do it in a sustainable way that does not damage the environment, and we shall continue to press forward with that objective in mind.

Middle East

8. **Mr. Iain Wright** (Hartlepool) (Lab): What assessment he has made of the threat to peace and stability in the middle east region posed by Hezbollah. [32395]

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Jack Straw): Hezbollah's stated aim of the elimination of the state of Israel is totally unacceptable, as are Hezbollah's military and terrorist activities, particularly along the blue line, in the occupied territories and in Iraq. We call on Hezbollah to contribute to peace and security in the middle east by

renouncing violence, disarming in compliance with UN Security Council resolution 1559, and entering into the democratic process on an exclusively non-violent basis.

Mr. Wright: Will my right hon. Friend join me in condemning the actions of Hezbollah, which attacked the Sheba'a farms in northern Israel last week, precipitating some of the worst violence on the border since Israel's withdrawal from southern Lebanon in 2000? I welcome the fact that Hezbollah is on the UK's proscribed terrorist list, but it is not on the EU's list. In the remaining weeks of the British presidency of the EU, will my right hon. Friend work to rectify that?

Mr. Straw: I do, and I have, condemned the attack by Hezbollah on the Sheba'a farms. I just point out that the Sheba'a farms are in Syria. They are not in Israel; nor are they, as Hezbollah claims, in Lebanon. They are unquestionably in Syria.

On the second point that my hon. Friend makes, we in the United Kingdom—I did this as Home Secretary—have proscribed, banned, the military wings of Hezbollah. We have not banned the whole organisation—the political wing. Discussions inside the EU continue about a wider ban, although I frankly do not anticipate that there will be any change on that by the end of our presidency.

Mr. Crispin Blunt (Reigate) (Con): What distinction does the Foreign Secretary draw between Hezbollah and Hamas?

Mr. Straw: As the hon. Gentleman knows, they are two distinct organisations. Hezbollah is partly a terrorist organisation, and it is partly operating within Lebanese law, as a legitimate political party in Lebanon. It has one Minister in the Lebanese Cabinet and another Minister is associated with Hezbollah. In that respect, they are different. In other respects, they are similar: they are rejectionist terrorist organisations and the way in which they operate in the occupied territories and against Israel is very similar. Those who have been the victims of terrorism would not notice the difference if they had been killed or injured as a result of that violence. That is why we call on both those organisations and on Islamic Jihad to stop their terrorist activity. We also call on the state of Syria to take action to prevent those organisations from operating, as they do, in its territory.

Dr. Brian Iddon (Bolton, South-East) (Lab): The Israelis are currently rehousing 1,000 settlers every month in the west bank—11,000 so far this year alone—which is greater than the number of settlers withdrawn from Gaza. Surely is that not also a threat to bringing peace between the two sides in the middle east?

Mr. Straw: We constantly make representations to the Government of Israel about their settlement policy, particularly where the settlements are on Palestinian land, and about the way in which some of the settlement activity is, in our view, intended to make unalterable facts on the ground and thereby restrict the opportunities available in final-status talks. That said, the quicker both parties get back to the road map and the current, more hopeful environment is pursued, the better it will be for Israelis and Palestinians alike.

Mr. Keith Simpson (Mid-Norfolk) (Con): The Foreign Secretary, Foreign Office Ministers and Foreign Office officials have pointed out to the British public that sophisticated munitions, probably supplied from Iran, have gone into southern Iraq thanks to Hezbollah and have caused death and injury to British troops. The Foreign Secretary has rightly, in a broad sense, condemned Hezbollah. He has obviously outlined that there are limits, perhaps outside the UK, on what the British Government can do, but the British public would be surprised to think that the political wing of Hezbollah is allowed to function in London, given the facts that the Foreign Secretary and his officials have produced. What practical measures does he intend to take against the political wing of Hezbollah?

Mr. Straw: I am grateful for what the hon. Gentleman said, overall. However, all organisations operating in the United Kingdom must do so within the law. Some organisations, including those that he mentioned, are kept under close scrutiny by law enforcement agencies. If there is any evidence that they are transgressing and they thus become candidates for proscription under the Terrorism Act 2000, my right hon. Friend the Home Secretary examines that evidence with great care. These are not just the usual warm words, because the matter is kept under continuous review.

Iran

9. **Mr. David Hamilton** (Midlothian) (Lab): When he last met his EU counterparts to discuss Iran's nuclear programme. [32396]

12. **Dr. Phyllis Starkey** (Milton Keynes, South-West) (Lab): What discussions are taking place between the E3 and Iran concerning nuclear facilities. [32399]

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Jack Straw): European Union Foreign Ministers and their senior officials are in close and continuous touch on the issue of Iran. I spoke to Iranian Foreign Minister Manuchehr Mottaki last Tuesday—22 November. The issue was discussed at the EU General Affairs Council on Monday 21 November and at the International Atomic Energy Agency board of governors on Thursday last.

Mr. Hamilton: I thank the Secretary of State for that reply. Today, in a committee room at the CBI, the Prime Minister indicated that the possible expansion of nuclear power would be part of the review of Britain's energy requirements. What gives us the right to say that we can expand our nuclear energy, but at the same time tell other countries that they cannot have it?

Mr. Straw: I am glad that my hon. Friend asks that question because it highlights a popular misconception. Under article IV of the non-proliferation treaty, we are fully entitled to develop nuclear power, and so are the Government of Iran—we give them every support in doing so. However, under article II of the treaty, Iran,

as a non-nuclear weapon state, which it has voluntarily declared that it is, has no rights whatever to use its nuclear power technology to develop nuclear weapons. It is on the latter point that the whole of the international attention is focused.

Dr. Starkey: To continue that point, will the Foreign Secretary explain what efforts are being made to involve Russia, China and India in those discussions with Iran, given that those three powers have strong interests in obtaining fuel from Iran and a common interest with us in not permitting Iran to become a nuclear military state?

Mr. Straw: I am pleased to tell my hon. Friend that there has been increasing co-operation in recent months with India, Russia and China in respect of the Iran dossier before the IAEA board of governors. India helpfully voted with the E3 in the board of governors on 24 September, which meant that there was a significant majority, rather than a bare majority, when Iran was declared as non-compliant with its safeguards agreement under the non-proliferation treaty. We have been involved in intensive discussions with the Russian and Chinese Governments—at Head of State and Government level, as well as Foreign Minister and senior official level—and I believe that they are likely to bear significant fruit.

One of my concerns during the long-running saga inside the board of governors with my French and German colleagues on the Iran dossier has been to try to maintain effective international cohesion and solidarity, because that is the surest way in which we can bear down on those in Iran who are trying to use the nuclear power programme to develop nuclear weapons. If we are divided, we will end up in a position in which there are far too many opportunities for those in Iran to exploit the situation. That is why we work with such care. If and when we need to take tough decisions in the IAEA board of governors, I hope that India, China and Russia will actively support us.

Mr. Brian Binley (Northampton, South) (Con): Available evidence suggests that the Iranian regime is moving apace with the development of nuclear weapons and, equally importantly, the delivery vehicle, Shahab 5, which could well reach the channel coast. On the basis of the Foreign Secretary's last answer, will he tell us what specific plans he has to deal with a situation that the Israelis will call the doomsday situation in defence of this country's interests?

Mr. Straw: The fact that the Government of Iran are developing longer range missiles is incontrovertible, but whether they are using their nuclear power programme to develop nuclear weapons is not yet incontrovertible. There is a lot of circumstantial evidence that has raised significant anxieties in the minds of the international community. That evidence is published—it is not intelligence. I laid a significant amount of it before the House in January this year and am happy to do so again. We are taking steps through the IAEA, in which we, France and Germany have been in the lead for the past two and a half years. If we judge that Iran's non-compliance is continuing and is unacceptable, and if we have international support, it remains open to us to refer the matter to the Security Council, and we will do so. However, I believe that the approach by the three countries, now backed by a wider alliance, including Russia and China and, in terms of votes, the United States, is the best way forward in what is a very difficult situation.

Dr. Liam Fox (Woodspring) (Con): Very worryingly, at the IAEA meeting last week, Peter Jenkins, the British delegate but speaking for the European Union, said that the EU

"is disturbed to see that Iran has now admitted to having in its possession a document which related to the casting and machining of enriched uranium metal into hemispherical forms . . . Such a process has no application other than the production of nuclear warheads."

Does not that make the case against Iran clearer?

Mr. Straw: It is my working belief that Iran is at the very least developing the options for a nuclear weapons programme. Given the beliefs that we had on the basis of some published information and some intelligence on Iraq, we have to look at the evidence with great caution and care. The evidence, which originally came from a document from AQ Khan Research Laboratories in Pakistan, tells us that the Iranians had in their possession information that could lead to the development of the hemispheres, which for certain have no purpose other than the development of nuclear weapons. What the evidence does not tell us for certain is what Iran intended to do with that. It is a piece of circumstantial evidence and we need to treat it as such. It is not incontrovertible evidence—it is not a smoking gun—that makes us certain that Iran has a nuclear weapon.

Dr. Fox: President Putin said that he is convinced that Iran is not trying to develop nuclear weapons, and we recently saw some to-ing and fro-ing on a potential deal between Iran and Russia. What contact has the Prime Minister had with President Putin on the subject? Will the Secretary of State guarantee that a potential deal between Iran and Russia, and the time taken to finalise that, will not be used as an excuse to delay or avoid referral to the UN Security Council of an increasingly dangerous state?

Mr. Straw: There have been a lot of discussions with the Russians at Foreign Minister level. I was also present at a detailed discussion on Iran between President Putin and our Prime Minister when the President was here a few weeks ago, and there have been many other discussions. I do not recall that comment by President Putin. I certainly recall his comments that he would be opposed to Iran developing a nuclear weapon. The Russians are very alive to the significant risks that would apply if Iran developed a nuclear weapon because it could destabilise not only the middle east, but the southern republics of the Russian Federation. It would be a serious development.

Russia is involved in the Bushehr refinery and in agreeing to supply the Iranians with a nuclear power plant, lock, stock and barrel, including the fuel. There are separate discussions on whether Russia, under international supervision, would be willing to enrich the uranium, which is converted in another facility in Iran.

We are discussing that with the Russian Federation. It may be one way to provide what the Paris agreement described as the objective guarantees, which we are all seeking, that Iran's nuclear programme is entirely peaceful in its purpose.

Israel

10. **Sir Gerald Kaufman** (Manchester, Gorton) (Lab): If he will make representations to the Israeli Government on their policy of building a separation wall in Palestinian territory, erecting gates and turnstiles in the city of Hebron, and obstructing movement by the establishment of permanent checkpoints. [32397]

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Jack Straw): We frequently raise our concerns on free movement and the route of the barrier with the Israeli Government. While we understand Israel's need to take security measures, the building of the barrier east of the green line is contrary to international law. Israel also has the obligation to ensure that Palestinian free movement is disrupted as little as possible.

Sir Gerald Kaufman: With the illegal line of the Israeli wall forcing transfers of the Palestinian population that amount to ethnic cleansing; with the centre of Hebron emptied because Palestinians cannot move while illegal Israeli settlers move randomly and at will throughout Hebron; with illegal settlements on the west bank being expanded constantly; and with my right hon. Friend's representations, which I respect and admire, being utterly ignored by the Israeli Government, what can be done to stop the Israeli Government breaking international law every day of the year?

Mr. Straw: It is a frustrating situation, particularly for the Palestinians who are adversely affected by it. As I have already spelt out to the House, we are putting continuous pressure on the Government of Israel directly through the European Union and through our friends in the United States to convey the message that if they wish to secure what they say is their stated aim—a viable, stable state of Palestine living alongside a secure state of Israel—it is not in their interests to pre-empt the decisions that are necessary to that two-state solution.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): In the Foreign Secretary's discussions with the Israeli Government would he make it plain that the need for those controls would be greatly reduced if there were early evidence of substantial movement on the status of Jerusalem?

Mr. Straw: I would do so, but the status of Jerusalem is the most difficult issue in final status negotiations, and it will not be resolved, if it is resolved at all, until then.

Joan Ruddock (Lewisham, Deptford) (Lab): Despite reservations about my right hon. Friend's protests, will he repeat such protests, particularly about Bethlehem, as the opening of the new crossing at Rachel's tomb is an abomination? That district is deep inside Palestinian territory, and there is no justification for choking off its tourism industry and economy. In the run-up to Christmas, it is particularly important that reassurances are given and that my right hon. Friend supports, I hope, the "Open Bethlehem" initiative.

Mr. Straw: My hon. Friend should not have any reservations about the representations that my colleagues and I are making.

Joan Ruddock: My reservations are about their success.

Mr. Straw: My hon. Friend can certainly have reservations about their lack of success and I share her frustration. It is not in Israel's interests, still less is it in the Palestinians' interests, for the Israeli Government to resist those representations. I welcome, however, the strong pressure that I receive from Members on both sides of the House, including the eloquent language of my hon. Friend. We shall certainly continue to make those representations.

Michael Fabricant (Lichfield) (Con): Is it not the case that there would be no need for a defensive fence if terrorist attacks on the state of Israel did not take place? With that in mind, what steps are the Government taking to ensure that countries such as Syria and Iran, and perhaps even elements in Saudi Arabia who pay what some call protection money, do not support terrorist organisations that attack Israel through that fence?

Mr. Straw: First, it is legitimate for any state to erect a security wall to defend its citizens. The issue is not whether Israel is entitled to a security wall—the issue is the route. The objection is about where it goes: not on Israeli land but on Palestinian land—let us make that clear. Secondly, I have made very, very strong representations to the Government of Iran and particularly to the Government of Syria, both privately and very publicly in the Security Council, to pressure Syria to do what it says it is doing but what, frankly, it has not done until now: force Hamas, Islamic Jihad and Hezbollah to wind up all the activities that operate out of its territories. As for Saudi Arabia, I am not aware of any provenance for the hon. Gentleman's statement. These days, however, the Government of the Kingdom of Saudi Arabia are strongly opposed to any terrorist activity anywhere across the middle east.

Jeremy Corbyn (Islington, North) (Lab): As the Foreign Secretary has acknowledged that the wall is illegal where it passes through Palestinian land, will he tell us what sanctions he proposes to take against Israel, since the Government of Israel clearly have not responded to the pressures that he and others have applied, asking them to abide by the World Court ruling that the wall should not pass through other people's territory?

Mr. Straw: There are no proposals in respect of sanctions, not least because I do not think we would get a resolution through the United Nations Security Council. That is a matter of fact. However, although it is a relative matter, I believe that the deep international concern about the line that the wall has taken and behind that, the even bigger concern about the

settlements on Palestinian land, is having and should have an increasing effect on policy in the Government of Israel.

European Union

11. **Mr. David Heathcoat-Amory** (Wells) (Con): Whether the UK rebate from the EU budget forms part of current negotiations on the future structure of the EU. [32398]

The Minister for Europe (Mr. Douglas Alexander): May I briefly take the opportunity to clarify for the House in relation to question 4 that Germany is one of 13 member states that have ratified the draft constitutional treaty?

In relation to the question from the right hon. Member for Wells (Mr. Heathcoat-Amory), I refer him to the answer given a few moments ago by my right hon. Friend the Foreign Secretary.

Mr. Heathcoat-Amory: Among all the confused drift of the Government's European policy, at least they have been consistent about their promise not to give up the British rebate, which limits our contributions to the EU budget to about £3.5 billion a year. Does the hon. Gentleman remember the Prime Minister saying at that Dispatch Box on 8 June:

"The UK rebate will remain and we will not negotiate it away. Period."—[*Official Report*, 8 June 2005; Vol. 434, c. 1234.]?

In view of the earlier remarks by the Foreign Secretary which referred to the so-called anomaly of the rebate, was that earlier promise by the Prime Minister worthless?

Mr. Alexander: It was not worthless. It reflects the fact that the rebate came into existence—we have already discussed this afternoon the historic origins in 1984 in Fontainebleau—because of the structural imbalance in a European budget which meant that Britain did not gain either through structural cohesion funds or through common agricultural policy funds the level of resource coming back from the European Union that many other large contributor countries to the EU did. It is therefore entirely consistent to recognise and acknowledge, as our Prime Minister has done, that the abatement is an anomaly, but that it is based on a much wider anomaly.

Points of Order

3.32 pm

Philip Davies (Shipley) (Con): On point of order, Mr. Speaker. On 17 October, when I asked the Minister of State, Ministry of Defence if there were likely to be any advances on the £87 million cost increase in the troubled landing ships dock (auxiliary) contract with Swan Hunter, the Minister said:

"All that the hon. Gentleman has done is recite figures that we have already reported to the House in previous answers. To ensure the delivery of the ships from Swan Hunter, we amended the contract arrangements."—[*Official Report*, 17 October 2005; vol. 437, c. 624.]

Yet on 3 November, in a written answer to my hon. Friend the Member for Aldershot (Mr. Howarth), the Minister stated:

"Both companies have indicated likely cost increases to their programmes".—[*Official Report*, 3 November 2005; vol. 438, c. 1264W.]

The answer also revealed a further £62 million payment to Swan Hunter, which had yet to be revealed to Parliament. Following that, my hon. Friend learned that the Ministry of Defence learned about that in June. So why, when the Minister learned of these further cost increases in June, did he not indicate when asked by me directly on 17 October that further cost increases were expected? Will you ask the Minister to come to the House and correct that misleading statement?

Mr. Gerald Howarth (Aldershot) (Con): Further to that point of order, Mr. Speaker. You will recall that in February this year, you were obliged to rebuke Ministers for failing to reveal that there had been cost increases of £87 million—no less than 60 per cent.—in the cost of those landing ships dock (auxiliary) vessels which had been contracted with Swan Hunter. When my hon. Friend the Member for Shipley (Philip Davies) failed to obtain from the Minister at oral questions last month an updated estimate of the cost, I tabled further questions and wrung out from Ministers the fact that in addition to the £87 million, they had sanctioned a further £62 million in payments to Swan Hunter for what they called lead yard equipment and services in support of the two ships being built to Swan Hunter's design by BAE Systems. That information was not revealed to Parliament at the time that you rebuked Ministers, although the additional payments had been agreed in 2001 and 2002. Although I have some sympathy with the Minister of State, who has to answer in this place for the noble Lord Drayson, is it not unacceptable that my hon. Friend was not given, in your words at the time of the rebuke,

"a full or up-to-date picture of the facts relating to the contract in question"—[*Official Report*, 9 February, 2005; vol. 430, c. 1522.]

by the Minister of State, and that it required persistent questioning by me for the information to be made available to all Members of the House?

Mr. Speaker: I am grateful to both hon. Members for giving me notice of that point of order. I am happy to remind Ministers of their duty to give accurate information to this House. I note that the point is based on information provided by Ministers in answer to questions, and the hon. Member for Aldershot (Mr. Howarth) is now asking me to comment on the answers, which I am unable to do. I suggest that the matter will be best pursued by debate, and he knows the opportunities very well.

Mr. Edward Garnier (Harborough) (Con): On a point of order, Mr. Speaker. You will recall that considerable disquiet was expressed on both sides of the House at last Thursday's business questions about the cancellation of the debate on police restructuring. Today, we had a one-and-a-half hour debate in Westminster Hall, which we are extremely grateful to you for granting to the hon. Member for Stockton, North (Frank Cook). Unfortunately, only six hon. Members were able to get into that debate—I am not making a special plea, but I reduced my contribution to two minutes to allow others to participate. *[Interruption.]* It was hugely appreciated.

During her closing remarks, the Minister for Policing, Security and Community Safety implied that the Government have already made up their mind about the restructuring of the police service. We all know that the expression, "Government consultation", is an oxymoron, but the Government should at least do the House the courtesy of discussing the matter on the Floor of the House and, I submit, they should do so in response to a substantive motion, so that all hon. Members affected—all those who represent English or Welsh constituencies—can properly discuss and bring to the House their constituency and area concerns.

My concern is that the Home Secretary and his junior Ministers are riding roughshod over the rights of this House. They refuse to have a debate because they do not want to have a debate; they are trying to box us into short debates in Westminster Hall, which are not adequate fully to discuss the issues; or they want to postpone the matter until the new year, because the consultation period finishes on 23 December, when the matter will be dead, so far as they are concerned. Will you invite the Home Secretary, in the reasonable way in which I have addressed you, to come to this House and explain himself. Otherwise, the Home Secretary will let down himself and this House.

Mr. Speaker: Two-minute speeches by highly learned QCs are few and far between, and I only wish that I had heard such a short speech. Debates on the Floor of the House are matters for the usual channels, and the hon. and learned Gentleman has certainly put that matter on the record. Because there was one debate in Westminster Hall, it does not mean that we cannot have others. Ballots are held for Adjournment debates, and on a Thursday the Speaker can award an Adjournment debate. If the hon. and learned Gentleman applies for an Adjournment debate, I might be able to help him. I know that the matter is highly sensitive in England and, perhaps, Wales, and I am keen to see hon. Members debate it.

Mr. Roger Gale (North Thanet) (Con): Further to that point of order, Mr. Speaker. Between now and Christmas, there are two non-sitting Fridays. Will you advise hon. Members whether one or both of those Fridays could be used for that debate, if the House is so minded?

Mr. Speaker: Once again, that is a matter for the usual channels. However, I would not interfere with non-sitting Fridays.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Further to that point of order, Mr. Speaker. You have been kind enough to refer us to Westminster Hall debates and the possibility of securing another. That is fine, as far as it goes, but the problem is that it is not on a substantive voteable motion. That is why we want it on the Floor of the House.

Mr. Speaker: I say to the right hon. and learned Gentleman what I said to the hon. Member for North Thanet (Mr. Gale)—that is a matter between the usual channels. The case has been put by several Back Benchers, and it must be heard by the usual channels.

Mr. Eric Forth (Bromley and Chislehurst) (Con): Further to that point of order, Mr. Speaker. Can you confirm that if hon. Members scan Standing Orders carefully, they will find that under one of the very few remaining procedures left unravaged by the Government, application can be made to you for certain other kinds of debate that would bring matters before the House and could be on a voteable motion? Without wanting to pre-empt what your very wise decision might be, Mr. Speaker, that is the sort of process that colleagues might wish to pursue on matters as substantive and urgent as this.

Mr. Speaker: I have always said that the right hon. Gentleman is an expert on Standing Orders, and he knows how to use them. I will say no more than that.

Sir Nicholas Winterton (Macclesfield) (Con): Further to that point of order, Mr. Speaker. You have an extremely difficult job in representing the best interests of the whole House, but do not you feel, Sir, that a fundamental change to the structure of the police force in this country is a matter on which the House should express a view, on a substantive motion, before the end of the consultation on 23 December?

Mr. Speaker: My job is made very easy because hon. Members do not draw me into the debate.

Bill Wiggin (Leominster) (Con): On a point of order, Mr. Speaker. I want to raise a different matter that is causing me some concern. This week, I received a letter from the House authorities inviting me to have a Visa travel card. A few weeks ago, I mentioned to the Leader of the House that I was nearly being knocked off my motor cycle because of the change in the narrowness of the road outside the Palace. My staff cannot get passes. I am worried that the House authorities may not be doing as much as I would like to make life as straightforward as possible for us and our constituents instead of their departments. This is a difficult subject, Mr. Speaker, and I need your advice on it.

Mr. Speaker: Let me say to the hon. Gentleman that the officials of this House have great difficulties with security. As he knows, that is not a matter that I would discuss openly on the Floor of the House. All I would ask is that hon. Members are patient with the security staff because, believe me, they have a very difficult job indeed.

Representation of the People (Reduction of Voting Age)

3.42 pm

Stephen Williams (Bristol, West) (LD): I beg to move,

That leave be given to bring in a Bill to reduce the voting age for parliamentary, local government and European parliamentary elections to 16.

Twenty years ago, at a Welsh party conference, I first heard a debate on reducing the voting age to 16. I was one of the youngest people in the room, but I voted against the motion. In the two decades since, I have been involved in many elections, seven of them as a candidate. In that time, I have moved from being a sceptic to a doubter. After the 2001 general election, I became a firm believer that the time had come to reduce the voting age.

Like all of us, I have visited many schools and colleges during, and in between, elections. I have always been impressed by the penetrating and incisive questions and by the open way in which ideas are debated. Contrast that with a typical wet evening during an election when one meets someone on the doorstep who has no time, is not interested, would rather be watching the television, or offers an opinion that they say is fact but actually matches what they read in the newspapers that morning. Reducing the voting age to 16 is an idea whose time has come. It is a shame that the Government failed to grasp that opportunity for change in the Electoral Administration Bill.

The parliamentary franchise was extended six times between 1832 and 1969. Each extension was met with opposition and scepticism. Indeed, after the Second Reform Act 1867, the Prime Minister of the day, Lord Derby, described his own measure as a "leap in the dark". Robert Lowe, who was to become Gladstone's first Chancellor of the Exchequer, remarked that the Government would have to "educate our masters".

In the 21st century, our eyes can be open and we can see that we have the best ever educated, informed and politically interested cohort of 16 and 17-year-olds. In recent times, young people's interest has been awakened in politics. Perhaps one of the few silver linings of the Iraq war is that young people take an interest in the Chamber's deliberations and the fundamental decisions that we can make in this place.

All hon. Members will have been lobbied here and in our constituencies by young constituents about issues such as third-world poverty and climate change. Young people will shortly take an interest in controversial education measures, which will be determined here, just as they recently took an interest in decisions that affected their access to higher education.

Like the rest of us, young people can pick and hoover up information 24 hours a day through television and the internet. In schools, citizenship is compulsory at key stages 3 and 4 for all 11 to 16-year-olds in England, stimulating community involvement and political literacy. In 1969, when Parliament previously decided to extend the franchise, the school-leaving age was 15 and most people left school at 15. Few went on to further education and even fewer to higher education. In 2005, the educational world is totally different. I am sure that today's teenagers have the same social interests as their

counterparts in the 1960s, but this decade's 16-year-olds are better informed and of a similar maturity to 18-year-olds of nearly 40 years ago. It is now time for them to use their knowledge and maturity and for us to extend the vote to them.

The Prime Minister often talks about rights, responsibilities and respect. Young people already have various rights and responsibilities when they are under 18. At 16, they can leave school, go to work and join the Army. In both latter circumstances, they will pay taxes. They can marry or—shortly—enter into a civil partnership. All of us would agree that entering into a marriage is a long-term commitment and a fundamental decision that is far more important to someone's life and future than choosing between candidates in an election.

At 17, one can learn to drive. My hon. Friend the Member for Montgomeryshire (Lembit Öpik) could learn to pilot a plane but he was not trusted with the vote. We give young people many rights and responsibilities but, as politicians, we do not always give them the respect of listening to their opinions.

Many of us have expressed worries about democracy in our country and especially about turnout at elections. I believe that voting at 16 could boost turnout in the long run. The Social Market Foundation conducted some interesting research on the topic. It undertook a study of 17 and 18-year-olds who either just missed out or just qualified to vote in the April 1992 general election. Those who missed out in 1992 had to wait until they were 22 or 23 before they could vote in the 1997 general election. In 2001, that group of people was studied and it was found that 49 per cent. of 17-year-olds who had just missed out in 1992 voted in 2001 but that 65 per cent. of the 18-year-olds who qualified for the vote in 1992 voted in the general election nine years later. That is a 16 per cent. gain in turnout through an exercise of the franchise at the earliest opportunity.

Bristol's twin city, Hanover, has recently extended the vote to 16-year-olds and it was found that they are twice as likely to turn out to vote in elections as people in their late 20s.

Let me trespass briefly on the territory of the next debate. Cigarette manufacturers believe that a person whom they can get to take up smoking by the age of 16 is likely to be addicted for many years but that, of those who resist the temptation into their 20s, few take up smoking. Votes for 16-year-olds will be a healthier habit for people to take up.

What are the arguments against extending the franchise to 16 and 17-year-olds? Some people argue that there is pressure from families, campaign groups and political parties, especially in marginal seats in elections; that the voting age in all but a handful of democracies throughout the planet is the same as that in the United Kingdom. It is argued that young people are not mature enough, even with education. It is claimed that knowledge may be one thing but mature judgment is another and that young people do not see the broader picture. All of those opinions will have been offered in the past few years while the debate has been on the agenda, and I am sure that they will be offered in time to come. I obtained all of them through a perusal of *Hansard* from November 1968, when the House decided to reduce the voting age from 21 to 18. Similar arguments were advanced in the 19th and 20th centuries when it was said that middle-class paternalism could protect the interests of the working classes, or husbands could make decisions on behalf of their wives, or parents on behalf of their children. Those were Aunts Sallies then and I think that they deserve to be knocked down now.

Voting at the age of 16 is supported by Members of all parties in the House. Early-day motion 801, tabled by the hon. Member for Kingston upon Hull, North (Ms Johnson), now has the support of 90 signatures. Outside Parliament, the campaign is supported by children's charities and political campaigners from Barnardo's and the Children's Society to the National Union of Students and the YMCA.

Extending the franchise to 16-year-olds will not be a leap in the dark. Rather than having to educate our new electoral masters, we would find them the most responsive and responsible constituents. I believe that young people are informed, engaged and ready to vote. I hope that by introducing the Bill, I have contributed to a debate that will eventually lead to a franchise that is fit for the 21st century.

3.51 pm

Mr. Mark Harper (Forest of Dean) (Con): It is worrying that the hon. Member for Bristol, West (Stephen Williams) drew a parallel between smoking and voting. If the Labour party gets its hands on it, it will be banning voting just as it wants to ban smoking.

The Electoral Commission is investigating national voting at 16 at great length. Its report, which was published in April this year, concluded that the minimum age for all levels of voting in UK public elections should remain at 18, although it said that the minimum age for candidacy should be reduced to 18. I welcome the latter move, and that has been put forward by the Government in the Electoral Administration Bill. My party and I support that. Having candidates aged 18 would be valuable.

In its report on reducing the voting age, the commission, which conducted wide-ranging public consultation, concluded:

"On the little hard evidence available, it would appear that overall turnout would almost certainly drop in the short-term as a result of lowering the voting age and the longer-term effects on turnout are disputed."

It also said that

"lowering of the voting . . . age was unlikely to have as significant an effect as the much more fundamental cultural shift required in how young people are engaged in the wider political process."

In my constituency, Speech House—the home of debate—was host to much discussion on this subject when Forest sixth-formers met during local democracy week in the Verderers' court. The Royal Forest of Dean college, Wyedean school and Newent community schools sent students to debate whether the minimum age of voting should be lowered to 16. Even among an audience made up entirely of 16 to 18-year-olds, there was almost a 50:50 split. Even among the target age group there is not a clear wish for change.

The hon. Member for Bristol, West said that there are a number of things that young people are permitted to do at 16, but he did not give the full picture. It is true that someone can join the Army at 16, but that person cannot serve on the front line until 18. It is true that we

[Mr. Mark Harper]

can get married at 16, but until 18 people have to have their parents' permission. We make distinctions in this country and there are certain things that can be done only when someone achieves the age of majority, when he or she is deemed to be an adult. A line must be drawn somewhere. If we move to 16, no doubt there will be arguments to move the age even further. Without a clear line there is no obvious end.

The Electoral Commission conducted a wide-ranging survey that involved ICM. In an unprompted survey, 64 per cent. of the public said that 18 was the correct age. Only 18 per cent. thought that 16 years was preferable. When given a choice between 18 and 16, 78 per cent. said that 18 was the correct age. Interestingly, those below the age of 18 wanted the voting age to be lowered, but once they had reached the age of 18, they expressed overwhelming support for the 18 limit.

The Electoral Commission's survey, conducted by ICM, came up with some solid conclusions. It stated:

"These results represent a solid affirmation of the status quo. There may be valid reasons for reducing the voting age"—

the hon. Member for Bristol, West has outlined some that he found convincing—

"but the general public are . . . unimpressed by them. Indeed, a reduction in the voting age could only be justified . . . by attaching more importance to the wishes of current 16–17 year olds than to the views of the public at large".

It went on to say:

"Rarely does a research survey produce a truly remarkable statistic."

We have to draw the line somewhere, and traditionally we have set 18 as the age at which one becomes an adult. That is a sensible settlement. It is sensible to reduce the age of candidacy to parallel the voting age, but this measure does not deserve the support of the House.

Question put, pursuant to Standing Order No. 23 (Motions for leave to bring in Bills and nomination of Select Committees at commencement of public business):—

The House divided: Ayes 128, Noes 136.

Division No. 109] **[3.56 pm**

AYES

Abbott, Ms Diane
Alexander, Danny
Anderson, Janet
Austin, John
Baker, Norman
Barlow, Ms Celia
Burnett, John
Battle, rh John
Bayley, Hugh
Beith, rh Mr. Alan
Bercow, John
Bottomley, Peter
Brake, Tom
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Bruce, Malcolm
Bryant, Chris
Burden, Richard
Burstow, Mr. Paul
Burt, Lorely
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Caton, Mr. Martin
Challen, Colin
Chaytor, Mr. David
Clark, Ms Katy
Clarke, rh Mr. Tom
Clegg, Mr. Nick
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cummings, John
Davey, Mr. Edward
Davidson, Mr. Ian
Devine, Mr. Jim
Drew, Mr. David
Durkan, Mark
Engel, Natascha
Etherington, Bill
Farron, Tim
Foster, Mr. Don
Foster, Michael Jabez *(Hastings and Rye)*
Galloway, Mr. George
Gibson, Dr. Ian
Gidley, Sandra
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Gwynne, Andrew
Harris, Dr. Evan
Harvey, Nick
Hemming, John
Hodgson, Mrs. Sharon
Holmes, Paul
Hopkins, Kelvin
Horwood, Martin
Hosie, Stewart
Howarth, David
Hughes, Simon
Huhne, Chris
Iddon, Dr. Brian
Irranca-Davies, Huw
James, Mrs. Siân C.
Johnson, Ms Diana R.
Jones, Lynne
Jones, Mr. Martyn
Kennedy, rh Mr. Charles
Kidney, Mr. David
Kramer, Susan
Laws, Mr. David
Leech, Mr. John
Lepper, David
Love, Mr. Andrew
Mackinlay, Andrew
MacNeil, Mr. Angus
Malik, Mr. Shahid
Mann, John
Marshall, Mr. David
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonnell, John
Meale, Mr. Alan
Mitchell, Mr. Austin
Moore, Mr. Michael
Morden, Jessica
Morgan, Julie
Mulholland, Greg
Naysmith, Dr. Doug
Norris, Dan
Oaten, Mr. Mark
Owen, Albert
Prosser, Gwyn
Pugh, Dr. John
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Riordan, Mrs. Linda
Rogerson, Mr. Dan
Ruane, Chris
Ruddock, Joan
Russell, Bob
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Skinner, Mr. Dennis
Smith, Sir Robert
Spink, Bob
Starkey, Dr. Phyllis
Stoate, Dr. Howard
Stunell, Andrew
Taylor, David
Taylor, Matthew
Taylor, Dr. Richard
Thurso, John
Turner, Dr. Desmond
Vaz, Keith
Vis, Dr. Rudi
Waltho, Lynda
Webb, Steve
Whitehead, Dr. Alan
Williams, Hywel
Williams, Mark
Williams, Stephen
Wishart, Pete

Tellers for the Ayes:
Jo Swinson and
Mr. Roger Williams

NOES

Alleyne, Adam
Allen, Mr. Graham
Amess, Mr. David
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brokenshire, James
Browning, Angela
Burgon, Colin
Burrowes, Mr. David
Chope, Mr. Christopher
Clappison, Mr. James
Clarke, rh Mr. Kenneth
Conway, Derek
Crabb, Mr. Stephen
Davies, Philip
Dismore, Mr. Andrew
Dobson, rh Frank
Donaldson, Mr. Jeffrey M.
Donohoe, Mr. Brian H.
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Dowd, Jim
Duddridge, James
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Eagle, Angela
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fallon, Mr. Michael
Field, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Goodman, Mr. Paul
Goodwill, Mr. Robert
Greening, Justine
Greenway, Mr. John
Grogan, Mr. John
Hall, Patrick
Hamilton, Mr. David
Hammond, Stephen
Hands, Mr. Greg
Harris, Mr. Tom
Havard, Mr. Dai
Hayes, Mr. John

Heald, Mr. Oliver
Henderson, Mr. Doug
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Howarth, Mr. Gerald
Hurd, Mr. Nick
Jenkin, Mr. Bernard
Jenkins, Mr. Brian
Jones, Mr. David
Jones, Mr. Kevan
Kawczynski, Daniel
Kilfoyle, Mr. Peter
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Loughton, Tim
MacDougall, Mr. John
Main, Anne
May, rh Mrs. Theresa
McGovern, Mr. Jim
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Milton, Anne
Mitchell, Mr. Andrew
Moffat, Anne
Moon, Mrs. Madeleine
Mundell, David
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Oliver, Mr. Bill
Ottaway, Richard
Paterson, Mr. Owen
Penning, Mike
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Hugh
Robinson, Mr. Geoffrey
Robinson, Mrs. Iris
Robinson, Mr. Peter
Rosindell, Andrew
Salter, Martin
Scott, Mr. Lee
Shapps, Grant
Shepherd, Mr. Richard
Sheridan, Jim
Spelar, rh Mr. John
Spicer, Sir Michael
Steen, Mr. Anthony
Streeter, Mr. Gary
Stringer, Graham
Stuart, Mr. Graham
Swire, Mr. Hugo
Tapsell, Sir Peter
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Watkinson, Angela
Whittingdale, Mr. John
Wiggin, Bill
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Young, rh Sir George

Tellers for the Noes:
Mr. Eric Forth and
Mr. Mark Harper

Question accordingly negatived.

Orders of the Day

Health Bill

[Relevant document: The uncorrected Minutes of Evidence taken before the Health Committee on 20th October, 17th November and 24th November 2005, HC (2005–06) 485 i-iii.]

Order for Second Reading read.

4.7 pm

The Secretary of State for Health (Ms Patricia Hewitt): I beg to move, That the Bill be now read a Second time.

I am proud to introduce a Bill that is a landmark in the protection of public health and the improvement of our health services. It does three key things. It gives us power to ban smoking in enclosed public places and workplaces, it strengthens our hand in the battle against methicillin-resistant Staphylococcus aureus and other hospital infections, and it contains a series of measures that will strengthen control of dangerous drugs, improve pharmaceutical and ophthalmic services and help to deal with fraud in the national health service.

I realise that the House may be particularly interested in the provisions on smoking, but I want to make a few brief points about other aspects of the Bill first to ensure that they are given due attention. The first commandment of the medical profession is "Do no harm". Unfortunately, as we all know, there are occasions when patients are harmed, not healed, by their hospitals. It is not surprising that MRSA and other health care-associated infections are of great concern to members of the public, particularly if someone in the family or neighbourhood has suffered from them. Part 2 of the Bill—clauses 13 to 15—gives us stronger powers to reduce MRSA and other infections to the absolute minimum.

We were the first Government to require surveillance for MRSA, and we are already using the information to help drive down infection rates. We set a target of no later than 2008 for the halving of MRSA infections. Indeed, some of our specialist hospitals such as Guy's and St. Thomas's, which treat some of the most complex cases in the country, and in early 2004 had among the highest MRSA rates, had already nearly halved their infection rates a year later.

The Bill builds on the work that we are already doing; it provides for a legally binding code of practice on health care-associated infections, which will apply to any relevant NHS body. The code will be based on existing best practice, and a draft on which we consulted earlier this year was well received. It will be backed up by new duties for the Healthcare Commission to ensure that it is observed, including the power to serve an improvement notice.

Mr. Paul Burstow (Sutton and Cheam) (LD): The Secretary of State referred to the statutory code and the consultation held on it. Last year's National Audit Office report on hospital-acquired infections found that half of all NHS managers are struggling to reconcile meeting Government waiting time targets with managing hospital infections. That issue came through again in the response to the consultation on the code.

[Mr. Paul Burstow]

The NHS wants to know what priority the Government will attach to the code, compared with other health priorities—so can the Secretary of State make that clear today?

Ms Hewitt: The hon. Gentleman raises an important point. It is not acceptable to try to achieve infection targets at the expense of waiting list and other targets, nor is it acceptable to try to achieve waiting list targets by compromising on patient safety and infection rates. Throughout the country there are hospitals that are both improving the number of patients whom they treat, thus getting waiting lists and waiting times down, and getting a grip on infection control, thus bringing MRSA and other infection rates down. The answer is that hospitals need to do both.

Mr. Andrew Lansley (South Cambridgeshire) (Con): I fear that the Secretary of State has not answered the perfectly reasonable question asked by the hon. Member for Sutton and Cheam (Mr. Burstow). The essence of the question, which we have asked Ministers time and again, is this: will the Secretary of State give a simple guarantee that when, after a suitable risk assessment, infection control teams in a hospital recommend that beds or wards should be closed for infection control purposes, they will not be overruled in pursuit of waiting time targets?

Ms Hewitt: That would be a matter for the Healthcare Commission to consider, under the new code and under the Bill.

As we increase even further the capacity and the number of hospital beds available to the NHS, as we are doing, it will be possible to reduce occupancy rates in acute wards, which will help. It is not essential, but it will certainly help, as hospitals get their MRSA rates under control.

Mr. Lansley *rose*—

Ms Hewitt: I shall give way one more time to the hon. Gentleman on this point.

Mr. Lansley: The Secretary of State does not have to give way to me, so I am grateful to her for doing so again—but does she not recall that two weeks ago I presented to the House data that showed that although in 2000 the NHS started with 186,000 beds, with a target of 7,000 additional beds, the number went down by 4,000? On present indications, we estimate that this year, as a result of NHS deficits, the number is likely to reduce by another 2,500, so there will be fewer than 180,000 beds. The number of beds is going down, and bed occupancy rates are persistently far higher than the Government said they would be when they responded to the National Audit Office five years ago.

Ms Hewitt: The hon. Gentleman is doing exactly what he did in that debate two weeks ago, and ignoring the fact that with modern medical techniques and technology, far more operations can be done on a day-case basis. He is also confusing acute beds with beds available for mental health patients, for whom far more treatment is being carried out within the community.

Mr. Lansley *indicated dissent.*

Ms Hewitt: I make again the point that I have made before: thanks to our investment and unprecedented funding for the NHS, which the Conservative party failed to make available, and thanks to our reforms, we are bringing waiting lists down, and as more capacity becomes available to the NHS both in NHS hospitals and in independent sector treatment centres, as is happening now, it will be possible to get the waiting lists down even further, with lower bed occupancy rates, which in turn will help to build on the good results already being achieved with infections. The other point to consider on this particular issue is that, if a hospital is still failing to abide by the new code and to reduce its infections, even after an intervention by the Healthcare Commission, I—or in the case of the foundation trusts, the regulator—have the power to intervene.

Mark Pritchard (The Wrekin) (Con): Does the Secretary of State agree that the Government can have all the codes that they want to try and tackle ESBL—extended-spectrum-lactamases; VRSA—vancomycin-resistant Staphylococcus aureus; MRSA and all the superbugs, but if primary care workers are unable to obtain flu jabs this winter, patients will be put at direct risk? In my constituency, primary care workers are unable to have flu jabs, putting my constituents at risk.

Ms Hewitt: As I have already told the House, more people are being vaccinated against winter flu than ever before in our country—even more than last year, when we achieved a level twice that achieved under the Conservatives.

Mr. Stephen Dorrell (Charnwood) (Con): The Secretary of State has been talking about the code of practice that will be introduced to enforce better standards in NHS hospitals. When we come to consider the enforcement of those standards within hospitals, will the Secretary of State explain why she is not planning to extend the sanctions regime that applies to private sector hospitals to their NHS counterparts?

Ms Hewitt: The right hon. Gentleman raises an important point. As for private hospitals and the independent sector generally, the same standards will apply, using the same code provisions but under the existing legal powers of the Care Standards Act 2000. The obvious reason why we have a somewhat different enforcement regime is that we have direct management controls—or through a monitor, direct regulatory controls—on NHS and foundation trust hospitals that do not exist in respect of the private sector.

The new code that we are introducing, backed up by the new powers of the Healthcare Commission, will help to ensure that our NHS, which is treating more patients faster than ever before, will also provide the highest possible standards and quality of care.

I want to refer briefly to parts 3, 4, and 5 of the Bill, which deal with drugs, pharmaceutical and ophthalmic services and various other matters. We are

strengthening the management of controlled drugs in response to some of the shortcomings identified in the Shipman inquiry's fourth report. Those provisions, which are UK-wide, will require every health care body to appoint an accountable officer who will have to take personal responsibility for the use of controlled drugs within that organisation

We are also taking steps to continue improving pharmaceutical and other services. Community pharmacists are already playing a much wider role than they used to within the NHS—for instance, providing screening services and reviewing medicine use for people with long-term conditions. We know from our recent consultation on community health and social care services that the public welcome the work of community pharmacists and would like to see it increased. The Bill, by freeing pharmacists from the requirement personally to dispense every item, will allow them to expand the other services that they offer without in anyway compromising patient safety.

Dr. Howard Stoate (Dartford) (Lab): I thank my right hon. Friend for her remarks on community pharmacies. I am sure that they will be greatly appreciated by the many thousands of community pharmacists who work so hard to provide front-line health care services. Will my right hon. Friend ensure that, when she relaxes the requirements for pharmacists to be on the premises at all times as they are now, at least one pharmacist will be available so that we avoid the situation in which one pharmacist has, in theory, to manage more than one premises at the same time? I am concerned that that could compromise standards.

Ms Hewitt: My hon. Friend makes an important point, which we will look into carefully when we draw up the detailed regulations to give effect to the provision. In order to ensure that patient safety is in no way compromised, a responsible pharmacist will have to be in charge of every pharmacy. However, because he or she may not have to dispense every item, it will be possible to make much better use of the range of skills within the pharmacy team.

We are also reforming the entry requirements governing the provision of pharmacy services by implementing in England the final elements of the balanced package of reforms that we published in response to the Office of Fair Trading report two years ago. Similarly, in modernising ophthalmic services, we are relaxing the current restrictions on who can provide them.

Helen Jones (Warrington, North) (Lab): As someone who has been using opticians since the age of seven, may I ask my right hon. Friend about the logic behind devolving general ophthalmic services to PCTs? Will she give an assurance that PCTs will not be able to restrict the number of opticians who provide sight tests?

Ms Hewitt: My hon. Friend raises an important point. We want to give PCTs the ability to secure the best services for people in their area, and that is exactly what we are doing by devolving responsibility for dental services—*[Interruption.]* Yes, they will be able to respond to some of the very real problems that we are addressing. On ophthalmic services, PCTs will be able to use a wider range of providers to obtain the services that people need. The changes will simplify entry requirements for the provision of NHS services and help to support better service provision.

Mr. Andy Reed (Loughborough) (Lab/Co-op): I accept that PCTs are often well placed to drive up the level of provision in their area, but does my right hon. Friend understand the concerns of optometrists in my constituency, such as David Austen, who provides an excellent service but is fearful that quality may be reduced if the PCT is driven by the need to make economies? The changes should be about driving up standards, not reducing them to a level playing field.

Ms Hewitt: My hon. Friend's final point is right. These changes will help to continue improving the quality of care that opticians are able to provide. My hon. Friend the Minister with responsibility for ophthalmic services has recently met the opticians to reassure them on that point, because it has been raised not only by the constituents of my hon. Friend the Member for Loughborough (Mr. Reed) but by many others.

Several hon. Members *rose*—

Ms Hewitt: I wish to make some more progress, because I know that there are many other issues that hon. Members will wish to—

Several hon. Members *rose*—

Mr. Speaker: Order. The Secretary of State said that she does not intend to give way.

Ms Hewitt: The Bill will also strengthen the powers of the NHS Counter Fraud and Security Management Service, which has—

Mr. Henry Bellingham (North-West Norfolk) (Con): Will the Secretary of State give way?

Ms Hewitt: No. The hon. Gentleman is very persistent, but I have already said that I will not give way, because I wish to make some progress and there are many other issues on which I anticipate hon. Members will wish to make interventions.

The counter fraud service has performed a highly important job since we established it in 1998. By the end of the last financial year, it had produced a financial benefit to the NHS of £675 million, which is a 13:1 return on its total budget since 1999. The service is an important part of ensuring that we get value for money for every additional £1 of taxpayers' money that we put into the NHS.

I come to my final point before I turn to smoking. In part 5 of the Bill, we respond to an important report published in 2003 by the Public Administration Committee, which was called "Government by Appointment", by establishing a new non-departmental public body, the appointments commission, to replace the current NHS Appointments Commission. In the Committee's estimation, the NHS Appointments Commission was working well and the Committee

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recommended that other Departments should be able to use its services. The Bill provides the legal framework to do that and reaffirms our commitment to an independent appointments process.

Mr. Andrew Turner (Isle of Wight) (Con): I am grateful to the Secretary of State for giving way before she discusses smoking. In her responses to interventions by Labour Members, she did not appear to give an assurance that she would not allow PCTs to restrict patients' choice of ophthalmic practitioner. Will she assure the House that she will carry out a full review of general ophthalmic services, in consultation with the profession, so that people in England receive the same quality of treatment as is available in Wales and Scotland?

Ms Hewitt: The measures in the Bill are designed to increase the choice that is available to patients in England. The Bill will enable primary care trusts to contract with a wider range of providers, and indeed, as you would expect, Mr. Speaker, we have been discussing this very closely with the opticians, with the profession, and we shall continue to do so as we bring forward regulations on this matter.

Several hon. Members *rose—*

Ms Hewitt: I am not going to take further interventions because I wish to turn to another very important matter—part 1 of the Bill, on smoke-free places. The provisions that we are introducing in part 1, which extend to England and Wales, fulfil the commitment that we made last year, in the "Choosing Health" White Paper, to legislate to shift the balance significantly in favour of smoke-free environments.

Dr. Desmond Turner (Brighton, Kemptown) (Lab): I am sure that my right hon. Friend is aware that many of us see a fatal flaw and contradiction in the Bill—*[Interruption.]*—in part 1, which is otherwise admirable in its intent. I am sure that everyone on the Labour Benches would wish to protect workers from being exposed to smoke in their workplaces, and probably all of us in the House would support that aim. Part 1 is fatally undermined, however, by providing exemptions for private clubs for instance, or pubs that do not serve food, where people still have to work and where, in practice, it is impossible to separate those working there from the smoke. My right hon. Friend must be aware that there will be serious moves to amend that part of the Bill.

Ms Hewitt: My hon. Friend has raised early in this debate what the exemptions should be, but I would refer him first to the manifesto on which he and I were both elected earlier this year—*[Interruption.]* Perhaps I may just finish this sentence, which is rather an important one, if I may say so, for all my hon. and right hon. Friends. We were all re-elected this year on a manifesto that promised we would legislate to ensure that

"all enclosed public places and work places other than licensed premises will be smoke-free . . . that all restaurants will be smoke-free, all pubs and bars preparing and serving food will be smoke-free".

The Bill delivers on that promise by introducing a complete ban on smoking in enclosed public spaces and workplaces, but allowing for limited exemptions about which I shall say something more in a moment.

Several hon. Members *rose—*

Ms Hewitt: I give way first to my hon. Friend the Member for Livingston (Mr. Devine).

Mr. Jim Devine (Livingston) (Lab): My right hon. Friend will be aware that I was not actually elected on the manifesto, coming in, as I did, in October, and she will be aware that many of us in this place would like us to follow the lead of the Scottish Parliament and the Dail in banning smoking totally in all public places. But I wonder whether she is aware of the British Medical Association report that was produced in October, which compared the respiratory function of bar staff in Northern Ireland and in the Republic, before and after the introduction of the smoking ban. It showed that the respiratory function of bar staff in the south had increased substantially, and the conclusion was that the smoke-free law—

Mr. Speaker: Order. Perhaps we can leave that for a speech. Interventions should be short.

Ms Hewitt: Thank you, Mr. Speaker. My hon. Friend the Member for Livingston makes an important point, to which I shall return not only this afternoon but in Committee.

Several hon. Members *rose—*

Ms Hewitt: I shall make a little more progress at this point and then I will take further interventions.

Today, only 51 per cent. of the work force enjoy a totally smoke-free environment. The Bill, even with the limited exemptions that we are proposing, will give 99 per cent. of the work force complete protection from smoking. That is an enormous step forward for public health and for the health and well-being of our people.

Several hon. Members *rose—*

Ms Hewitt: I shall give way in a moment. Smoking is already—thank goodness—far less common than it used to be. Many of us can remember when it was the norm for people to spoke in cinemas, on trains and buses and in most factories and offices. Today, smoking is banned on almost all public transport and in many other public places. Thirty years ago, about half of men and almost half of women smoked; today, only one in four people do so. That number is continuing to fall, in part thanks to the excellent smoking cessation services provided on the NHS.

Steve Webb (Northavon) (LD): Can the Secretary of State clarify a simple factual question: did she try to persuade the Cabinet to go for a total ban?

Andrew Mackinlay (Thurrock) (Lab): Hand on heart.

Ms Hewitt: My hand is always on my heart. We had a debate in the Government on how best to implement

our manifesto promise, just as we will have a debate this afternoon and in Committee, but I stress that Labour Members are completely committed to legislating for public health and for a smoking ban to strengthen the provision of smoke-free places.

Philip Davies (Shipley) (Con): Will the Secretary of State give way?

Ms Hewitt: I will give way to the hon. Gentleman, and I hope that he will tell us whether he proposes to vote for the Bill or against it.

Philip Davies: I thank the Secretary of State for giving way, but I would prefer to put points to her. I do not smoke. I do not like going into smoky places, so I choose not to. Does she not agree that, if I own a pub, I should be free to decide whether or not people are allowed to smoke on my premises based on the feedback that I get from my customers and my employees? This should not be a matter for more nanny-state interference.

Ms Hewitt: I take that as a statement that the hon. Gentleman and, no doubt, many of his hon. Friends will vote against the Bill, because they do not accept that the Government have a responsibility to act in this respect.

Several hon. Members *rose—*

Ms Hewitt: I will take further interventions in a moment, but I want to make a little progress because there is an extremely important point of principle, which divides Labour Members from the Conservative party. Fewer people now smoke and more people demand smoke-free public places and workplaces.

Several hon. Members *rose—*

Ms Hewitt: I have just said that I will make a little more progress before I take further interventions.

I have no doubt at all that, even without legislation, in the fullness of time, we would eventually see a self-imposed ban on smoking spread to virtually all public places and workplaces. The reason why that is not good enough is that it would take too long. Smoking kills and so does second-hand smoke. Even if the Opposition cannot make up their mind, the Government have a duty to legislate. The public consultation that we conducted made it plain that the public agree. They want the Government to speed up the change that is already happening. They want the Government to do more to protect people from second-hand smoke.

Mr. Patrick McLoughlin (West Derbyshire) (Con): I do not know whether the Secretary of State managed to hear Mr. Tony Benn—a former Member of Parliament for Chesterfield, whom I am sure she knows well—on the radio on Saturday morning. He said that he found it rather odd that, at this stage of their life, the Government were allowing 24-hour drinking, with all the damage that alcohol can do to people, yet they somehow believe that smoking should be banned.

Ms Hewitt: There will not be 24-hour drinking as a result of very sensible changes in the licensing laws, which, of course, Opposition Members have called for and which will enable responsible adults to drink rather more without the current restrictions—*[Interruption.]* We will enable responsible adults to drink without the restrictions that are currently imposed by out-of-date licensing laws, but we will give the police much tougher powers to deal with the minority who binge drink and then attack other people.

Helen Jones: I accept that the Bill is a great step forward. I feel a bit like a bag of ailments this afternoon—as well as being short-sighted, I am asthmatic. Breathing in second-hand smoke doubles the chances of an adult developing asthma and inhibits the action of the drugs that are used to control asthma. Can my right hon. Friend explain why someone who works in a pub that does not serve food should be exposed to that risk, when someone who works in a different establishment is not exposed to it?

Ms Hewitt: I will return to that very point in a moment. It is precisely the damaging effects of second-hand smoke that have led us to conclude—in striking contrast to the Conservative party—that we need to legislate on the matter.

Ann Keen (Brentford and Isleworth) (Lab): The Government are putting forward a strong public health message. Will the Secretary of State examine the line of the Royal National Institute of the Blind on the effect of smoke on sight, especially on macular degeneration of the retina? Will she consider putting warnings on cigarette packets that smoking can cause blindness?

Ms Hewitt: My hon. Friend raises an important point. We will shortly be consulting on strengthening the general health warnings on cigarette packets by putting pictures on them to illustrate the damage that smoking does to people's health.

David Taylor (North-West Leicestershire) (Lab/Co-op): My right hon. Friend will know that I admire what she tried to do at earlier stages of the Bill's life. Does she agree that we must set against the drift downwards of the prevalence of smoking in the general population—she accurately described that as about one in four people—the fact that two groups buck the trend? One such group is in working-class communities. Work done by SmokeFree Liverpool, which is an immensely effective organisation, shows that in the most deprived wards, as much as half the population smokes. From her observations and statistical analysis, my right hon. Friend will have noted that the number of younger women who are starting to take up smoking is increasing significantly. What does she believe can be done in that regard?

Ms Hewitt: My hon. Friend makes an extremely important point. The prevalence of smoking in England and other parts of the country is going down among all groups, including working-class men. Indeed, the evidence on young women is not as clear cut as he suggests. Smoking rates are going down. They are going

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down even faster among better-off groups. Of course, we need to do more on smoking cessation programmes, in particular, alongside the Bill.

The Bill is an enormous step forward for public health. It will help to reduce the number of people smoking by a further 500,000 to 750,000 over time. It will help to reduce the number of deaths of people in the work force that are associated with second-hand smoke, which is estimated at some 500 to 600 a year.

In framing the legislation—this was the point of many debates and the public consultation that took place before the publication of the "Choosing Health" White Paper and, indeed, the election—we are striking a balance between two extremes: on the one hand, an over-prescriptive state; and on the other, which is represented by Conservative Members, an irresponsibly laissez-faire Government. We are responding to the clear wish of the public to be protected from other people's smoking in public places, especially restaurants, on the one hand, and on the other hand allowing people who want to have a cigarette with a drink to do so.

Chris Bryant (Rhondda) (Lab): I am grateful to the Secretary of State for moving forward with the Bill, not least because in the Rhondda more people now contract chronic obstructive pulmonary disease from smoking than they did from the mines. She will know that the Welsh Assembly has made it clear that it will not introduce exemptions along the lines of those proposed in clause 3. Will she go a little further and consider time limiting any exemptions that might be in the Bill for just two or three years?

Ms Hewitt: My hon. Friend makes an interesting point. I have made various changes in response to the consultation that we have had since May this year. For example, my hon. Friends will recall that the proposed implementation date for licensed premises was originally the end of 2008. I have brought implementation forward to the summer of 2007, when all the provisions relating to smoke-free places will take effect.

Several hon. Members *rose—*

Ms Hewitt: I want to finish this point.

I have also made it clear that we intend to monitor the impact of the ban, with the exceptions, from day one and to complete that review within three years. As I said, the Bill provides for a complete ban, but exceptions can be made by regulation. If, in the light of that review and monitoring, the Government and Parliament decide that they no longer want some or all of those exceptions, it will not require further primary legislation. It would be a simple thing to change.

Natascha Engel (North-East Derbyshire) (Lab): On the exemptions, my constituency, like many other former mining constituencies, has a large and lively network of miners' welfare clubs. They are not strictly speaking membership clubs. Do they fall under the exemptions?

Ms Hewitt: I am confident that those clubs, which many of us have in our constituencies, will be covered by our proposed exemption for membership clubs. However, I stress that the membership clubs that will be exempted will have to comply with the much narrower definition of a genuine membership club contained in the Licensing Act 2003.

Mr. Burstow: Will the Secretary of State explain how she came to the balance that she has struck and, in particular, why she appears not to have taken into account her regulatory impact assessment? It compares a comprehensive ban with a partial ban and shows that more than 200 additional people a year will die from second-hand smoking if we stick with a partial ban. Will not more people die if we do not go for a comprehensive measure?

Ms Hewitt: Some 95 per cent. of deaths that are related to second-hand smoking occur as a result of smoking in the home. That is where the real problem lies. It is why we have to continue to invest in the smoking cessation programmes and, more generally, to raise awareness so that adults who choose to smoke do not do so either in their homes, where their children might be present, or, indeed, in their cars. Unfortunately, about a third of parents who smoke do so in the car when their children are with them.

Mrs. Iris Robinson (Strangford) (DUP): Is the Secretary of State aware that according to Macmillan Cancer Relief, which is to be applauded for the excellent way in which it supports patients and families in the community, approximately 37,000 people in the UK are diagnosed with lung cancer each year? Surely that figure alone should mean that she considers completely lifting all exemptions so that there are none across the UK. There should be a total ban. Nothing else will do.

Ms Hewitt: Macmillan Cancer Relief does excellent work. It is precisely because of the damage that smoking and second-hand smoking do to people's health that we are taking this enormous step. I remind the hon. Lady that 99 per cent. of the work force will be guaranteed a completely smoke-free environment as a result of the Bill, along with the ban on smoking in virtually every enclosed public space.

Several hon. Members *rose—*

Ms Hewitt: I intend to make a little more progress before I give way.

On exemptions, clause 2 gives the National Assembly for Wales and, in the case of England, the Secretary of State the power to make exemptions, some of which I hope will be uncontroversial. They include private dwellings, along with premises that are clearly private space, such as bedrooms in a hotel or a bed and breakfast, and other places, such as care homes and prisons, that are a person's full-time place of residence for an extended period, although not necessarily as a matter of choice. We are respecting people's private lives and their freedom of choice.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Is the Secretary of State aware that the Under-Secretary of State for Northern Ireland, my hon. Friend the Member for St. Helens, South (Mr. Woodward),

informed Smoke-Free Liverpool that the main reason that he wanted a total ban on smoking in Northern Ireland was that he did not want two classes of workers—people exposed to smoke and people not exposed to smoke? If that is good enough for Northern Ireland, why is it not good enough for workers and employees in this country?

Ms Hewitt: Inherent to devolution and the constitutional settlement is the fact that different decisions will be made in different parts of the United Kingdom. Although the Northern Ireland Assembly is suspended, we are proceeding in Northern Ireland in the spirit of devolution. Just as different provisions are made on the NHS in Wales and in Scotland which we do not choose to follow, so we are making our own decision to strike the right balance on licensed premises.

Mrs. Betty Williams (Conwy) (Lab): The Secretary of State clearly acknowledges the position of Northern Ireland, Scotland and Wales, but does she think that it is fair that workers and the public in England should be treated differently from Wales, Northern Ireland and Scotland? Will she take into consideration the content of the Smoking in Public Places (Wales) Bill, which my hon. Friend the Member for Cardiff, North (Julie Morgan) presented in the last parliamentary Session?

Ms Hewitt: As my hon. Friend is well aware, health is a devolved matter, so there are different approaches to NHS policy in Wales, Scotland and England. Not surprisingly, there are different approaches not to a general ban, but to the specific issue of whether there should be an exemption for licensed premises.

Mr. Eric Forth (Bromley and Chislehurst) (Con): On a point of order, Mr. Deputy Speaker. The Secretary of State, no doubt inadvertently, implied that a decision made by a Northern Ireland Minister was a result of devolved government. Will you confirm that the Northern Ireland Assembly and devolution are not functioning, so that cannot possibly be a devolved decision? Can you help the House, Mr. Deputy Speaker?

Mr. Deputy Speaker (Sir Alan Haselhurst): The right hon. Gentleman must not draw me into the argument. I am sure that there are right hon. and hon. Members who can help themselves in this matter.

Ms Hewitt: I am most grateful, Mr. Deputy Speaker. Indeed, I said that the Northern Ireland Assembly was suspended but that we were proceeding in the spirit of devolution.

In making our judgment about licensed premises, we have taken into account the fact that England already has the lowest smoking rates in the United Kingdom. Our smoking rates have fallen faster and to a lower level than in Wales, Scotland and Northern Ireland. We have also taken account of the tension in public attitudes. I referred earlier to the extensive public consultation that we conducted before publishing the "Choosing Health" White Paper. It demonstrated enormous support for a ban on smoking in restaurants and pubs where meals are served. People clearly want to be able to enjoy their meal without someone blowing smoke over their food and into their face. Similarly, people want an extensive ban in most enclosed public spaces, but when they are asked about membership clubs and pubs that do not serve food, most of those who do not smoke—the majority—believe that smokers, even though they are a minority, should none the less have some freedom of choice. They clearly view membership clubs as private clubs run by members for members. Such clubs have always been treated differently from other licensed premises because they are non-profit-making organisations.

Several hon. Members *rose—*

Ms Hewitt: May I make this point before accepting further interventions? Those clubs are non-profit-making organisations in which the members make the decisions, just as people make their own decisions in their own homes. It is therefore right to exempt membership clubs, just as it is right to allow people who continue to smoke to do so while they have a drink, provided that they are in licensed premises that do not serve food. This is a difficult judgment to make. It is one on which there has been much argument. I shall give way to the hon. Member for South Cambridgeshire (Mr. Lansley), then I will take further interventions.

Mr. Lansley: I am grateful to the Secretary of State for giving way. Given that we are debating a public health measure and that the public may take the view that we should not interfere with smokers' right to continue smoking among smokers, where is the public health evidence that the impact of second-hand smoke differs according to whether one is in premises where food is consumed, as distinct from other premises? What is the evidence relating food to second-hand smoke?

Ms Hewitt: I regret that the hon. Gentleman did not tell us whether he supports the measure or not. It would appear that the Opposition cannot make up their mind whether there should be legislation. I have made it clear that in legislating on this matter, which is a matter that directly affects people's own choices about how they behave, we have made the judgment that the right balance to strike is between banning smoking in virtually every enclosed public space and work space, and exempting the membership clubs and the licensed premises that do not serve food, in order to protect freedom of choice for that minority of people whom nobody is forcing to go into a pub that allows smoking, but some of whom none the less continue to do so.

Joan Walley (Stoke-on-Trent, North) (Lab): In respect of the consultation that my right hon. Friend carried out, what account has she taken of health inequalities?

Ms Hewitt: The issue of health inequalities and reducing health inequalities is central to our purpose as a Government, whether it is in health policy and the work that we are doing to improve the national health service, or a series of other aspects.

The point I want to make in relation to the narrow but important proposed exemptions is that bar staff everywhere will have protection against smoking, which does not currently exist. There is at present no law at all

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in that regard. We will consult on the regulations in this and other areas, and ensure that even in the membership clubs and non-food pubs that decide to allow smoking, smoking will still be prohibited, at least in the area around the bar.

Andrew Mackinlay: What constitutes that?

Ms Hewitt: I hear my hon. Friend from a sedentary position. He anticipates the point that I was about to make. We will consult in particular on whether the best way to achieve that is to designate an area that does not include the bar to be a smoking area or smoking room—a discrete, separate smoking room or smoking area that does not include the bar.

Several hon. Members *rose—*

Ms Hewitt: I give way to the hon. Gentleman.

Mr. Pat McFadden (Wolverhampton, South-East) (Lab) *rose—*

Mr. John Grogan (Selby) (Lab) *rose—*

Mr. Deputy Speaker: Order. It would be helpful if the right hon. Lady could make it absolutely clear to whom she is giving way, when there is a forest of hon. Members rising.

Stephen Hesford (Wirral, West) (Lab): On a point of order, Mr. Deputy Speaker.

Mr. Deputy Speaker: Order. Would the hon. Gentleman wait a second? My second guess was that the Secretary of State was giving way to Mr. McFadden, but I shall take a point of order from Mr. Hesford.

Stephen Hesford: I am obliged, Mr. Deputy Speaker. Should it not be an ASH of interventions, rather than a FOREST?

Mr. Deputy Speaker: I am sure the House appreciated that. I call Mr. Pat McFadden.

Mr. McFadden: Thank you, Mr. Deputy Speaker. Will my right hon. Friend clarify what she said a short time ago about the exemptions and a review? Is she saying that if the proposals go through the House in their present form, the Government will give the House an opportunity to review the exemptions in—I think she said—three years, and that those who favour a full ban will have an opportunity to revisit the issue then?

Ms Hewitt: I am grateful to my hon. Friend for raising an extremely important point. As I have said, the Bill provides for a full ban with the power to make exemptions, which will be made by statutory instrument and which will be subject to the affirmative resolution procedure. If after the review, which we propose to complete within three years, the Government and Parliament decide that they do not want to retain some or all of those exemptions, the matter will simply involve the repeal of the relevant regulation and not further primary legislation.

Mr. Bob Laxton (Derby, North) (Lab): What consideration has been given to making an exemption for what I term "inherently dangerous workplaces"? For example, Acordis Acetate Products has a large chemical site on the edge of my constituency, where there has been no smoking for 40 years because of the inherent danger. It has always provided smoking rooms, so there has been no mix between smokers and non-smokers. If an exemption is not made, employees, who cannot leave the huge site for a quick smoke, may, against all instructions and contracts of employment, smoke on site, and if they were to smoke in the wrong place, the repercussions for public safety would be serious. Has any consideration been given to granting exemptions for such sites?

Ms Hewitt: As far as I know, that particular point has not been put to us—we have considered the specific issue of oilrigs, where workers cannot leave the site. I undertake to consider my hon. Friend's point more closely, but at this stage my response is that we expect workers in such factories, as in other workplaces, to go off the site to smoke, if that is what is required by safety regulations.

As I have said, we shall seek to protect all staff, even in the limited number of premises that allow smoking, through the consultation on smoking areas. We are following the example of virtually everywhere else that has considered how to legislate on smoking in public: California, New York, Norway, Sweden, Australia and many others either have moved or are moving towards a full ban, and they all began by exempting licensed premises and, in some cases, the hospitality industry, before removing those exemptions as public support for the ban grew.

Mr. Laurence Robertson (Tewkesbury) (Con): On a point of order, Mr. Deputy Speaker. The Secretary of State keeps referring to the fact that licensed premises will be exempt. Is she aware that these days almost every pub serves food, so—

Mr. Deputy Speaker: Order. The hon. Gentleman has been here long enough to know that that is not a point of order for the Chair. The Secretary of State is being very generous in taking interventions. Equally, she is taking a generous amount of time and, hopefully, other hon. Members will be able to contribute in due course.

Ms Hewitt: I am drawing my remarks to a close.

It is important to remember that the Government cannot force people to be healthy. The clear message from the public consultation and the central proposition in "Choosing Health" is that people want the Government to help them become healthy and stay healthy, but they do not want the Government to dictate to them. The huge public health challenges that we face as a nation, such as smoking, drinking and obesity, concern people's lifestyles. We must move with public

opinion, because we need to help people make different, healthier decisions for themselves, rather than trying to impose such decisions.

Lynne Jones (Birmingham, Selly Oak) (Lab): Will the Secretary of State give way?

Ms Hewitt: I want to bring my remarks to a conclusion because I am keen that as many hon. Members as possible should contribute to the debate.

This part of the Bill has already aroused considerable debate. Yet the changes that we propose will transform our public places. They will provide a modest degree of choice to those who continue to wish to smoke outside their own home, far better protection for all employees, and far greater choice for workers in the hospitality industry who want to work in a smoke-free environment. The provisions will help us to reduce the number of smokers by a further 0.5 million or more and save up to £100 million a year for the national health service. The measures that I mentioned earlier will help to protect patients from MRSA and other health care infections and modernise the provision of pharmacy and ophthalmic services. I am confident—

Lynne Jones: On a point of order, Mr. Deputy Speaker. Some time ago, before she took a large number of interventions, the Secretary of State was moving on to discuss exemptions in respect of care homes, prisons and other establishments, but she has not continued with the relevant passages of her speech—

Mr. Deputy Speaker: Order. I have to say to the hon. Lady, as I said to the hon. Member for Tewkesbury (Mr. Robertson), that that is not a matter for the Chair. I certainly cannot determine the content and shape of the Secretary of State's speech.

Ms Hewitt: I am most grateful to you, Mr. Deputy Speaker. I did indeed say that we would legislate for prisons and for care homes, and that I trusted that those exemptions would not be controversial. If they are controversial, I am sure that they will be discussed in more detail, not only this evening but in Committee.

Lynne Jones: Will the Secretary of State give way?

Ms Hewitt: I really want to bring my speech to an end.

The Bill is a landmark in the protection of people's health and of public health in our country. It will continue to improve our national health service. I am confident that all my right hon. and hon. Friends, whatever their views on the specific matter of exemptions, will join me in supporting it—unlike the Conservatives, who had 18 years in which they could have acted on this scourge to public health but chose to do nothing.

I commend the Bill to the House.

5.2 pm

Mr. Andrew Lansley (South Cambridgeshire) (Con): I am sure that the House is grateful to the Secretary of State for giving way so frequently, although I hope to be considerably briefer to allow time for the many Back Benchers who wish to speak.

We are not, I am afraid, presented with a landmark Bill in public health. It was our intention, had we been elected in May, to introduce a public health Bill that would have achieved landmark changes in public health. It would have reorganised public health to enable public health directors to use dedicated resources across the public and private sectors, ending the fragmentation of recent years. It would have addressed the whole range of public health issues, including sexually transmitted infections, where the Government have failed lamentably. I have discovered in the past few days that there is to be no advertising of positive sexual health messages to young people this year, in circumstances where sexually transmitted infections are at epidemic levels. A Government who abolished the Health Education Authority and have presided over the highest rate of rising obesity in western Europe have allowed sexually transmitted infections to reach epidemic levels, as compared with a Conservative Government who acted on the problems relating to HIV and AIDS in the 1980s and secured a much lower incidence of HIV. This country now has the fastest rising levels of HIV since 1997.

The Bill is not a landmark measure in public health even as regards smoking. The reduction in the prevalence of smoking was faster in the 1980s than it has been since 1997.

Dr. Ian Gibson (Norwich, North) (Lab): Why does the hon. Gentleman believe that it has taken more than 50 years since the epic work of Sir Richard Doll, who sadly died this year, to do something about the problem? The Conservative party was in office for a large part of that time and did nothing about smoking, although the evidence for second-hand smoking and smoking among doctors existed since the work of Richard Doll. Has that failure anything to do with the dirty tricks campaign of the tobacco industry, which tries to defend the evil weed in the United States?

Mr. Lansley: I hope that the hon. Gentleman will have the opportunity to speak later when he can explain what he means by that last comment. I am not an apologist for the tobacco industry. I was simply pointing out that the reduction in the prevalence of smoking was faster in the 1980s. He knows that—I attended the conference that he chaired on the battle against cancer. There has been a long-term reduction in, for example, lung cancer mortality but there are worrying indications. It was wisely noted earlier that difficulties remain with the prevalence of smoking in elements of the population. That is especially true of working-class communities and young women. Smoking by young people has barely reduced in the past five years. He knows from the statistics that were presented to his conference of the all-party parliamentary group on cancer last Thursday that not only has the incidence of lung cancer mortality in young women risen, but overall mortality rates for women are not reducing compared with the substantial reductions in men.

Mr. McFadden: The hon. Gentleman mentioned the proposals that a public health Bill would have contained if the Conservative party had won the election. Would such a Bill have provided for a full ban on smoking?

Mr. Lansley: Before the election, we made it clear in a document that was published in February that we

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believe that individuals are primarily responsible for their health. Indeed, the Secretary of State made more or less the same point. We therefore want to proceed when possible through voluntary measures and self-regulatory solutions rather than legislative ones.

If I am to disappoint Labour Members, I will disappoint some of my colleagues, too. As we made clear before the election, we would have included provisions in a public health Bill to enforce a reduction in smoking in circumstances in which a self-regulatory solution had not been effective in three years. We did not propose a comprehensive ban. We proposed that, first, wherever non-smokers had access—including licensed premises as well as workplaces—they should not be exposed to second-hand smoke. That is different from private houses and private clubs. Secondly, wherever children had access, they should not be exposed to second-hand smoke. Thirdly—again reflecting a point similar to one that the Secretary of State made—workers in the hospitality industry, such as people who work behind a bar, should not be exposed to second-hand smoke.

Although not a comprehensive ban, our proposals bore a close resemblance to those that the Secretary of State reportedly pressed on her Cabinet colleagues before the publication of the Bill but was prevented from implementing. The proposals that we are discussing are not those that the Secretary of State wanted to introduce.

Bob Spink (Castle Point) (Con): My hon. Friend makes some excellent points. On self-regulation and choice, does he agree that, for the Bill to be more effective, we need clarity on the position of private members' clubs, especially those that serve food, and the way in which they can hold annual ballots on smoke-free places in those clubs?

Mr. Lansley: I accept my hon. Friend's contention that we need clarity. That applies to many provisions. The detail of many aspects of the Bill will be filled in later. That is an all-too-depressing characteristic of measures that the Government have presented in recent years.

Chris Bryant: Will the hon. Gentleman give way?

Mr. Lansley: No, I want to answer the point of my hon. Friend the Member for Castle Point (Bob Spink) about private members' clubs. The Secretary of State appeared to accept that we were making substantial progress with self-regulatory solutions but claimed that it was not fast enough. She is not proposing to give the industry any additional time to achieve that. For the industry, the flexibility that is inherent in self-regulatory solutions is important commercially.

Whatever may be said about the desirability of limiting the liberty of smokers, private members' clubs should be treated as an extension of a private home in the sense that a club has members who can make decisions about what happens in their club. It seems burdensome for legislation to interfere in that and to prevent members from taking such decisions.

Chris Bryant: As far as I can understand the hon. Gentleman's argument, he is saying that, if the Conservative party had been elected, it was hoping that the market would provide, over the next few years, substantial numbers of clubs and bars where people would be able to go without having to suffer passive smoking. Can he name three bars, apart from those in the House, or pubs anywhere in the country that have gone non-smoking already?

Mr. Lansley: Yes, there is one in Cambridge, which Greene King owns. There is also a large Wetherspoon pub. Unfortunately, it took the Regal cinema in Cambridge and turned the premises into the largest bar area in the country. As it is Wetherspoon, that is non-smoking. I think that I can find the hon. Gentleman at least three such pubs.

To correct the hon. Gentleman—having done so, I must move on to what is in the Bill rather than what might have been in Conservative legislation—I did not say that the market would deliver these things. I said that there would be a self-regulatory solution. I appreciate that there are market pressures, but such pressures can take a long time to have an impact. We were aiming for a self-regulatory solution. He should accept—although Ministers appear not to have accepted it—that, throughout the hospitality industry and in the British Beer and Pub Association and elsewhere, substantial measures have already been put in place to try to deliver smoke-free solutions for customers. The way in which the Government propose to interfere with what might otherwise have been achieved on that basis is excessive.

I am a shadow Secretary of State for Health, and in my view there is no acceptable outcome other than that we deliver much reduced smoking and smoke-free environments for everybody who wants them. There should be smoke-free environments for children, but there is no reference in the Bill to children. There is nothing that says that, wherever children are present, second-hand smoke should not be permitted, although the evidence of the Scientific Committee on Tobacco and Health points to the impact of second-hand smoke on respiratory disease, on asthma and on sudden infant death syndrome.

Andrew Mackinlay: Will the hon. Gentleman give way?

Mr. Lansley: No. I shall carry on because I want to get the evidence on the record. Curiously, the Secretary of State did not get the evidence on the record. I remind my right hon. and hon. Friends that it is not acceptable for us not to make progress. That was at the heart of what we were proposing at the election. We must make progress towards smoke-free environments because the evidence of health effects is increasingly strong.

The Scientific Committee on Tobacco and Health set out the evidence straightforwardly. The increase in the risk of lung cancer among non-smoking partners of smokers is about 24 per cent. for women. For non-smoking men who are partners of smokers, there is about a 37 per cent. increase in risk. For those who have workplace exposure, there is an 11 per cent. increase. It estimates a 25 per cent. increase in risk of coronary heart disease resulting from exposure to second-hand smoke.

Insufficient attention has been drawn to this, but what has become most interesting most recently is the significant increase in the risk of coronary heart disease associated with small increases in exposure to second-hand smoke. I shall read the relevant extract from the committee's report:

"The increased risk associated with exposure to SHS"—

for coronary heart disease, it is about 25 per cent.—

"is ... a substantial fraction of the risk from active smoking, although uptake of smoke by non-smokers is typically only about 1 per cent. of that by active smokers. Thus it appears that substantial risk arises from quite modest exposure to SHS."

That is the most important extract from the updated advice of the scientific committee. There is not a linear relationship between dose and risk; if anything, there is a non-linear relationship that shows substantial risks associated with modest exposure.

Mr. Laurence Robertson: Did my hon. Friend discuss secondary smoking with the previous Health Secretary, who said that if smoking were banned in most pubs—as it will be, because most pubs serve food—people would be likely to stay at home to have a drink and smoke? That is exactly where their children are. People have a choice whether to go into a pub, but children do not have a choice about breathing in smoke at home.

Mr. Lansley: I am grateful to my hon. Friend for that intervention. The essence of our proposals would have made it possible for non-smokers to be in a smoke-free environment. They would also have made it possible for smokers to continue to be in smoke-filled environments—*[Interruption.]* The Under-Secretary of State for Health, the hon. Member for Don Valley (Caroline Flint) asks how from a sedentary position. It is actually rather similar to what her right hon. Friend the Secretary of State was proposing, that is, if a public house can segregate smokers in smoking rooms, it would be able to allow smoking. If it could not, smoking would not be allowed. A public house is open to the public, but it would not be allowed to invite people in if they were likely to be exposed to second-hand smoke against their wishes.

Mr. Greg Hands (Hammersmith and Fulham) (Con): I want to return to my hon. Friend's earlier point about children. Tomorrow, in the House, I shall launch children's cancer awareness month for CLIC Sargent, and that is an important issue. However, I want to raise exemptions on behalf of a company in my constituency. Does my hon. Friend agree that there should be an exemption under clause 3 for certain workplaces involved in the tobacco trade? A business in my constituency, Hunters and Frankau, is a specialist importer of cigars, but under the Bill, it will not be able to test its products on its premises. The business is located in one of Britain's most deprived wards. *[Interruption.]* Labour Members may well talk among themselves, but there was a majority for the governing party of only three votes in that ward. That company also imports products from some of the world's most deprived countries, including Cuba. Is it not therefore unreasonable that it should be banned from testing its products on site?

Mr. Lansley: I am grateful to my hon. Friend for his intervention, and I hope to be at the launch of children's cancer awareness month tomorrow. I am also aware of his point about specialist tobacconists. I understand that they have made those points to the Government, but have had no clear answer. I hope that we shall be able to explore the matter further.

I shall come to the other issues in the Bill shortly, but I want to stay with smoking for a moment. I have talked about all the risks involved, but what has been the response to these points? Curiously, no one has mentioned the fact that the Government had plenty of advice on how they should respond to these issues. The chief medical officer's annual report in 2002 made it perfectly clear that he recommended a comprehensive ban on smoking in enclosed public places. He believed that that would lead to a 4 per cent. reduction in prevalence, from 27 per cent. to 23 per cent., which would represent a substantially greater impact on prevalence than anything that the Government anticipate from their own proposals.

How are other people responding to the risks? The Scottish Parliament—whether I agree with it or not—says that, from April next year, it wants a comprehensive ban on smoking in enclosed public places. As the hon. Member for Rhondda (Chris Bryant) pointed out, the Welsh Assembly wants to use the Bill to deliver a comprehensive ban. Speaking about Northern Ireland, the Under-Secretary of State for Northern Ireland, the hon. Member for St. Helens, South (Mr. Woodward) has said that

"no-one has a right to subject colleagues and workmates to the dangers and hazards of second-hand smoke and passive smoking. No-one has a right to subject members of the public who do not smoke to those same dangers in enclosed public spaces."

Responsibility on this matter is not devolved but held here in Westminster, and that Minister has decided that the only proper course of action would be a comprehensive ban.

Mr. Forth: In exactly that context, does my hon. Friend know whether there will be a total ban on smoking in prisons in Wales and Northern Ireland in order to protect the health of prison warders?

Mr. Lansley: I am happy to confess to my right hon. Friend that I do not know, and perhaps the House does not yet know. I stand to be corrected if the necessary regulations have come forward in relation to Northern Ireland to make that clear. The issue arises in relation not only to prisons but to some care homes and mental health institutions.

Angela Watkinson (Upminster) (Con): The workplace argument does not apply to older people who have retired. Does my hon. Friend concede that large numbers of older people have a habit of decades, dating back to the days when the health risks were not known and tobacco advertising presented the habit as glamorous and sophisticated, and are often beyond smoking cessation programmes? Are they to be confined to their homes? Should not restaurateurs and publicans have a choice, so that if they wish to have smoking premises, those who wish to smoke can opt to go to them, and those who do not wish to smoke can go to non-smoking premises?

Mr. Lansley: I understand my hon. Friend's point, which is important, and it is one of the reasons why exemptions would be needed for people who, to all intents and purposes, are at home, such as people in long-term care. There are limits to liberty, however, and the limit to the liberty to smoke is that one should not impose second-hand smoke and its risks and dangers on others. However sympathetic we might be about the addiction to or habit of smoking among older people, we should not allow that to turn into a risk to the health of others through second-hand smoke.

Adam Afriyie (Windsor) (Con): As a member of the Science and Technology Committee, I am much interested in the evidence and in what we are trying to achieve. Does my hon. Friend agree that it is most important to achieve air quality standards and that the debate is not so much about smoking and passive smoking as about air quality standards in public and other places?

Mr. Lansley: I understand my hon. Friend's point and we might not have explored fully all the engineering solutions that might help to reduce exposure to toxins emitted through tobacco smoke. Indeed, the aetiology of the increased risk might not be entirely clear. Rather than the nicotine content, which is what is typically measured, other toxins might get into the system and change metabolic responses. We need to be clear about that. It might be intensely difficult, however, to remove the carcinogenic material from tobacco smoke that affects other people.

Lynne Jones: On prisons, care homes and other places where people might reside involuntarily, the Bill provides for an exemption of such facilities from the ban. I accept that a total ban might not be in the best interests of prison officers, carers or residents, but does the hon. Gentleman accept that people who are in prisons or care homes, who might have mental health problems or learning difficulties, are among the most disadvantaged, and might also smoke heavily due to the regime that they are under and the boredom factor? What proposals has he to deal with those health inequalities?

Mr. Lansley: I am grateful to the hon. Lady, and she got the chance to make the point that she would have made to the Secretary of State. She will know that the Bill allows for the possibility of such exemptions, although, as on many other matters, it does not say what kind of exemptions the Government propose in respect of care homes, prisons or mental health institutions. Clearly, in many such instances, it will be necessary to construct a regime that protects staff as best one can while avoiding harm to inmates. If one were simply to introduce a smoking ban in mental health institutions tomorrow, for example, serious risk would be posed to some of the care and clinical plans for some of the people inside them.

Mrs. Jacqui Lait (Beckenham) (Con): My point is supplementary to what my hon. Friend said about mental health institutions. As he suggested, the damage to the health of people in such institutions would be great. Does he know whether the Government have made any provision for increased spending on mental health to try to repair that damage?

Mr. Lansley: I do not know of any specific allocation by the Government. I only know that, in South Cambridgeshire, a significant reduction in mental health resources is expected, and I imagine that that is reflected elsewhere. If my hon. Friend will forgive me, however, I will not proceed down that path.

The debate in which we have engaged during the past few minutes illustrates the difficulty. Even if the Government proposed a comprehensive smoking ban, it would be necessary to explore in detail how it would be applied in specific circumstances. I do not pretend that that would be easy, but we should at least be clear about the objective, which is to enable people to live in smoke-free environments and, wherever possible, to create such environments in order to reduce the prevalence of smoking.

Where does the issue of food come into the debate? I asked the Secretary of State that question, but I am afraid she did not reply. When the Scientific Committee on Tobacco and Health published its otherwise admirable report to the Government and the chief medical officer—it appeared alongside the public health White Paper in November last year—it was clearly deficient in not mentioning the instrumental relationship, in health terms, between the consumption of food and exposure to second-hand smoke. That must surely have motivated the Government's conclusion that second-hand smoke was dangerous where food was being prepared, but where no food—or only shelf staples and pre-packaged food—was being consumed, it was not dangerous at all.

What will be the consequences of the structure that the Government propose for future regulations? In September, the *British Medical Journal* published the report of a survey conducted in Telford and Wrekin. I do not think that my hon. Friend the Member for The Wrekin (Mark Pritchard) is here. I should have told him that I was going to mention this—I apologise. The survey covered pubs, and all licensed premises, in the borough. Those who conducted it tried to work out what proportion of premises would be exempt, and concluded—on the basis of what they found in Telford and Wrekin—that two thirds of English pubs in deprived areas would be exempt, whereas only a quarter would be exempt in affluent areas. Action on Smoking and Health has made not dissimilar observations; if anything, it has slightly underestimated the proportion of pubs in deprived areas that will continue to be exempt. The survey of all licensed premises, including members' clubs, found that two fifths of establishments in affluent areas and four fifths in deprived areas would be exempt.

Can the Government really imagine that their proposals will result in anything other than a worsening of health inequalities? I am not arguing that the prevalence of smoking would not be somewhat reduced, but we should not exaggerate that. Last year's report to the chief medical officer on smoking in workplaces revealed that there was no smoking in 50 per cent. of workplaces, in 36 per cent. smoking took place only in designated areas and in 5 per cent. people worked alone rather than with others, so only 9 per cent. of people at

work would be exposed to second-hand smoke if they did not wish to be. However, the Government's proposal to discriminate between premises on the basis of whether food is prepared and served clearly drives to the issue of health inequalities. It means that health inequalities will widen, when inequalities in health and mortality expectations between the most affluent and the most deprived areas have widened already.

Steve Webb: I follow the hon. Gentleman's logic about health inequalities being exacerbated by the Government's approach, but does that not also apply to his own desire to keep the exemption for private members' clubs? Are they not too concentrated in less privileged places?

Mr. Lansley: Yes, I am not disputing that. There is a balance to be struck between continuing to give smokers the right to choose and protecting everybody else from smoke. I have never pretended otherwise. However, I do not understand where the distinction in relation to food has come from. It will entrench smoking in many clubs and pubs in deprived areas, with no expectation of that ever changing. The Secretary of State said that things would improve over time, but what pressures will there be? When we enact legislation we introduce hard and fast distinctions, and I suspect that this will be one of those.

Andrew Mackinlay: I would like to clear up some confusion in my understanding of the positions of those on both Front Benches with regard to private clubs. As I understand it, both the Opposition spokesman and the Secretary of State are saying that even in private clubs, people will not be able to smoke at the bar because of the duty of care to employees. But what about another point, which the hon. Member for South Cambridgeshire (Mr. Lansley) has already raised? What about the duty of care to children in clubs in working-class places? If there is a duty of care to one category of people—staff—surely there is a duty of care to children in private clubs. I thought that the hon. Gentleman was with me on that subject.

Mr. Lansley: Actually, I am with the hon. Gentleman. I said that we had three objectives, the first of which was that non-smokers should not be exposed to second-hand smoke. The second applies wherever children are present, so if a private members' club wants to admit children, it should have to choose whether to do that or whether to allow second-hand smoke. It should not be able to do both. I want to speak about other aspects of the Bill as well as smoking, so I shall finish talking about this issue now.

The Government know perfectly well not only that there is no evidence to support their supposition, but that 90 per cent. of the 57,000 responses to the consultation opposed their partial ban and wanted something more comprehensive, in many cases, or something more voluntary, in other cases. People on both sides of the argument regard the Government's proposal as the worst outcome. Astonishingly, when appearing before the Health Committee last week, even the chief medical officer made it clear that in terms of health inequalities this is the worst outcome—worse than no ban at all.

David Taylor *rose—*

Mr. Lansley: This is the last time that I will give way on the subject of smoking.

David Taylor: Will the hon. Gentleman clarify something for the House and extend his earlier comments? It is true that more than 90 per cent. of the 57,000 responses were hostile to the proposed exemption—but he should have gone on to say that those people supported a simple, comprehensive, workable and enforceable ban.

Mr. Lansley: I thought that I did go on to say that most people said that, although some who opposed the Government's proposal wanted a more voluntary approach. However, that is not the point. The point is that people on both sides of the argument do not see any merit in the Government's proposals.

It is for that reason, and considering the range of views in the House, that my right hon. and hon. Friends have agreed to have a free vote on this issue. This is a genuine issue of judgment, which Members of Parliament are perfectly capable of dealing with, and it is not proper to use whipping to try to constrain people to exercise their judgment contrary to their conscience. The official Opposition will have a free vote, and I hope that the Secretary of State will take the opportunity to say that she has thought hard and concluded that there should be a free vote on the Government side as well. *[Interruption.]* Apparently not.

I now come to the other measures in the Bill. On infection control—a curious theme appears to be emerging—the chief medical officer told Ministers in October 2004 that they should act, through legislation, to provide additional statutory backing. It was not that the Government did not already have the powers, as the Health and Social Care (Community Health and Standards) Act 2003 more or less gives Ministers the power to set standards and it is possible to proceed in a similar way with respect to standards in the codes of practice. In 2004, however, the CMO said that we needed additional focus then, but Ministers did nothing about it that year. I cannot blame the Secretary of State for that as she did not hold her present position then, but action could have been taken earlier.

Many things might have been done earlier. The story of MRSA and infection control over the past few years has been one of continuous failure to take the urgent action that is required. I shall provide just one example. The Secretary of State is fond of making a comparison between food hygiene legislation and the responsibilities that should be met in the NHS. The CMO, in "Winning Ways", published in December 2003, said:

> "The new Inspector of Microbiology and the National Patient Safety Agency will work jointly to ensure that the techniques of 'root cause analysis' and the methodology of Hazard Analysis and Critical Control Point . . . are developed for healthcare associated infection and applied in every local NHS organisation."

That is a direct transfer of experience from food hygiene legislation into infection control. I have searched for any evidence to demonstrate that the inspector of microbiology at the NPSA has acted on that or that it is being applied in any local NHS organisation, but I simply have not found it.

When the Secretary of State arrived in office after the election, she discovered that there was a big difference between food hygiene legislation and what went on in

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the NHS. Anyone could have told her that and anyone could have told her that things could have been done about it. We know that some measures will make a difference: hand hygiene, isolation facilities, clear lines of management accountability, pre-admission screening before operations, post-discharge surveillance after operations, accurate reporting of infection data by clinical departments, optimum bed occupancy—the Secretary of State appeared not to know that the number of beds in the NHS was reducing—24/7 access to high standards of cleaning and expert infection control teams. We know that all those things work, but we also know that, in too many cases, those measures are not being taken.

The Government say that they will bring in a code of practice, so let us look at the draft code to see whether any of those actions that will make a difference are reflected in it. There is no requirement for one board member to have responsibility for infection control and cleanliness. There is no requirement for the standards of cleaning to be in line with the model cleaning contract. There is no requirement for access to 24/7 cleaning on wards. There is no quantitative measure for the availability of isolation facilities. There is no specific requirement for the number of infection control nurses. There is no specific requirement for pre-admission screening before operations. There is no reference at all to post-discharge surveillance. There is no requirement to reduce excessive bed occupancy rates, although we know that there is a strong correlation between that factor and infection rates. There is no requirement for the comprehensive recording and reporting of infections in the terms recommended by the National Audit Office report of more than five years ago.

Although it has many other elements that are laudable in themselves, the code is not actually about outcomes or enforcing actions that we know will have effect. It is actually about processes and policies. Time and again, we have seen what the Government approach to infection control amounts to—a tick box to say that the policies are in place or that the appropriate processes are being undertaken, but too little emphasis on the actions that will make a difference. Patients have a right to know that action that has been demonstrated to work is being actively pursued within the NHS.

We need to know—I note that the Secretary of State refused to answer a question on this matter—that targets and financial pressures will not lead to the compromising of patient safety. We must be sure that the NHS is putting infection control at the forefront of its priorities because all the evidence now shows that that is at the forefront of the public's priorities. If it is to deliver, the draft code must be made stronger. The Government's draft code will not survive. At the moment, the Government propose not to supply us with the final code of practice, which would facilitate debate as the Bill passes through Parliament, but to delay it until after the Bill has been passed. That, frankly, is unacceptable to the House.

Mr. Philip Hollobone (Kettering) (Con): I am grateful to my hon. Friend for raising the issue of hospital-acquired infections. Does he agree that while many of us are worried about the uncleanliness of many of our local hospitals, it is a particular concern for vulnerable elderly patients, many of whom are now sadly frightened of going into hospital because of the infections they may pick up there?

Mr. Lansley: I understand exactly the point that my hon. Friend makes and he is right. At the heart of what we need to achieve is an assurance that action will be taken by the NHS that delivers vastly improved infection control procedures across the board, so that our constituents are reassured. I have visited Kettering district general hospital and I know that it is a very good hospital, but—as my hon. Friend knows—the public need reassurance.

I shall give my hon. Friend an example of the kind of measures that need to be taken. We have pressed on the Government for a long time the need for more comprehensive recording of data on infections by clinical department. That is not only because that is the basis on which action should be taken inside a hospital, but because it provides more meaningful measures for those outside the hospital. For example, when I visited the Lister hospital in Stevenage, there was much local concern about the level of MRSA infections. When I talked to staff, it became clear that the hospital's problem was associated with the fact that as well as being a district general hospital it was also a regional centre of excellence for kidney dialysis. It had problems with access to operating theatre time and the extent to which patients on dialysis had to be catheterised, which led to infections. Those distinctions were not known and understood by the local public, because the one figure published by the Government showed that the hospital had a lot of MRSA. The public need to know what is really going on. Information is at the heart of the issue, but the Government continue to resist the National Audit Office's proper call for data to be published by clinical department.

Mr. Devine: In Scotland, over a 15-year period when the Conservatives were in power, compulsory competitive tendering and cuts in cleaning services led to the loss of 15,000 jobs. MRSA increased as the number of domestics in hospitals was reduced. At least this Government have faced up to a problem that the Conservatives denied was happening.

Mr. Lansley: The hon. Gentleman should ask the Department of Health and the Secretary of State about that. The Department published a report that showed that there was no correlation between the contracting-out of cleaning services and the levels of infection. NHS hospitals with contracted-out cleaning are as likely to have high levels of infection as those with in-house cleaning. However, there is a correlation between the quality of cleaning and rates of infection, and that is why I mentioned the model cleaning contract. The code of practice should directly reflect the standards in the model cleaning contract.

The Government propose to legislate to transfer the responsibility and budgets for general ophthalmic services to PCTs, which raises three issues. First, why are the Government pre-empting the review of general ophthalmic services that is expected to report shortly? Would it not be more sensible to legislate after the review? It will be difficult, in the circumstances, for

people to take seriously the Government's approach to the review. Secondly, the Secretary of State made the comparison with dental services, but that is exactly what people working in ophthalmic services are afraid of. How many letters of complaint have MPs had in recent years, before the publication of the Bill, about the quality of local ophthalmic services compared with the number of letters about quality of and access to dental services? Those figures tell the story. As with the 2003 legislation, the Government propose to legislate for a transfer of responsibility to primary care trusts. The National Audit Office made it clear that PCTs did not have the expertise to conduct the commissioning of dental services and still less, probably, do they have the expertise to conduct the commissioning of ophthalmic services.

What will PCTs do? Under current circumstances, in which—in the last financial year—91 PCTs broke their statutory duty to break even, they will be given an additional budget that they will use to try to offset their overall financial problems. People working in ophthalmic services are rightly worried that the consequence will be a reduction in quality and a reduction in access. From a Government who say that they are about choice, what will we have? A reduction in choice for patients, because it will no longer be true that those who are registered with the General Ophthalmic Council will automatically be able to supply services locally to NHS patients; that may be restricted by primary care trusts in ways that we cannot at the moment even anticipate.

Finally, the Secretary of State transferred from the Department of Trade and Industry, where she was previously responsible for competition policy, the issues relating to community pharmacies after the consequences of the review of control of entry regulations. I told her before, in that respect, that one needed to have regard to the health issues associated with maintaining community pharmacies—and I say it again. We should not underestimate the difficulties that might accrue if, in the course of this legislation, we were significantly to shift the balance of advantage towards the large stores with their new pharmacies, which are able to provide a service with relatively limited amounts of professional pharmacy cover. The pharmacists are concerned—and I share their concern—that we strike the right balance in the span of control of pharmacists and the responsibility that they take for the provision of services.

At my count, the Bill has nine issues. Perhaps I have not done justice to any of them, but we will do them all justice later in the Bill's passage. Most of it is a shell, into which regulations are intended to pour decisions. During its passage, we in Parliament should make a few decisions about what goes into it and what happens to our constituents. I hope that we shall do that in a substantive way in respect of smoking by striking out the Government's partial ban, and I leave it to my colleagues and those across the House, perhaps on a free vote, to determine what goes in its place.

I hope that we will get to hard outcomes and clear measures for reducing the impact of health care-associated infections. I hope that we will maintain choice in ophthalmic services, that we will give certainty to pharmacists and protect the profession, and that the Bill, while making progress, will be amended substantially during its passage. On the basis that I hope and expect that the House will amend the Bill, it is not my intention to ask my colleagues to divide against the Bill tonight.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. I remind the House that Mr. Speaker has placed a 10-minute limit on Back-Bench speeches, which operates from now.

5.48 pm

Mr. Kevin Barron (Rother Valley) (Lab): I shall first declare an interest—I am a lay member of the General Medical Council. I have been very conscious in recent years of the events surrounding the deeds of Dr. Harold Shipman, so I want to start by commenting on the measures in the Bill that go some way to redress some of the issues that were found when the Shipman inquiry reported in July 2004 about the regulation of controlled drugs in the community.

The case of Harold Shipman was a very dark chapter in the history of doctors in this country. The fact that he was able to obtain such large quantities of controlled drugs, and the failure of the system to detect his inappropriate use of those drugs over many years, had to be not just found, but corrected if we are to ensure that, hopefully, it never happens again. Dame Janet Smith identified serious weaknesses in the system of regulation of controlled drugs and highlighted the need to introduce a number of changes to strengthen the system, while accepting—as I think we all must—that no system can be totally immune from fraud.

I congratulate the Government on clause 16, which relates to the appointment of accountable officers and provides details of their responsibilities. I understand that those new senior executive posts were proposed in Dame Janet's fourth report, although the report uses the term "proper officer" rather than "accountable officer". Under clause 16, accountable officers will have overall responsibility for the management and use of controlled drugs in such organisations, as well as the arrangements for the audit, inspection and training of staff who work with controlled drugs, thereby ensuring better patient safety than in the past.

Dr. Stoate: Dame Janet concluded that the control of such drugs should be passed to the Royal Pharmaceutical Society, yet clause 18 refers to a constable or other officer being responsible. Do you think that that point needs clarification? Does my right hon. Friend agree that that needs to be brought out properly before the Bill is passed?

Mr. Deputy Speaker: Order. There were two things wrong with that intervention: first, the hon. Gentleman used the second person when he should not have done so; and secondly, most of his remarks were not addressed to the Chair.

Mr. Barron: I will leave clause 18 to my hon. Friend the Minister, who may talk about that issue. I am more concerned about the fact that health trusts other than strategic health authorities will have someone specifically responsible for such drugs. That is the most important thing, no matter who in the system does it.

[Mr. Barron]

I am concerned that the hon. Member for South Cambridgeshire (Mr. Lansley) talked about the weakness of the codes that are likely to come into being to protect us from health-care acquired infections. I may be wrong, but I thought that he said that the draft code was not good enough, but that he had not seen it. That seems a bit of a jump that should be addressed. I understand that the Bill will give the Secretary of State the power to provide a statutory code of practice and to place a duty on NHS bodies to comply with that code, as well as the power for the Healthcare Commission to issue improvement notices to non-compliant bodies. I spoke to Healthcare Commission representatives at a meeting yesterday and they want the Bill to ensure that that can happen. They also want the existing intervention powers of the Secretary of State and Monitor—the Independent Regulator of NHS Foundation Trusts—to be used to take enforcement action.

Mr. Lansley *rose*

Mr. Barron: I will certainly give way to the hon. Gentleman, but I would have thought that he was reasonably happy with that aspect of the Bill. Given that that seems to be the only health policy on which the Conservative party fought the last general election, I would have thought that Conservative Members were cock-a-hoop about the fact that what they said that they would do with health care within about 12 to 18 months of winning a general election has been done.

Mr. Lansley: For the purposes of accuracy, I did not say that I had not seen the code of practice on health care-associated infections, but simply that the Government consulted in July on a draft that struck me as deficient and that they are not proposing to show us a new code, following the consultation, until after the Bill has completed its passage.

Mr. Barron: I misheard the hon. Gentleman.

I want to move on to the aspect of the Bill that is more contentious. I am very conscious of the fact that I am the Chairman of the Select Committee on Health, which is investigating smoking in public places. The Select Committee has not yet reported to the House, so I want to limit my remarks to the three evidence sessions on 20 October and 17 and 24 November, which are marked on today's Order Paper as relevant to the debate on Second Reading.

The Government's intention to exempt drink-only pubs and membership clubs has inevitably caused frustration and anger, not just among the health community but in large sections of the leisure industry that did not want to ban smoking in the first place, but would now prefer a comprehensive ban as that would create a level playing field for them. They do not want to have to consider whether or not they should get out of food and into drink only, given that some sort of ban will be introduced under the Bill.

During a number of evidence sessions, I talked about my apprenticeship as a young man drinking in South Yorkshire pubs. They were largely full of smoke and men and there was little food beyond a packet of crisps. I hope that that culture has changed in many of those public houses, which I sometimes frequent, and that food and families can be seen in them. They are a lot better than they were in years gone by. I would hate to think that we were going to reverse that change in the culture of drinking in our public houses by introducing a Bill that was not specific.

Mrs. Iris Robinson: Does the right hon. Gentleman agree that it is more than likely that pubs serving grub will eventually give up food and that massive redundancies will therefore take place in the catering trade?

Mr. Barron: I am not too sure whether that is the lesson of the Irish Republic. None the less, there is a danger, and no one knows what will happen on day one if exemptions are granted in the way that the Government propose.

The Health Committee has obviously considered enforcement. Under the Government's proposals, enforcement will be more difficult to achieve, more open to misinterpretation and more costly than under a comprehensive ban. The Health Committee went to Ireland for two days, and one thing that jumped out at us when we talked to people there is that the ban was enforced by people who used the pubs, not by people who work in them or own them, or by people whose duty it is to visit pubs occasionally to ensure that they are run properly. The people who went into the pubs had the opportunity to complain if their pubs were not meeting the requirements set down by their legislation.

Of course, another issue that has been touched on several times in the debate is health inequalities. Exempt pubs and clubs are more likely to be found in areas where health inequalities already exist. The current proposals are likely to work against meeting the Government's targets. My right hon. Friend the Secretary of State, who is not in her place, said in her opening address that health inequality targets are central to Government policy. Some of the information received by the Health Committee would suggest that the proposed exemptions will not help to reduce health inequalities.

Most Members have received correspondence from the Local Government Association, whose research shows that in Newcastle 47 per cent. of pubs and clubs would be exempt; in Northamptonshire, 54 per cent. would be exempt; and in Corby, the figure is as high as 85 per cent. Not every pub in my constituency has changed the culture in the way that I explained earlier, and quite a large number of pubs and clubs that are on the wrong end of health inequalities will suffer if the proposal is introduced unchanged.

Julie Morgan (Cardiff, North) (Lab): Does my right hon. Friend agree that by exempting bars that do not serve food, young people will be particularly at risk? Certainly, in many city-centre pubs in Cardiff, young people tend to stand in big groups, drinking without food. Would not such an exemption be very dangerous?

Mr. Barron: It is likely to be very dangerous, but I do not want to go into all the issues about drinking. I see that the clock is ticking away and I do not know whether I have any added time for interventions this afternoon, so I will move on very quickly to what I want to say.

Listening to the Government's arguments, one of the conclusions that I reach—it may be that no one else, including the Health Committee, reaches this conclusion—is that the Government do not want to introduce a complete ban because they believe that it is unpopular. I think that they are wrong. I beg to differ with them. I will briefly look at two issues. First, hon. Members will know that the Office for National Statistics conducts an annual smoking-related behaviour and attitude survey. In the autumn of 2003, 20 per cent. of people believed that no smoking should be allowed anywhere and 51 per cent. believed that there should be mainly no smoking, but that there should be separate areas where smoking could take place. In the autumn of 2004, those figures had changed to 31 per cent. and 47 per cent. respectively. The fact that the second figure had dropped a bit is understandable.

Action on Smoking and Health got YouGov to do the same survey in August 2005. First, people were asked the straight question that the ONS asks in its surveys. It found that 41 per cent. of people believed that no smoking should be allowed anywhere in places they visit when they go out, while 39 per cent. of people believed that there should be separate smoking areas. YouGov then told people about the science of secondary smoking before asking the question again, and found that the proportion of people who said that they would ban smoking in all public places rose to 52 per cent. The evidence shows what has happened in other parts of the world where a ban has been brought in, so I would like to think that we could act a bit more strongly.

Stephen Williams (Bristol, West) (LD): Will the right hon. Gentleman give way?

Mr. Barron: No, I will not give way again.

The Health Committee and I did an experiment with "You and Yours", the well-known and popular Radio 4 programme. I went on the programme the other week and did a half-hour phone-in. A mixture of people phoned in and all the evidence from the letters and e-mails that the programme received was collated. Some 60 per cent. of listeners—626 people—said that there should be a complete ban.

All I want to say is that what can happen in the rest of the UK should happen in England as well. It is inequitable and I find it—

Mr. Deputy Speaker: Order. The right hon. Gentleman has had his allocation.

6.1 pm

Steve Webb (Northavon) (LD): It is a pleasure to follow the Chair of the Select Committee, the right hon. Member for Rother Valley (Mr. Barron), who made a thoughtful and well-informed speech. His and his colleagues' evidence sessions have informed our debate, so it is a shame that the Secretary of State had a higher priority than listening to what he had to say.

I congratulate the Secretary of State and the Government on consulting extensively and listening to what they heard. We cannot deny that the Government consulted the right hon. Member for Airdrie and Shotts (John Reid) and listened to him. They have done what he asked them to do, so they were consulting and listening. They did not listen to what 90 per cent. of the public wanted, but the right hon. Gentleman is obviously the person who counts.

The priority for Liberal Democrats is the freedom of people to work in a smoke-free environment. As far as I am concerned, this is an issue about the health and safety of employees in England. The health and safety of employees of England is just as important as that of employees in Scotland, Wales, and north and southern Ireland.

I can cite examples of what has happened around the world. I want to take you, Mr. Deputy Speaker—albeit not literally—to the land of the free. No fewer than 300 cities and seven states in the United States have a total ban. Since a ban was introduced in California in 1998, the respiratory health of bartenders has significantly improved. That shows the point of the exercise and where we are coming from. After a six-month trial in Montana, there was a 40 per cent. drop in hospital admissions due to heart attacks. People who are sceptical about the evidence should look at what is actually happening on the ground.

There are those who say, "You may be worried about the welfare of workers, but it is their choice because they can choose to work in a smoky bar or somewhere else." However, if asbestos was found in the roof of a bar, people would not say, "You don't have to work there—go somewhere else." We would say, "It's bad for your health, so we'll do something about it." The onus should be on the workplace to be good for the health of the people who work there and not to harm it.

Mr. Laurence Robertson: I am listening carefully to the hon. Gentleman, as I do to all his speeches. However, if we were to follow his point to its logical conclusion, we could not allow people to work down coal mines. I am not aware that the Government are going to introduce a ban on that.

Hon. Members: Because you closed them all.

Steve Webb: Yes, the hon. Gentleman and his colleagues went a long way towards achieving that. I draw a distinction between avoidable and unavoidable risk. Being exposed to second-hand smoke is not an inherent part of working behind a bar, so we can, and should, do something about that.

I want to say a word or two about the two major exemptions. As several hon. Members have eloquently said about the exemption for food, there is no logical basis for saying that whether food is served has anything to do with whether second-hand smoke is bad for people. As far as I understand it, people may smoke if pork scratchings are served, but if pork chops are served, they may not. If pork sandwiches are served, it might depend on where they were cooked, whether they were hot or cold, and whether they were brought on to the premises. Nothing in the exemption has anything to do with the welfare of people working in pubs. It is entirely irrational.

Allowing people in so-called wet pubs—I have never quite followed that phrase—to be exposed to second-hand smoke seems to be in conflict with a recent

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campaign of which I have become aware. The campaign is an attempt to raise awareness of something called the "invisible killer". There will be adverts to

"highlight the fact that 'Secondhand smoke is a killer'".

One of the main advocates of the campaign says:

"smokers and non-smokers don't appreciate the full dangers of secondhand smoke. Tobacco smoke contains around 4,000 different chemicals, including . . . 50 known cancer-causing substances, such as arsenic, formaldehyde and ammonia".

The campaign is, of course, the Department of Health's. The person who gave that evidence was the Under-Secretary of State for Health, the hon. Member for Don Valley (Caroline Flint), who will wind up the debate. The NHS campaign was launched on the Department's website this autumn. How can the Department cite all these terrible things about second-hand smoke, which are true, yet say that it is all right for people who work in pubs that do not serve food to breathe it in? I do not understand how the Minister can simultaneously hold those two opinions.

I want to warn the House about the rise of death burger. Many of us who went to university will remember the burger vans that used to ply people on the high streets and what their products used to do to our health. If people can smoke in pubs provided that no food is served there, there will be an explosion—if that is the right word—of death burgers. Burger vans will park outside pubs, and people who want to smoke and eat will go out of the pub to buy a burger and quite possibly bring it back into the pub to eat it. As the burger would not have been provided on the premises, that would be no problem. Such people would get a triple whammy. They could go out to drink, nip outside for a burger and go back into the pub and smoke. The Department of Health is approving that behaviour, so I think that we are missing the point.

It is not only the exemption for food that is irrational, but the link between that exemption and the alcohol policy. It is clear that pubs that serve only a bit of food and do not make much money from that will stop serving food altogether. We will see more of what is inaccurately called vertical drinking—I have never quite understood why it is called that. There will be more pubs in which people will stand and drink, rather than sit and eat. All the concerns about alcohol abuse will increase.

Dr. Stoate: May I assist the hon. Gentleman? He says that it is difficult to define food and to determine whether a particular type of food constitutes cooked food. I met one of my constituency's publicans at a public meeting last night who made the interesting point that beer, by definition, is a food. Does that not rather confuse the situation under the Bill because any pub that sells beer will technically be selling food?

Steve Webb: I had not considered that point, but I am glad that the hon. Gentleman is keeping in close contact with his local publicans, as ever.

I have a further worry, which I have not really thought through, about the exemption's link with alcohol policy. Given the extension of licensing hours—we do not necessarily need to be talking about 24-hour licensing—the situation for bar staff will get worse. If licensing hours are longer, they will be exposed to second-hand smoke for longer. The case for doing something about that, which is the case against an exemption, thus becomes more pressing.

Dr. Andrew Murrison (Westbury) (Con): I think that we understand the hon. Gentleman's position on smoking tobacco. I hope that he will comment on his party's position on smoking cannabis. There appears to be some confusion about why he is focusing on smoking tobacco, but ignoring cannabis.

Steve Webb: The hon. Gentleman's comment gives rise to the interesting point that enforcement will be difficult if what is being smoked effectively has to be inspected. Some environmental health officers argue that if we stick strictly to addressing tobacco products, people could always claim that they were smoking something else, which would mean that an investigation of what was being smoked would be required. A broader definition of smoking could thus make enforcement action easier.

The exemption for private members' clubs also makes no sense. As the hon. Member for South Cambridgeshire (Mr. Lansley) accepted, that exemption will increase health inequalities. Again, we must ask why the health and welfare of people working in private members' clubs is less important than that of other people. What can the Minister say about the danger of "The Rose and Crown" becoming a private members' club, which would allow people to circumvent the ban by becoming members of "The Rose and Crown"? It would not be beyond the wit of a landlord to circumvent the ban by setting up a membership scheme. How can a ban that is full of exemptions that allow it to be circumvented so easily be worth the paper that it is printed on?

Martin Horwood (Cheltenham) (LD): There is an instance of that in my constituency, where one pub is considering redesignating itself as a membership club. Does my hon. Friend agree that one of the perverse results of such a potentially powerful ban is that establishments will market themselves as smoker friendly, thereby undermining much of the health promotion activity in recent years?

Steve Webb: My hon. Friend helpfully illustrates my point. The ban will be easy to circumvent and therefore possibly ineffective.

The issue of unfair competition may appeal to Conservative Members. With a partial ban, which the hon. Member for South Cambridgeshire seems to support, a private membership club can have smoking, but that may not be possible for the pub down the road. If they are the only two establishments in a town, the private membership club has an unfair advantage over the pub, which is covered by different and broader legislation. That is unfair competition. It is neither logical nor fair.

Colin Challen (Morley and Rothwell) (Lab): There is another problem with the partial ban. A disabled person—registered or not; it does not matter—who has a debilitating respiratory disease may feel entitled to use measures in the Disability Discrimination Act 1995 and

take a case against a landlord or licensee who enables smokers to use their premises. The disabled person may feel discriminated against by not being able to use those premises because it could further damage their health. Does the hon. Gentleman agree with that assessment?

Steve Webb: That possibility has been raised in the context of employment rights. Provided that there continue to be smoking pubs, a disabled person who might otherwise be able to work in a smoke-free environment will be effectively debarred from applying for a job in those pubs. The implications for people who have those sorts of disabilities need to be considered.

We touched on health inequalities. There is a danger that we think of the problem as a north-south issue, but even in relatively prosperous areas it is clear that the inequalities in health will be exacerbated by the Bill. My director of public health in south Gloucestershire—a relatively prosperous area—tabulated the pubs that do and do not serve food across the authority. The director found that all the pubs in the most prosperous fifth serve food, but 41 per cent. of the so-called wet pubs are in the poorest fifth of the area. So the partial ban will increase inequalities within areas and between areas, not just across the country as a whole.

Stephen Williams: I draw my hon. Friend's attention to the initiative undertaken recently by Smoke Free Bristol. The city is next to south Gloucestershire. It found that only 12 per cent. of people in the Henleaze ward in my constituency smoke. However, just a quarter of a mile away in the Southmead ward in the constituency of the hon. Member for Bristol, North-West (Dr. Naysmith), smoking is at nearly 50 per cent. Those health inequalities, in a relatively small area, will be perpetuated and expanded if the Bill goes through.

Steve Webb: My hon. Friend is right. For the Government to say that tackling health inequalities is a key priority and then to put in place a measure that will make them worse does not stack up. When they launched the embarrassing statistics in the summer that showed that health inequalities had risen under them, the answer was, "We have these things called spearhead primary care trusts, which deal particularly with deprived areas." When the spearhead PCTs responded to the consultation, they said:

> "Many spearhead PCTs suggest that the proposed legislation will make it harder for them to meet their targets on health inequalities".

In reflecting on the comment on conflicting targets, we have one bit of the Government setting targets for relatively deprived areas to reduce inequality while another bit of the same Department is making it harder for them to reduce inequality.

We have heard, and the Health Select Committee was advised in its oral evidence, that enforcement is more difficult with a partial ban. Presumably, I will have to go up to the bar and ask the barmaid whether she sells pre-packaged ambient shelf-stable snacks before I can decide whether to light up. That is the criterion. It is absurd to have separate categories. We heard about Ireland, and if the other customers do the enforcement, they need to be clear about the legislation. If a place serves food at lunchtime but not in the evening, a customer who uses it in the evening is supposed to know that to determine whether he can smoke.

Stephen Williams: I notice that the Minister is trying to be helpful by saying, from a sedentary position, that signs will help people in such circumstances. May I relate my experience as a director of the Watershed Media Centre in Bristol? We tried to ban smoking from a large part of the café bar by, at one time, placing signs on every table. As there is a mix of where people can and cannot smoke, people use the element of doubt to ignore the signs and carry on smoking. Signs are not always the right answer.

Steve Webb: My hon. Friend is right. Essentially, we are partly talking about a cultural shift towards smoke-free workplaces. That message will be hampered by the phased introduction of the Bill and by different rules for different establishments. The picture will be confusing and will not make a clear statement about the rights of the people who work in such environments.

On phasing, there will be confusion if certain establishments have a ban first, if others follow on later and if some are not covered by the legislation. The Secretary of State said that she expects a total ban and that we will get there eventually. We heard that the chief medical officer used the phrase to the Select Committee about states around Europe and beyond falling like dominoes towards a total ban. The Secretary of State said that the people who introduced total bans often did so in stages, but in many cases they realised that it was unworkable to do it partially and got on with it. Why do we have to repeat their mistakes?

The Chairman of the Select Committee, the right hon. Member for Rother Valley, put his finger on it when he said that the Government have not introduced a total ban because they are afraid. They are afraid to lead public opinion and want to follow it. We need a courageous visionary Government, who are willing to take the lead and set an example. I imagine that the full ban will come into effect and, two or three years later, no one will conceive of turning the clock back.

Tim Farron (Westmorland and Lonsdale) (LD): Does my hon. Friend acknowledge the research by groups such as Action on Smoking and Health which recognises that four in five smokers wish that they did not smoke? We are talking largely about liberty and freedom. Many people think that an addiction is an encumbrance on their freedom and would welcome the opportunity to go to work or to a social setting where smoking is not rammed down their throat and temptation is removed.

Steve Webb: My hon. Friend makes an interesting point about the liberty argument, which our party considered. We are primarily concerned with the liberty of those who work in such environments, but where addiction is involved, we may, in many cases, going with the grain. Individuals who want to give up but who have found it difficult might appreciate such a measure. It is not patronising or nannying. It could assist people to do something that they want to do. Perhaps the most appropriate day to introduce the ban is 1 January, although midnight might create operational problems if everyone had to stub out their cigarettes halfway

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through the evening. Noon on 1 January might be a better time because it would assist those who want to make a new year's resolution to follow the grain of that decision.

I asked the Secretary of State what she had said to the Cabinet and did not get the straightest of answers. However, we are reliably informed that she pressed for a total ban. If she wants that, then I agree with her. However, it means that her argument that the Labour manifesto said that there would be only a fudgy ban falls down. If she pressed to go beyond that, how did she justify going beyond the terms of the manifesto? She did so because it was right and the best policy to adopt. On smoking, the Westminster Government have got it right, but only for Northern Ireland, where there is a total ban. How, therefore, can they adopt a different approach for England? I can see nothing about the situation in Northern Ireland that would warrant its workers having a different level of protection from those in England.

The Bill deals with other important subjects. On health care-acquired infections, a group of people who had been bereaved by MRSA held a lobby yesterday. That group—MRSA Action UK—presented a petition to Downing street. I think hon. Members on both sides of the House joined them. I laid a wreath with them at Westminster abbey in commemoration of their friends, relatives and loved ones who had died.

One thing that the group is calling for is mandatory national reporting of all health care-acquired infections, which we do not have. The estimate is that only 6 per cent. of all infections have to be reported. That relates to bloodstream MRSA only—not all cases of MRSA have to be reported. I hope that the Minister explains why there is not more mandatory national reporting. The scale of the problem is immense and although we heard reassuring words from the Secretary of State about the progress that is being made, across Europe we have one of the worst rates of Staphylococcus aureus infection. It is about 40 per cent. in the UK—one of the highest in Europe—and the right hon. Lady's reassurances were complacent on that front. Having met relatives of those who have died from MRSA, I urge her to listen carefully to what they say and to take much more serious steps.

I echo the question of the Public Accounts Committee—how can the 80 per cent. or so of infections not covered by the Department's mandatory surveillance programme be measured and managed? If they have not even been reported, how does the Department of Health know what is going on?

We have already heard about things that can be done to tackle infection and about infection control. As for bed occupancy rates, my hon. Friend the Member for Sutton and Cheam (Mr. Burstow) pressed the Secretary of State on what trusts will do if they have two conflicting targets. The answer was "Meet both". I accept that that is the ideal solution, but what if one target conflicts with the other? As the hon. Member for South Cambridgeshire rightly said, what if there is pressure to close a ward because of infection, but that decision is overruled by the trust managers? There is nothing in the Bill to prevent such conflicts, so the Government must make it clear that infection control is a priority.

The right hon. Member for Rother Valley, the Chair of the Health Select Committee, spoke about the Shipman inquiry, and said that the Bill will improve current practices, which we welcome.

The Bill includes some worrying provisions on ophthalmology. All I can say is that if dentistry is the precedent, heaven help us. If access to ophthalmology services is cash-limited and restricted, as Opposition Members have said, many of our constituents will be concerned. The Bill was originally to be called the Health Improvement and Protection Bill. The Government dropped the words "Health Improvement" and "Protection", because this is a missed opportunity to do far more of both.

6.21 pm

Frank Dobson (Holborn and St. Pancras) (Lab): I should like to make one or two simple points.

Smoking in enclosed spaces kills people. It kills smokers themselves, and it kills non-smokers who inhale second-hand smoke. It is obviously a good idea to try to stop people smoking in enclosed public spaces if possible. There is no longer any "if" about it, however, as we know that it can be done. Smoking in enclosed public spaces has been banned in Ireland, where the sanction has proved both workable and enforceable. It has stopped people inhaling second-hand smoke, and it has helped smokers to give up. Fewer cigarettes are being sold in Ireland, and fewer people are smoking. The ban in the Irish Republic has been so successful that our Government are to introduce a total ban in Northern Ireland. Having checked with the Clerks, I believe that that will require a vote in the House before it can be brought into effect. The Scottish Parliament is introducing a similar ban in Scotland, and the Welsh Assembly intends to use the measure to do the same thing.

Stephen Williams: Will the right hon. Gentleman give way?

Frank Dobson: No, I would like to make progress, as other hon. Members would like to make a contribution.

The Government want only a partial ban in England. Smoking is to be banned where food is sold, but it will not be banned where food is not sold. Pubs, clubs and bars serving booze but not food are mainly located in poor neighbourhoods, and serve working-class people, so the partial ban will be good for the health of middle-class people but bad for the health of working-class people, who are ill more often and die sooner than the middle classes. The partial ban introduced by the Labour Government will widen the health gap between the social groups. No one has mentioned the fact that the partial ban will concentrate smokers and smoke in pubs where smoking is permitted, because smokers will move to them from places where smoking is banned. The partial ban will therefore make the situation worse for people in those pubs. It is hard to believe that a Labour Government are knowingly widening the health gap.

Smoking is one of the major causes of the health gap. Headlines in two Sunday papers said "Glasgow is Britain's smoking capital" and "Glasgow people have the shortest lifespan". There is a clear connection

between smoking and early mortality, as has been pointed out by the chief medical officer in his advice to the Government and in his public statements. Professor Sir Liam Donaldson believes that there should be an outright ban, but the Government have decided to ignore his professional advice. It is his job to try to promote good health, but the Government have ignored his advice, just as they have ignored the advice of the distinguished doctor, Professor Dame Carol Black, president of the Royal College of Physicians, who also gave evidence on the matter.

The Government proposals are half-baked and half-hearted, without any merit at all. Most members of the catering trade take the same view, and they would rather have no ban or a full ban, because half a ban is a great deal of trouble for them. The environmental health officers responsible for enforcing the measure believe that a half-ban is unworkable and difficult to enforce. Under the measure, smoking in bar "areas" will be prohibited. What is the bar area? I represent an enormous number of lawyers, and I am sure that they have spotted that wording in the Bill. Some establishments that do not serve food consist only of a bar. Hon. Members may not visit such places, but they exist, so I think that the lawyers will do well. If anyone thinks that they can make a distinction between one part of a room that does not have any smoke and another part that does, they should have tried flying Iberia when the airline banned smoking on one side of the aisle, but permitted it on the other. That ban did not work very well.

May I tell my hon. Friend the Minister, who has the task of defending the Government's policy, that Professor Alex Markham, the chief executive of Cancer Research UK said yesterday that the Government had a huge number of achievements in tackling cancer to their credit. They have quite a few achievements in promoting the reduction of smoking and helping people to stop smoking, thus reducing the incidence of cancer and improving recovery rates. We should not be distracted and throw that credit away by coming up with this half-cocked measure.

We have had many debates in the House in the past few years about weapons of mass destruction. The worldwide weapon of mass destruction is the cigarette, which has killed more people than all the weapons, bombs, mines and bullets since the second world war, far exceeding anything that we have managed to do by trying to blow one another up or to shoot one another. In our country alone, it kills more than 100,000 people every year, but we are giving up an opportunity to make progress.

Finally, last year, I had the singular pleasure of speaking on the same platform in Edinburgh as Sir Richard Doll who, in his 90s, made a fine speech about his initial work to identify the link between smoking and cancer. I made the people present, who were from across Europe, stand in honour of a man who had saved millions of lives. We seldom meet people who save millions of lives, but he has left us an enormous legacy—a better legacy than most politicians are likely to leave, I might add. It would not be a bad addition to his legacy to persuade the Government to introduce an outright ban instead of a partial ban that will not do any good. It will not be enforceable. That partial ban should be avoided by a Labour Government who, as the Secretary of State has said, are dedicated to reducing social and health inequalities, because it will serve to do nothing but increase them.

6.29 pm

Mr. Stephen Dorrell (Charnwood) (Con): I agreed with two things that the right hon. Member for Holborn and St. Pancras (Frank Dobson) said. The first is that we all owe a great debt to Sir Richard Doll, and I am sure that the right hon. Gentleman spoke for the whole House in what he said on that subject. Secondly, the Government's policy on the subject of statutory smoking bans is, in the right hon. Gentleman's opinion and in mine, half-baked and unenforceable. The difference between us is that, unlike the right hon. Gentleman and the hon. Member for Northavon (Steve Webb), who both draw from that the conclusion that we should proceed to an outright ban, I shall speak against the principle of statutory smoking bans.

I do so, as the House is aware, as a former Secretary of State for Health. It would have been an unpopular argument for a Secretary of State for Health in office to advance. I also do it from a personal point of view, as a lifelong non-smoker and somebody who has a deep dislike of smoky atmospheres—so much so that when I go into a pub that has a smoky atmosphere, I go out again, because I do not like it. That is my freedom as an individual, and it is that freedom which lies at the base of my remarks.

As Secretary of State, I of course received advice from the chief medical officer, and successive chief medical officers have argued in favour of statutory action against smoking. I also met many, many clinical staff who were emotionally committed to the principle that it was part of the Government's job to tilt the system more heavily against smokers. However, we should not proceed on the basis of the Government's half-baked proposal, and still less in the direction that the right hon. Member for Holborn and St. Pancras and the hon. Member for Northavon advocate. I shall set out briefly why.

At root, my reason is that, like my hon. Friend the Member for Witney (Mr. Cameron), I have always described myself as a liberal Conservative. By that I mean, among other things, that I think it is part of our job in this place to defend private space against the well-meaning aspirations of a well-meaning state. I have no doubt that the clinicians who argue for statutory smoking bans do so for the very best of motives. I accord to the Secretary of State and to my hon. Friend the Member for South Cambridgeshire (Mr. Lansley), who argued from the Opposition Front Bench for a different form of compromise, the best of intentions, but sometimes we in this place should defend private space, particularly the private space of unfashionable minorities, among whom we should now number smokers.

Against that background, I shall go through the arguments that are used to justify the proposals for smoking bans. First—this is the weakest argument of all, which, with respect to him, was advanced by an hon. Member from the Liberal Benches—there are those who say, "It will help me give up smoking". It is not a safe guide for public policy to legislate to encourage somebody to do something that they want to do for their own private benefit. Of course, as a private citizen, one

[Mr. Stephen Dorrell]

to another, I would encourage people to give up smoking. As a result of the work of Sir Richard Doll and his successors, we all acknowledge that smoking causes cancer and therefore premature death. We should not be mealy-mouthed about that, but we should not use the power vested in us as legislators to impose on people a private benefit that they may wish for themselves, but which they apparently cannot deliver for themselves without legislative backing. That is no basis for public policy.

Tim Farron: Is not the right hon. Gentleman guilty of not giving due balance to the right of the non-smoker and of classifying a space as private when, in fact, it is public? We are speaking about balancing liberties. As a liberal Conservative, surely he recognises that some liberties encroach upon the liberties of others and should therefore be curtailed.

Mr. Dorrell: I shall come on, if I may, to that argument. I was trying to respond specifically to the argument that "a ban on smoking will help me give it up", which I do not think is a guide to policy.

Mr. Barron: When the right hon. Gentleman was Secretary of State for Health, he did not spend anywhere near the amount of money that the present Government have spent on smoking cessation. Ireland had a smoking prevalence of one in three before the ban. After 18 months of the ban, the smoking prevalence is one in four. Does the right hon. Gentleman agree that there is a lot to be gained from taking such action—not banning smoking, but banning it in places such as pubs and clubs?

Mr. Dorrell: I shall make two points in reply to that. First, during our years in government, tobacco consumption fell, and I think I am right in saying that it is starting to rise now, particularly among teenage girls. Secondly, the argument that if we deliver a reduced level of smoking, we deliver a public health gain is transparently true; that is not in dispute. The question is whether that is a basis for legislative action. That is the second argument that I shall come to.

Frank Dobson *rose—*

Mr. Dorrell: I shall give way once more, then I shall make progress.

Frank Dobson: In his liberal Conservatism, the right hon. Gentleman—who usually talks more sense than he is talking now—predicates his entire argument on the idea that smokers can come to a voluntary decision. They are smokers because they are addicts, and we owe it to addicts to help them break their addiction.

Mr. Dorrell: I do not agree with that argument. There are very few people, if any, who are clinically unable to give up smoking. I entirely accept that it is difficult, but the right hon. Gentleman needs to be careful of that argument. He is in danger of saying that the people of whom he spoke, in low-income and disadvantaged groups, are unable to make on their own behalf decisions which, from the level of tobacco consumption, one can see that better off people have made. That is not true and it is a patronising argument for us even tacitly to endorse.

The next argument is closely allied to the argument that a ban will help people give up smoking. It is the argument behind public health targets related to tobacco consumption. As Secretary of State for Health, I was always uneasy about public health targets that could be delivered not as a result of Government action, not as a result of collective action, but only as a result of private decisions by private citizens. It is not a proper basis for public policy to introduce a measure that I find objectionable for the reasons that I am describing, in order to deliver some public health objective about reducing tobacco consumption, which can be delivered only by private citizens making a private choice about their own private behaviour. The job of the public health Minister is to use resources in a way that is targeted at health need, but always to understand that private citizens should be free to make their own decisions about the way they lead their lives.

The third argument that is advanced is that we should introduce a smoking ban in order to create a more pleasant environment for people like me who do not like going into smoky pubs—again, not a good guide for public policy, and not a reason for compulsion, though a very strong reason for individual publicans and restaurateurs to introduce no-smoking policies in their establishments, which attract people like me and presumably do not attract those who want to go in and be able to smoke.

On the final argument, it was interesting that the hon. Member for Northavon rested his argument in favour of a smoking ban almost exclusively on the grounds of a safer working environment. All around the country, employers and employees have for a generation been agreeing no-smoking policies in their establishments, without the assistance of the Government. I applaud that. In my own business we operate a no-smoking policy because that is the decision that the individuals on the sites have collectively reached. I do not believe that a ban should be imposed from here, because individual employers and employees should be free to decide the matter for themselves.

In addition to the public health driver that explicitly informs smoking bans, there is a strong whiff of political correctness—we know the scientific facts and what is good for the people who send us here. Our righteousness is reinforced when we present that argument, because we can quote scientific evidence to support our assertions of what is good for people. We then make the fatal leap—this is where I part company from the prevailing majority—that because we know how people could better lead their lives from a health point of view, we should use our available powers to lead them to do things that they would not choose to do for themselves.

The Prime Minister is fond of talking about respect, and he is dead right when he says that we should learn better to respect each other. We should understand, for example, that two adult citizens in a free society—this is almost the definition of a free society—can look at the same set of facts, come to two diametrically opposite conclusions and both be right. We will have learned the

real meaning of respect when we respect the conclusions that other people reach when they are presented with the same facts as us, but reach opposite conclusions.

6.41 pm

Joan Walley (Stoke-on-Trent, North) (Lab): I have the greatest respect for medical officers, and when the right hon. Member for Charnwood (Mr. Dorrell) was responsible for the health service, a substantial body of medical opinion called for bans such as those in the Bill. I congratulate the Government on going so far with what will hopefully be a landmark Bill on smoking. After 18 years of Tory Government, we should now make as much progress as possible.

The Bill could have gone much further than a partial ban on smoking. As I said in an intervention, my greatest concern is what the Bill will do for health inequalities. That concern is shared by not only Sir Liam Donaldson in his evidence to the Health Committee, but many other distinguished people. The Under-Secretary of State for Health, my hon. Friend the Member for Don Valley (Caroline Flint), who has responsibility for public health, must satisfy herself that the Government are dealing with health inequalities.

My primary care trust, which is a spearhead trust, is getting extra money to deal with health inequalities—the increase is some 9.4 per cent. this year and 8.4 per cent. next year. We do not want legislation that makes the matter worse, and the more that I look at the evidence and the situation on the ground—I speak as an ex-smoker—the more I believe that the Government should use the time between now and Royal Assent to make sure that they are doing everything that they can to reduce health inequalities. The issue concerns changing behaviour, because nothing can be done by legislation alone. It involves hearts and minds as well as legislation, and properly trained enforcement officers will be important, too.

I was interested in the contribution by my right hon. Friend the Member for Rother Valley (Mr. Barron), who is Chairman of the Health Committee. On 24 November, the Committee took evidence from the Chartered Institute of Environmental Health, of which I am vice-president. In its comments, the CIEH makes it clear that it strongly opposes the proposed exemptions for pubs and clubs that do not serve food. The CIEH position is that all workers should be afforded an equal level of protection.

I have this to say to hon. Members who have already spoken: we are not discussing private places; we are discussing public places. There is no justification for exempting premises where workers are exposed to the greatest risk. The CIEH believes that its members will face the serious ethical issue whether it is professionally acceptable to participate in the enforcement of a law that unjustifiably fails to protect whole categories of vulnerable people and may be open to subsequent challenges under human rights legislation. I urge my hon. Friend the Minister to speak to those who will enforce the legislation.

I know that time is limited and that many other hon. Members want to speak. In the short time remaining, I shall refer to the issues that concern my local spearhead PCT. Smoking is the single most important cause of illness and death in Stoke-on-Trent, where it kills more than 450 people each year. Are we sure that it is right to leave the most vulnerable workers at risk from the dangers posed by breathing other people's tobacco smoke?

Exposure to second-hand tobacco smoke has been linked to lung cancer and heart disease since the 1980s, when many people started to campaign to bring about a ban on smoking. In my constituency, 64 per cent. of licensed premises do not serve food and will therefore be exempt from the smoke-free legislation. In the most deprived wards, however, 84 per cent. of pubs will be exempt, leaving both workers and the community at risk and contributing to the social acceptability and normalisation of smoking within those communities. Moreover, the PCT in Stoke-on-Trent and I believe that two out of every three smokers who want to quit are hindered by the environments in which they socialise.

Hon. Members have already covered many aspects of the debate. I shall briefly refer to the views of Charles Pantin, a consultant physician at the University hospital of north Staffordshire. He has written to me setting out the medical evidence on the risks to health from second-hand smoke, including the links to heart disease, asthma, reduced lung function, chest discomfort and all other associated illnesses.

This is a momentous opportunity for the Government to make a positive impact on smoke-free workplaces. We must make sure that we are doing everything that we can to help those who want to quit to do so and to prevent people from starting to smoke. This two-tier legislation does not send a simple, concise message. The Bill should contain a comprehensive, simple law to end smoking in the workplace. I urge the Minister to examine carefully the concerns raised by those hon. Members who want to see more being done to reduce health inequalities.

6.49 pm

Mr. Eric Forth (Bromley and Chislehurst) (Con): My two least favourite words in the political lexicon are "modernisation" and "prohibition". When I looked through the Bill, I found that although the first of those is, happily, not present, the second one, sadly, is—right up front. I also found that "regulations" occurs 18 times, "offence" occurs 20 times, and "enforcement" occurs 10 times. In schedule 1, "penalty" occurs 19 times, "offence" six times and "enforcement" three times. What have we come to, that we are being asked to take this approach in order to do what many people see as the right way forward?

I very much agree with the approach taken by my right hon. Friend the Member for Charnwood (Mr. Dorrell), who succinctly set out the case that is in danger of going by default in this debate: in a mature, informed society, we should surely leave individuals as much opportunity as possible to exercise their choice and discretion. That should be informed, of course. There is a duty on the Government of the day, and on us, to do what we can to inform people about the risks that they may be taking in terms of their health and safety.

Stephen Hesford: Does the right hon. Gentleman agree that the logic of his position is that he would legalise class A drugs?

Mr. Forth: The policy on drugs has been such an overwhelming failure until now that it is time that we

[Mr. Forth]

had the courage to look at the issue properly, instead of being afraid of it and cringing from it. That is for another day, however. I shall happily engage in a debate on that subject with the hon. Gentleman, but not here.

I would certainly want to push as far as I could the freedom of adult, informed individuals to decide what they do with their bodies, and indeed with and between each other. That is my preference. I always recoil when I have presented to me proposed legislation that seeks to impose on a large number of people the wishes of experts or politicians, because that is not why I came into politics or why I am here.

Another irony is that all of us, in all political parties, pay lip service to local community decision making. I agree with that. However, when we are faced with it as a reality, we tend to recoil from it and resort to centralised decision making and imposition. My solution is that we should encourage workplace decision making of the kind that my right hon. Friend the Member for Charnwood mentioned. I see no reason why proprietors and work forces in offices, factories, restaurants and pubs should not be able to get together to make their own decisions about whether their premises should allow smoking, ban smoking or allow different things in different parts of the premises.

Last night, I went to St. Stephen's tavern, right next door to us here in Westminster, to assess the effectiveness of the removal of smoke from the atmosphere. I even lit up a cigarette and puffed at it energetically to see what would happen. Everyone present in the room agreed that although people were smoking, there was no trace of cigarette smoke at all. I can see one or two hon. Friends who were also there. Instead of instinctively saying, as so many politicians do, "We're going to try to use the force of the law to make you good people out there do what we think is right for you", why cannot we challenge people to take a sensible approach to the vexed subject of smoking? Why cannot we challenge proprietors to ensure that their premises are smoke-free by using the technology that is now freely available and was demonstrated to some of us last night? Why not allow that element of choice to prevail?

As my right hon. Friend the Member for Charnwood said, we can use our power as consumers to try to persuade people to do what we think is right. In other words, if we find smoke offensive, we can decide not to use bars, pubs, restaurants or other premises where it is present. If sufficient of us were prepared to do that, their proprietors would have to make a decision on whether to deem them smoke-free or partly smoke-free. I see no reason why we, as consumers, as well as proprietors and members of the work force, cannot make rational choices in the workplace and in the community. That is preferable to having us here reaching for the law—as we so often instinctively, and wrongly, do—and seeking to impose our view on our citizenry and voters.

I shall reluctantly support the Bill on Second Reading in the hope that we can water it down in Committee or on Report to move it towards a more truly liberal approach than the rather heavy-handed approach that it takes at the moment. I am not terribly optimistic, but I shall do my best to move it in that direction.

6.55 pm

Mr. Bob Laxton (Derby, North) (Lab): Unlike the right hon. Member for Bromley and Chislehurst (Mr. Forth), who could by no stretch of the imagination be described as a zealot about anything, I admit to being a bit of a zealot when it comes to smoking. Indeed, I have been a virulent anti-smoker for many years. If someone put my name into Google or looked me up in "Who's Who", they would see that I once described smoking as a dirty, filthy, stinking, antisocial, expensive, bourgeois habit. *[Interruption.]* That is my weird sense of humour. We all know that these days smoking is generally a working-class habit.

I approach the subject with an almost missionary fervour. About 10 years ago, when the issue of not smoking was not particularly fashionable, I was leader of Derby city council, where we brought in an anti-smoking policy. We stopped all smoking in the work force and required people who indulged in this dirty, filthy, stinking, antisocial and expensive habit to go to little nicotine-ridden rooms where they could have a quick drag in clouds of smoke. We did that because there was a huge conflict between smokers and non-smokers in open office areas.

We introduced that policy in June 1995. In November 1995, we went further and wrote it into people's contract of employment and stated it in all job adverts. Applicants were advised that we had a clear non-smoking policy and that, if they wanted to smoke in the workplace, they need not bother to apply for a job at Derby city council. I came in for some heavy criticism. I was told, "You're denying the city council the chance of employing the very best employees around." I replied, "I think that people who smoke are stupid, and why would Derby city council want to employ stupid people?"

Mr. Eric Joyce (Falkirk) (Lab): If someone wanted to work in a pub that allowed smoking, would my hon. Friend use exactly the same argument and therefore argue for allowing smoking in pubs?

Mr. Laxton: Yes, there is an argument for that.

By now, anyone would have concluded that, as a virulent anti-smoker, I would be very much in favour of a total ban across the piece. I took that view until about six months ago, but I have finessed it a little because of some of the impositions that have been put on the statute book. I do not want to drag up banning hunting with dogs, but we have seen that people are circumventing that legislation and operating illegally, or with dubious legality.

I have changed my position and, if there is a Division tonight, I shall support the Government. The Bill gets us 90 or 95 per cent.—some would say 99 per cent.—of the way to achieving our aim. In talking to heavy smokers, I have found that some accept that smoking is bad for their health, colleagues and families, including their children, but have no intention of kicking the dirty, filthy, stinking, antisocial and expensive habit. Those people will smoke, come what may.

Martin Horwood: Will the hon. Gentleman give way?

Mr. Laxton: No, I shall not take interventions.

The Bill gives people such as me an element of choice, which I do not currently have. Most pubs allow smoking in part of their establishment. Perhaps they do not allow it in the restaurant or perhaps they have a no-smoking area, but most restrictions are ineffective in practice.

Mr. Greg Knight (East Yorkshire) (Con): Will the hon. Gentleman give way?

Mr. Laxton: No.

Mr. Knight: To me?

Mr. Laxton: No, not even to the previous Conservative Member for Derby, North, whom I was pleased to defeat at the time.

The non-smoking facilities in many public houses are inadequate. Under the new arrangements, I shall have a choice. I will be able to go to a wide variety of establishments if—as I do—I wish to socialise in a non-smoking environment. Those who want to smoke, insist on smoking and demand the right to smoke will be able to go to establishments that are full of cigarette smoke where they can indulge their dirty, filthy, stinking, antisocial and expensive activity. The Bill provides an element of choice that hitherto did not exist.

Some Conservative Members suggested that public houses would decide to junk food and become drinking-only establishments so that they could get the punters in, chuffing away fast and furiously. I do not believe that that will happen. If we consider how social activity and public houses have changed in modern Britain, we realise that most establishments need to sell food to stay in business. In my locality—I guess that it is not very different elsewhere—all country pubs, pubs on the fringes of cities and those near city centres sell food. If they did not, they would not survive. If they decided to get rid of food to attract people who wanted to indulge in the dirty, filthy, stinking, antisocial and expensive habit, they would go out of business. Market forces mean that there will be public houses full of smoke and—thank God—public houses that have a clean environment, where people such as me can go and breathe reasonably fresh air and, perhaps for the first time, enjoy the wonderful aroma from the head of a good pint of Marston's Pedigree.

The Government have got it just about right. That is why I shall support the Bill.

7.3 pm

Sir George Young (North-West Hampshire) (Con): It is a pleasure to follow the hon. Member for Derby, North (Mr. Laxton), who runs a serious risk of serving on the Committee because, until he spoke, the score was: Secretary of State 0, Labour rebels 3. I hope that the Committee of Selection reflects the variety of opinion on the Back Benches when it chooses a Committee to consider the detail of the Bill.

Before I deal with part 1, I should like briefly to mention clause 34 on ophthalmic services. The Macular Disease Society is based in Andover in my constituency and it and the Royal National Institute of the Blind have raised some issues that are best considered in Committee about the services that are optional and those that the primary care trust must provide. However, as smoking at least doubles a person's chance of losing sight in later life, that brings me to part 1 and the wisdom of my party's allowing us a free vote. I take a substantially different view from that of my right hon. Friends the Members for Charnwood (Mr. Dorrell) and for Bromley and Chislehurst (Mr. Forth).

My right hon. Friend the Member for Charnwood prefaced his remarks with a definition of what an individual was entitled to do in a private space. I agree with him. However, the Bill does not deal with what an individual does in a private space. Clause 2 makes clear the spaces that we are discussing.

We have made great progress in reducing the number of avoidable premature deaths that are caused by smoking. The Bill offers an opportunity to build on those achievements. However, there is a risk of a missed opportunity because of the political compromise on which it is built. That is an unsound foundation for a credible public health policy. If, as the Secretary of State implied at the weekend, it is right to introduce a total ban in three years, it is right to do it now. It would be absurd to have two bites at the cherry and two different regimes. It is worth reminding hon. Members, especially Labour Members, of the Prime Minister's words at the Labour party conference:

> "Every time I've ever introduced a reform in government, I wish in retrospect I had gone further."

That applies to this measure.

When I was first elected, the House of Commons sold its own cigarettes, with the green portcullis on the pack. My first modest engagement against the tobacco industry was with the then Catering Committee. I asked it to withdraw the product on the ground that it gave parliamentary validation to an activity that killed thousands of our constituents. I failed, but it agreed to reduce the cigarettes on sale from high to low tar. The product was subsequently rightly removed from the shelves.

Parliament has not hesitated to use legislation to combat smoking. The ban on television advertisements dates back to the 1960s. More recently, we have introduced legislation to ban advertising except at the point of sale. I welcome that. We have also used voluntary agreements but they have been less satisfactory because the industry has been reluctant voluntarily to concede anything that would do it serious harm.

The Bill is a legacy from the previous Secretary of State for Health, the right hon. Member for Airdrie and Shotts (John Reid). He was not quite as bad as the chain-smoking health Minister in "Yes, Minister", but he did the Department's reputation no good in proposing the compromise a year ago. I recall telling him in the House at the time that it would not work. However, due to secondary lobbying, his influence is pervasive and visible in the Bill. From next March, his constituents will enjoy enclosed public spaces that are free from tobacco smoke, and the risk of lung cancer will fall by 24 per cent. for those helped by that measure in Scotland. However, he has used his influence in Cabinet to ensure that my constituents in Hampshire will not share that advantage. It is not so much the West Lothian question as the West Virginian question.

It is hard to find a subject on which the Cabinet agrees nowadays. The disagreement on smoking was the best advertised since that on prescription charges 50 years

[Sir George Young]

ago. At business questions a few weeks ago, I asked the Leader of the House for a free vote on the matter for Labour Members, but the request was dismissed.

Conservative Members have a free vote. I understand the libertarian argument that my right hon. Friends the Members for Charnwood and for Bromley and Chislehurst presented but a person's freedom to smoke ends where my nose begins. I remind my right hon. and hon. Friends that it became compulsory for motor cyclists to wear crash helmets and car passengers to wear seatbelts under a Conservative Government. When I was a health Minister some 25 years ago, I remember advocating the application of fluoride to water supplies in the interests of dental health. Despite the comments of my right hon. Friend the Member for Charnwood, his Government did exactly the things in the interests of public health that he claims that they should not have done. Our party has, in some circumstances and in the broader public interest, curtailed the liberty of the individual to harm himself and others. It is an extraordinary Bill. Indeed, one wonders whether it is a Bill or a Green Paper. Clause 3(2) refers to

"Examples of descriptions of premises which may be specified".

I have never come across a Bill with language of that type, being wholly unspecific as to what it is that will be exempt.

Members have asked whether there are already smoke-free pubs. There are some—12 in Hampshire are already smoke-free. Presumably, that is because it makes financial sense. I say that to reassure those in the trade who are worried that the consequences of going smoke-free will be injurious to their profits.

It is worth reminding the House that, in 2001, the Prime Minister promised in the Labour party manifesto that we would have a more democratic second Chamber. He then voted for a wholly appointed second Chamber. I hope that the Government Whips extend to all Labour Members the latitude enjoyed by the Prime Minister on the occasion when they get to vote for a total ban.

I recall negotiating with what was then the Tobacco Advisory Committee in the 1970s, trying to get the health warning not only on the pack of cigarettes but on individual cigarettes. I was told that that was not possible as the ink has carcinogenic properties. My negotiations with the committee taught me one thing, which was that the industry can live with tax increases, health warnings and a larger budget for those with responsibility for health education. It really feared that smoking would be branded as an antisocial unhygienic and unacceptable activity. A ban on smoking in public places would do just that. The industry would do all that it could to qualify that statement, hence its reliance on the ventilation argument and its enthusiasm to have as many exemptions as possible. It will do anything to give legitimacy to the activity by permitting it.

The industry wants confusion among the public as to where it is and is not legal to smoke. It wants different regimes in different parts of the United Kingdom. That is because the argument would be blunted and the waters would be muddied. The industry most fears a clear statement from Parliament that smoking is an unacceptable activity in an enclosed public space. It is that statement—not an impracticable, illogical compromise—that I hope the Bill will embody when it leaves the House.

7.12 pm

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): I praise the Government for the positive and strong efforts that they have made in addressing the problems of smoking. I shall make a simple plea, and that is to say to the Government that they should grasp the nettle, go further than the proposals set out in the Bill and follow the lead from Smoke-Free Liverpool, which proposes a comprehensive ban on smoking in enclosed workplaces, including all licensed premises.

Smoke-Free Liverpool brings together the city council on a cross-party basis, the primary care trusts, John Moores university, the Roy Castle foundation, the chambers of commerce and the trades council. It has brought those organisations together to introduce a private Bill, currently in the other place, that proposes a comprehensive ban on smoking in enclosed workplaces in Liverpool. The Bill has had its Second Reading in the other place and awaits detailed scrutiny. It is important. It is an initiative that comes from Liverpool. It shows realistically what can be done.

The impact of Smoke-Free Liverpool has been profound, even in the short time in which it has been in existence. It has been working closely in the community and there has been a 25 per cent. increase in the number of people who want to stop smoking approaching smoking cessation services. There has been work across the communities and work with young people. There has been significant correspondence and discussion with the chief medical officer. Indeed, Sir Liam Donaldson wrote to Smoke-Free Liverpool on 7 November and stated:

"Finally, I have made it clear that I am totally opposed to the various hybrid proposals that were discussed and my view was made known to members of the relevant Cabinet Sub-Committee."

He supports the major thrust of the proposals coming from Smoke-Free Liverpool. In his letter, Sir Liam drew attention to the significant change in public opinion on this issue over the past two or three years. It is clear that public opinion is changing. Following the Government's own consultation, it was found that 90 per cent. and more of the 57,000 respondents opposed the exemption for pubs not serving food. Did that include the 11,700 postcards and 8,500 e-mails which were sent as a consequence of that consultation from Smoke-Free Liverpool? There appears to be no reference to those replies in the official report on the consultation. It is significant that that should have happened.

There have been references to the situation in other parts of the world, including the United States. Scotland has decided to impose a complete ban from next March. Wales has decided to do so when it receives the necessary powers, and they will not be long in coming. The Republic of Ireland has already taken its decision. Northern Ireland Ministers have already proposed similar action there. The Under-Secretary of State wrote to Smoke-Free Liverpool on 26 October and stated that the main reason for his making the proposal was that

"a key factor in my decision was the evidence that partial controls would create a two-tier workforce whereby some employees would be protected from second-hand smoke while others would not."

An obvious question has to be asked. If it is right for employees in Northern Ireland—which is not at present under a devolved assembly—to be protected from second-hand smoke, why should that same protection be denied to employees in England? That does not make sense. The statement made by the Minister was clear and unequivocal.

The issue is about smoking in general. It is also about health and equality, given that that is a major thrust of Government policy. It is particularly about the impact of second-hand smoke and the effect of that on those who are not smokers. Employees must be a prime category in that consideration.

One reason why Smoke-Free Liverpool emerged was that Liverpool has had, regrettably, the title of the lung cancer centre of the United Kingdom. Indeed, the Roy Castle foundation had its headquarters in Liverpool for that very reason. That is a sad fact, given the prevalence of smoking in Liverpool. We see that 34 per cent. of the population are smokers. If we look more closely at the work done by Smoke-Free Liverpool, we see that that figure increases to 50 per cent. in some of the most deprived areas in the city.

There is the Government's evidence and the reasons for their current recommendations. They state that throughout the country, presumably, between 10 and 30 per cent. of pubs will be exempt from the ban. That is because they do not serve food. In Liverpool, that figure is 59 per cent. In Liverpool, an area suffering great ill health, six out of 10 pubs do not serve food and a third of pubs currently serving food say that they would stop doing so if the proposals in the Bill came into force. The impact of that would be to increase health inequality.

The report to the Department of Health from the Scientific Committee on Tobacco and Health underlines the significance of second-hand smoke. The increased risk of heart disease goes up by 25 per cent. The increased risk of lung cancer goes up by 24 per cent. Even low levels of second-hand smoking increases the risk of adults developing asthma by up to five-fold. That is clear, and it should not be accepted. All those risks will be exacerbated for bar workers, who will be subject to second-hand smoking in a concentrated form. That concern should be foremost in our deliberations.

Mr. Joyce: My hon. Friend mentioned in passing the question of displacement, but she did not give it sufficient attention. If we are to measure the effect on health of a complete ban on smoking, we must also take into account the effect that such a ban would have on displacing smoking into the home. Some people will be discouraged from going to pubs and clubs and will therefore smoke and drink more at home. Should not that be taken into account when we consider the effects of this legislation?

Mrs. Ellman: My hon. Friend is correct to say that that matter should be taken into account. However, the evidence shows that stopping smoking in public places does not increase smoking in the home. Indeed, it encourages people to stop smoking, wherever they are. On those grounds alone, we should encourage the Government to drop these exemptions. I hope that, during our deliberations on the Bill in Committee, the Government will reconsider the whole question of exemptions. They should consider their workability and inequity, and I hope that they will decide not to introduce exemptions that will increase health inequalities. I hope that that will apply across the whole country. If the Government cannot do that—I hope that that will not be the case—perhaps they will look carefully at the example that is being set in Liverpool.

This is not the first time that Liverpool will have set an example in relation to public health. Indeed, the first public health legislation to be introduced related to Liverpool. The very first medical officer of health was appointed there in 1848, and that initiative was then copied throughout the rest of the country to very good effect. So Liverpool has a record of setting a good example, specifically in the field of public health, and Smoke-Free Liverpool is a current example of Liverpool leading the way.

The Government have spoken a great deal about the importance of devolution when asked why a complete ban will not be introduced in England when smoking is to be banned in enclosed public places and workplaces in Scotland, Wales and Northern Ireland. We might not have devolution for the north-west of England—I wish we did—but would the Government consider running a pilot scheme in the city of Liverpool, which has, after all, introduced its own private Bill for a smoke-free city?

7.22 pm

Mrs. Jacqui Lait (Beckenham) (Con): All my life, I have been chary of having good done unto me, and I am afraid that I put the part of the Bill that relates to smoking into that category. That part of the Bill is all that we appear to be talking about tonight. I have always been uneasy about a nanny state. I loathe smoking—I have never smoked—yet I am having to come to terms with an attempt to stop people doing something that they have every right to do. The hon. Member for Derby, North (Mr. Laxton) made a much better speech in favour of the partial ban than the Secretary of State, who did not do at all well in persuading anyone of its merits. Indeed, apart from the hon. Gentleman's rather good speech in support of her argument, most of the contributions from Labour Members will, ironically, probably give her a headache. Unfortunately, she is no longer here to listen to the sad tales that are being told.

I do not want to talk about smoking; I want to move on to a subject that has not been explored in great enough detail. An optician in my constituency has explained to me the problems that that profession fears will result from the Bill. The Bill, rather than a public health Bill, seems to be a rag-bag of ideas that the Department has been trying to get off its chest for many years. This is probably the first legislative slot that it has had in which to achieve that.

On the August bank holiday, the Government announced a review of the general ophthalmic service. Usually, when a Government sneak out such an announcement, it comes under the category of burying bad news. I understand from members of the profession that subsequently there has been absolutely no information on how the review is to be conducted, who is to conduct and chair it, who is to be invited to give evidence, what the time scale will be, whether it is to be an independent review, and when the outcome can be expected.

[Mrs. Jacqui Lait]

At the same time, the Bill is trying to change the terms of practice for a profession that is probably unique in the health service in that it has no waiting lists at all. Anyone who wants an eye appointment with a fully qualified eye specialist can get one at their convenience. If anyone can think of any other part of the national health service where that holds true, I would be interested to know what it is, because I cannot think of one.

Dr. Stoate: To answer the hon. Lady's question, another part of the health service in which a person can get an appointment there and then is with a community pharmacist. Such pharmacists are front-line providers of extremely high-quality services, and the new pharmacy contract has enabled them to extend their range of services far wider than ever before. I know of no one who had to wait to see their community pharmacist—and they are often open for extended hours and at weekends.

Mrs. Lait: I also seem to remember that it can often take two days to get a prescription filled.

We can make an appointment with an optometrist to get a full eye test using the most modern technology, and such tests are provided free for certain categories of people. The review of the general ophthalmic service is talking about ensuring that the service remains non-cash-limited, and that any properly qualified practitioner can continue to practise. Meanwhile, the Bill is proposing that the primary care trusts should take over the management of the general ophthalmic service. My hon. Friend the Member for South Cambridgeshire (Mr. Lansley) made the point very clearly that, because the PCTs are cash-strapped, it is likely that budgets that are now non-cash-limited will become cash-limited and that the PCTs will restrict the number of practitioners and transfer the money to other parts of the service that they provide.

It would be useful if the Minister could put on record the details, timing and process of the review, so that those who are interested can give evidence. Will she guarantee that the GOS will continue not to be cash-limited, and that the PCTs will not in any circumstances restrict access to the wide variety of optical services that are currently available? If she can do that, this part of the Bill will be acceptable. If she cannot, I fear that many people in the profession will find it exceedingly difficult to live with the proposals in the Bill.

7.29 pm

Joan Ruddock (Lewisham, Deptford) (Lab): I welcome the Bill. My constituency suffers from grave multi-deprivation, and in the most deprived wards life expectancy is five to six years lower than the national average—so anything that we can do to bring about health improvements is extremely welcome.

I particularly welcome part 2 of the Bill, because Lewisham hospital in my constituency has had a serious problem with MRSA. The Conservative party, in its election campaign, asked sarcastically:

"I mean, how difficult is it to keep a hospital clean?"

In my experience, it is extremely difficult. A hospital can have floors so clean that one can eat off them and still have MRSA. There is a huge need to introduce a new raft of measures, many of which are being pioneered at Lewisham hospital as part of a campaign waged by the Deptford Action Group for the Elderly led by Harry Heyward, me and others to get MRSA rates down. I am delighted to say that rates are now going down. We need to take account of the fact that one in 10 people are found to be already infected in hospital pre-entry testing, and of those who are infected, 40 per cent. come from nursing homes.

The wide range of measures that the hospital has introduced require a constant battle—a battle to keep infection control regimes in place, maintain the vigilance of health care staff and get the co-operation of visitors. I therefore very much support the proposal for a statutory code of practice and its associated protocols. I am also pleased to note that while the Bill does not cover care homes, the Government have expressed their intention to apply similar measures to cover such bodies.

My welcome for part 1 of the Bill, however, is not as enthusiastic. When I was growing up in south Wales, I did not know anyone who did not smoke. I started smoking at the age of 14. Fortunately, I did not get addicted, and when I learned the health messages I gave up, as did the rest of my family, with the exception of my father. He was a man who worked in a factory but came home every day to his garden. He got plenty of exercise, was never overweight and had the most healthy diet, having grown his own fruit and vegetables. He died when he was just a few years older than I am today, of an entirely preventable smoking-related disease.

Today, thousands of my constituents face the same chronic illnesses and eventual premature death as a result of their smoking habit. Twenty-seven per cent. of the people of Lewisham smoke—thankfully, it is no longer the majority that it was in the borough as a whole. As we have heard from others, the incidence is higher in the most deprived communities. Alarmingly, the highest incidence of smoking in my population is among those between the ages of 16 and 34. Interestingly, twice as many white people as black people smoke, and substantially more women smoke. As is the case everywhere, more manual workers smoke. My primary care trust has made huge efforts on smoking cessation and will continue to do so. It can deal with but a few thousand people each year, however, and the problem is so much greater than that. That is why it supports a complete ban on smoking in workplaces.

The toll of deaths from entirely preventable smoking-related disease is a scandal. In London as a whole, there are more than 10,000 such deaths each year—that is one death every hour in this city, and 120 hospital admissions every day, at a cost of £105 million to the NHS per annum. As others have said, we have known of the hazards of smoking for a very long time. It is gratifying that the majority of smokers now want to give up because of those messages.

Our willingness to protect others from the effects of second-hand smoking has been much slower to gain public approval. When I entered the House in 1987, at the first meeting with the Whips—who were less kind, of course, than the Whips today—I asked whether it would be possible to have a non-smoking office. They looked

at me askance and said that I would be jolly lucky—they did not use those words exactly—to get an office at all. A decade later, one of my colleagues, Anne Campbell, who was suffering from asthma, was heard to protest one day that we should not have smoking in our dining rooms. She attracted a huge amount of hostility. Many of us have had to fight hard to introduce the sensible and basic no smoking measures that we have in this place today. How much more difficult will it be in those areas where establishments are supposed to be non-food bars, bars that serve a bit of food, bars without smoke around the bar, or bars with a bit of smoke at the back of the room? It will be extremely difficult, and the Bill as drafted is unworkable.

One of the most telling statistics that many of us have received came in a briefing from the Trades Union Congress, which compared the 235 deaths at work from accidents with the estimated 700 deaths of non-smokers from second-hand smoking. In the case of accidents, the first thing that we ask is, "Could this accident have been prevented?" Well, smoking can be prevented. The second question that we usually ask is, "Was the employer negligent?" It is my view that, in future, any employer who exposes his or her workers to second-hand smoking will indeed be negligent.

My right hon. Friend the Secretary of State stressed the limited nature of the exemptions in the Bill. She also stated her passion for legislating for public health. Therein lies a contradiction. We cannot legislate to protect the majority of people and choose not to protect a minority, however small. We will also ill serve those customers who might wish to be protected in continuing to go to the non-food pub that is their local and that they would like to use in the same way as everyone else. As local consultations and other hon. Members have indicated, it is also clear that a proportion of those pubs that currently serve minimal food will cease to do so in future and become smoking pubs. We want them to keep offering food, not to give it up, because giving it up will exacerbate the difficulties that we have with our drinking culture.

For all those reasons, I and many Members will seek every opportunity to remove exemptions for licensed premises and private clubs from the Bill, and to establish a total ban that will protect all employees and the public at large and further encourage the many people of this country who are seeking to give up smoking.

7.37 pm

Mr. Paul Burstow (Sutton and Cheam) (LD): I want to speak to parts 1 and 2 of the Bill, starting with the section on infection control issues in part 2.

I have some doubts that the code of practice will make any more difference than all the guidance and circulars that have preceded it. What constitutes best infection control practice, as we have just heard from the hon. Member for Lewisham, Deptford (Joan Ruddock), is already clear. There is plenty of guidance around to be followed. For example, in 2000 the Department of Health issued a circular setting out a programme of action for the NHS on the management and control of hospital infections. To this day, there has been no national audit of compliance with that circular, and Health Ministers have consistently made it clear that the Government have no plans to undertake such an audit. Ensuring compliance with the existing guidance should have been a priority, and the fact that a statutory code is now felt to be necessary is, in truth, an admission of eight years of failure by this Government in controlling infections both in the community and in our hospitals.

The problem has been where infection control sits in relation to the Government's other health priorities. From reading the summary of responses to the Department's consultation on the code, it is clear that many are worried that the guidance in the code will

"conflict with other policies that are already in place, such as those relating to bed occupancy."

It is therefore no surprise that the report goes on to say:

"Many felt that the Code of Practice should specify which guidance is meant to take priority."

That is absolutely right—it must do that. It is disturbing that more than a year after the National Audit Office published its progress report, that remains a concern among many in the NHS. The NAO found, at the time of its report last year, that half of NHS managers were struggling to reconcile the competing demands of Government waiting time targets and the management of hospital infections. The question is, will the code make clear what takes precedence—political targets or infection control? The response to my earlier intervention suggested a "have the cake and eat it" approach to that question, and to the issue generally. I hope that the Minister will clarify the matter later.

Against a background of increasing financial instability and rising deficits there is cause for concern that NHS organisations will struggle to tick all the Government boxes and meet their obligations under the new code, but if a statutory code of practice gives infection control the priority that it needs, I for one will support it and consider it a worthwhile measure.

Part 1 deals with the partial ban. Like others who have spoken today, I hope that a majority in the House will amend the Bill to provide for a comprehensive ban on smoking in enclosed public places. For many, it is a question of social justice. How can it be right to legislate to protect workers from the harmful effects of second-hand smoke in the majority of workplaces, and then fail to extend that protection to bar workers, who are often most at risk? During an average eight-hour shift, a bar worker can inhale environmental tobacco smoke that is equivalent to smoking a pack of 10 cigarettes a day. It is the overwhelming evidence that smoking harms non-smokers that leads me to support the introduction of a comprehensive ban on smoking in enclosed public places. If it were simply a case of smokers putting their own lives at risk I, as a Liberal, would respect their right to make that choice, but the right to smoke must be balanced against the rights of non-smokers in general and workers in particular.

Second-hand smoke does harm. It can and does kill. There is no safe level of exposure to it. Last November, the Scientific Committee on Tobacco and Health reported that exposure to second-hand smoke significantly increased the risk of heart disease and lung cancer in non-smokers. In April this year, a study published by the *British Medical Journal* estimated that it was responsible for 617 deaths a year. Those are preventable deaths, but the health effects are much wider. According to Asthma UK, four fifths of the country's 5 million asthma sufferers say that second-hand smoke makes their condition worse.

[Mr. Paul Burstow]

I believe that a ban on smoking in enclosed public places must be seen first and foremost as a health and safety measure. Protecting workers from second-hand smoke should be the goal. The Government's policy, however, does not achieve that end. It is not sufficient to argue that because the vast majority of workplaces will be covered by a ban, it is somehow acceptable to set aside the evidence and allow bar workers to be exposed to second-hand smoke. Proposals for a smoke-free buffer zone around the bar are pointless, unless the Government plan to legislate to change the laws of physics and stop smoke from drifting around the bar.

Ventilation is not an answer. The best that it can offer is comfort for the customer. It does not provide safety for staff because it does not extract carcinogens from the atmosphere. Research suggests that more than 10,000 air changes an hour would be necessary to achieve ambient levels of particulates. That is equivalent to a mini-tornado blowing through the pub.

A partial ban will fail, and not only on grounds of principle.

Dr. Murrison: Will the hon. Gentleman draw a distinction between an ambient atmosphere and an occupational setting? When considering occupational settings of the sort that he describes, should we not consider occupational exposure standards that could be attained through the engineering measures to which he has referred?

Mr. Burstow: On the basis of the research that the Select Committee has seen so far on the efficacy of ventilation systems, in terms of both cost-effectiveness and practicalities, I am not convinced that that can be achieved—not least because the level of air change required for the achievement of the necessary safety standards would be high enough to make patrons uncomfortable. It is likely to be really effective only when the bar is empty, which rather defeats the purpose.

A disproportionate amount of time and money will be invested in defining, and then enforcing, the exemptions. The more complex the regulatory system, the greater will be the burden on business and the cost to consumer and taxpayer. As we have heard, the Health Committee has received evidence from the hospitality trade, the Health and Safety Executive and local authority enforcement officers. They all agree that a partial ban will be more expensive to enforce.

During the Committee's visit to Dublin earlier this month, it was clear that the ban in the Republic was working well. One reason is that it is easily understood and, as a result, largely self-enforcing. Compliance is currently 94 per cent. Enforcement action has been necessary, but in only a small number of cases. The Secretary of State cited experience in Norway as evidence that comprehensive bans do not come along in one go, but must come along in stages. In Norway, however, the partial ban was abandoned in favour of a comprehensive ban because it was proving unfair, unpopular and unenforceable. As my hon. Friend the Member for Northavon (Steve Webb) said, why should we make the same mistakes in this country and then implement a full ban later?

The fact of devolution should not mean that Ministers in Westminster ignore the lessons from Edinburgh and Cardiff—and, indeed, from non-devolved Belfast. Why should Health Ministers in Scotland, Wales and Northern Ireland be wrong and Health Ministers in England be right? It has been suggested that Ministers here feel that England is not yet ready for a comprehensive ban. Even if we accept that argument, however, surely it is the Government's duty to act on the basis of scientific evidence.

Let me respond briefly to points made by the hon. Member for Lewisham, Deptford and the right hon. Member for Charnwood (Mr. Dorrell). Surely the choice is between comprehensive and comprehensible legislation after we in the House of Commons have debated and framed the law, and allowing the courts to drive bans through by means of individual decisions under health and safety legislation or precautionary steps taken by employers. I do not consider the latter a satisfactory basis on which to proceed. We should be legislating in a comprehensive fashion.

During the Select Committee's visit to Dublin, I was struck by how quickly public opinion had moved on in the Republic. There is now a tangible sense of pride at what has been done in Ireland. The Irish Government saw the need and gave a lead, and that is what should happen here. Public opinion in England is moving and it is time for the Government to move as well, not least on the issue of exemption for bars that do not serve food. Of the 41,833 people who responded to the Department's questionnaire, more than 90 per cent. said that there was no basis on which they would accept such an exemption.

The Secretary of State has achieved an unusual feat. At the same time as dividing the Cabinet, she has managed to unite ASH and the British Beer and Pub Association in opposition to a partial ban. Public opinion in England is already more supportive of a comprehensive ban than it was in the Republic of Ireland before its introduction there.

There can be no doubt that a partial ban will widen health inequalities, as a number of Members have pointed out. According to a survey by ASH, following a partial ban two out of five pubs would close their kitchens permanently and adopt non-food status so that they could allow smoking. Last Thursday, when the Health Committee took evidence from the chief medical officer, Sir Liam Donaldson, I asked for his professional opinion on a partial as opposed to a comprehensive ban in terms of health inequalities and outcomes. He said

> "It . . . signals to the public that a drink and a smoke go hand-in-hand when all the efforts on smoking and tobacco control have been aimed at de-normalising smoking".

He said that it put Britain among the laggards of public health policy internationally rather than among the global leaders. Laggards not leaders: that must surely be the consequence of ignoring the chief medical officer's compelling advice.

When I intervened on the Secretary of State earlier, I mentioned the regulatory impact assessment. The detailed tables show that the difference between a partial and a comprehensive ban is 200 preventable deaths a year. The idea of exempting pubs that do not serve food is ill-conceived. It is a classic case of doing what is expedient rather than what is right. Health policy should

be evidence-based, not evidence-blind. I agree with the chief medical officer that when it comes to the question of freedom, the smoker's right to smoke stops at my nose.

7.49 pm

Bill Etherington (Sunderland, North) (Lab): This has been an interesting debate. There appear to be two diametrically opposed views. There are those who want smoking to be banned altogether in all enclosed public spaces such as public houses or working men's clubs, and there are those who say "Just let it go".

I should like to think that the Secretary of State has got it right, although I am not sure whether that has come about for good reasons. I see the Bill as an interim measure. I think that we will see more progress after this, and I wonder which way that progress will go.

I entirely accept, as most people do, that no employee or customer who does not want to breathe another person's smoke should have to suffer that. There is no argument about that, but we could look at the issue in another way, and I would like to see a bit more lateral thinking in this debate. I use the term "segregation". I have heard a lot of nonsense spoken here tonight about it being impossible to eliminate smoke by ventilation. With a proper segregated room and a proper extractor fan, a vacuum is created, and the only air that moves has to come into the room and go out through the fan. Decent doors are needed to make a smokeproof room, but we have one of those in this building: we have a Smoking Room in the House of Commons. The only problem with it is there is no protection for the person who serves there; that is wrong.

However, there is no reason why people in a segregated room should not be required to go and get their own drinks and bring them back to that room. Most pubs have more than one room, and very few public houses, working men's clubs or private clubs could not provide a room for smokers, properly ventilated and properly looked after. That would eliminate the problem.

I accept the fact that 75 per cent. of the public do not smoke and do not want smoke around them, but I am also concerned about the one in four—the 25 per cent.—and I do not want to see those people marginalised. That is not necessary.

If there is the political will to do something, and make provision for smokers as well as non-smokers, the problem could be overcome—but whether the Government have the gumption to do that, I do not know. I hear what the zealots say, and it seems to me that those who shout loudest generally get their own way. A tremendous head of steam is being generated on this issue, and those who want a total ban will probably succeed eventually, unless we start thinking in a different direction—not being defensive, but using a bit of lateral thought to get round the problem.

I do not believe that only one in four of the people who go into public houses smoke. In my area, nearly 50 per cent. of the people who frequent pubs, private clubs, working men's clubs and the miners welfare are smokers. If they are prohibited from smoking in those places, no doubt they will find other ways out. As a result, the people who want to go into a bar but do not want to see any smoke might find that they are not only devoid of smoke but devoid of a bar to go to. It may no longer be feasible or economic to keep premises open if people cannot go there and smoke.

That is just a suggestion. I am not arguing about people's right to avoid smoke, and I think that the Government are heading in the right direction. However, we need less simplification and more profound thought on this issue. It is quite a complex subject; it is not just about banning or not banning, but about thinking about how to satisfy people and make progress.

We need more education, and we should try to imbue young people's minds with the disadvantages of smoking. I am a smoker myself, although I am a bit of an oddity, because I did not smoke until I was about 45. *[Interruption.]* That was before I came here; it had nothing to do with this place, although being here probably could drive somebody to smoke.

If we alienate what I think is the more likely estimate of 50 per cent. of people in clubs and pubs who smoke, we will cause tremendous trouble. People whom we might have been able to persuade by education and good practice will be alienated if they believe that they are being coerced.

I have no great truck with the tobacco lobby, which only wants to sell its product. We have all been glad enough to take the tax that comes from smoking; that applies to both parties. If we think that smoking is so bad, why the hell do we not ban it altogether and have done with it? We do not do that. We do not live in that world. That is not the way things work. Instead, we try to do things gradually—and that is what we are doing now.

I hope that we can cut the number of people who smoke. Let us hope that eventually we will be able to get rid of the habit, and the problem, altogether, but we will not do that by alienating minorities. We have to carry them along with us. I beseech the Government to consider the fact that by proper scientific segregation, we could achieve all that the people who favour a total ban want. They might not agree with that, but I believe that it is true.

For anyone to say, as one of my hon. Friends did earlier, that it is impossible to get rid of smoke by ventilation, is nonsense. I am not talking about the nonsense described by my right hon. Friend the Member for Holborn and St. Pancras (Frank Dobson), who mentioned some obscure airline with smoking on one side of the plane and non-smoking on the other, or about someone saying, "If you sit at one end of the room and smoke, non-smokers can sit at the other end." That is unsatisfactory and does not solve the problem. We need a proper scientific approach, with segregation so that those who do not want to breathe smoke do not have to, but also so that we do not alienate the people who do smoke, and who want to continue to go out and meet their friends in an ambient atmosphere in a pleasant pub.

Mrs. Betty Williams: Does my hon. Friend not remember the train operating companies' system, with a no-smoking section and a smoking section in each train? The doors were not secure enough to keep the smoke away from non-smokers, and the only way to get round that was to ban smoking altogether on all trains.

Bill Etherington: I thank my hon. Friend for that contribution, and I am pleased to be able to give her a

[Bill Etherington]

detailed answer. I have travelled a lot on GNER services, and that company spent hundreds of thousands of pounds creating segregated smoking areas. The doors did work, and the smoking area was ventilated. Indeed, it was so well ventilated that people complained that it was too cold. All the air was sucked out of the non-smoking area; no air went back there. Why, after all that expense, the company then decided to stop smoking altogether, I do not know; it was not because the system was ineffective or inefficient. The system worked, and I shall never know the answer to that question.

The real answer to my hon. Friend's point is that I suspect that train operating companies, like some companies that operate bars, just do not want to spend the money. They will give all sorts of reasons why something cannot be done, but it all comes down to the simple answer that they do not want to make that investment. For example, Eurostar trains had a separate coach for smoking, and no smoke went out of that into other coaches—but Eurostar stopped it, because it could get more passengers and more flexibility if that coach was turned into a non-smoking one.

A lot of myths circulate about such matters, and all that business about needing 10,000 changes of air an hour to clear a place out is utter palpable nonsense.

Dr. Doug Naysmith (Bristol, North-West) (Lab/Co-op): My hon. Friend has been talking about alienating minorities, but what does he think the difference is between what is happening in Ireland and what he thinks might happen here? I assure him that during the Health Committee's visit to Ireland it was clear that a total ban, introduced very quickly, has been accepted by almost everyone—including smokers in pubs, who go outside to have a smoke. What is the difference between Ireland and here, that makes him anticipate trouble?

Bill Etherington: We all get to hear different views. Yes, the thing might have been accepted in Ireland, but many things are accepted, and that does not always mean that the situation is totally satisfactory. I do not think that it is very satisfactory if someone has to go outside to have a smoke. I do not like to see people huddling in shop and office doorways having a smoke. I would have thought that a decent employer, who did not want smoking in the workplace, would make proper provision for employees to have a smoke in a room such as I have suggested. It always come down to investment and a lack of will.

All that I am asking the Minister to consider is the possibility of integrating smokers into our pub scene without making things impossible for them. I believe that it can be done. All we need to talk about is scientific segregation. As I say, it can be done; all it needs is the will.

8 pm

Mrs. Iris Robinson (Strangford) (DUP): I make no apology for the fact that I intend to speak principally about the smoking ban. It would be remiss of me, however, to let pass without comment the views of the hon. Member for Sunderland, North (Bill Etherington), who spoke about those who shout the loudest winning and about the importance of carrying minorities with the majority. I wish that the same could be said when we speak from the Northern Ireland Benches. I wish that our voices were heard—and we are certainly not a minority within the Northern Ireland context.

I have found the debate on the partial ban on smoking in public places, which the Government are in favour of, most interesting. I am grateful that, after extensive lobbying in Northern Ireland, plans have been announced for a total ban on smoking in public places there. Again, it would be remiss of me not to point out how ironic it is that the Government are willing to protect the health of Northern Ireland citizens by introducing a comprehensive ban on smoking in public places while they are also willing to give an amnesty to on-the-runs who have murdered men, women and children, allowing them the freedom to return home to the Province and move freely among their victims.

There is no logical reason why staff in one pub or club should be protected from the dangers of passive smoking, while those in another should be exposed to them. As already highlighted by hon. Members, a partial ban allowing smoking in pubs where food is not served fails to protect workers in the hospitality industry, who are often at risk of the greatest exposure. On account of the inequalities contained in the Bill, I suggested to the right hon. Member for Rother Valley (Mr. Barron) that pubs serving food will simply get rid of the food business in order to attract the smokers and maximise the takings on alcohol sales. That will inevitably lead to redundancies in the catering trade. The right hon. Gentleman claimed that it did not seem to be an issue in the Republic of Ireland, but, with respect, I would point out that the population of the Republic is approximately 5 million, compared with a population in England of approximately 55 million, so there is no real comparison to be made in terms of job losses.

Many hospitality workers are low paid, and failing to protect them from the effects of smoke at work will only increase health inequalities in that group. Such a policy would be impractical, unfair and lacking in rationale. As I said in an earlier intervention, Macmillan Cancer Relief pointed out that more than 37,000 new cases of lung cancer are diagnosed each year in the UK. Perhaps the Minister will tell us why the Government have chosen to ignore the advice of the chief medical officer, Sir Liam Donaldson, who proposed a total smoking ban, and why the views of 90 per cent. of respondents to the Department of Health's own consultation who supported a full ban without exemptions have also been ignored.

The BMA has stated that second-hand smoke increases the risk of lung cancer by 20 to 30 per cent., increases the risk of heart disease by 25 to 35 per cent., doubles the risk of stroke and causes asthma, respiratory illness and ear infections in children. Those particularly vulnerable to second-hand smoke include 8 million people with lung disease, 2.1 million people with angina, 1.3 million people who have had a heart attack and 300,000 who have had a stroke. There are also an estimated 10.8 million women of child-bearing age, some 750,000 pregnant women and 1.5 million children with asthma who would all be at risk. Short-term exposure to tobacco smoke also has a

measurable effect on the heart in non-smokers. Just 30 minutes' exposure is enough to reduce coronary blood flow.

Nicotine addiction is the main motivating factor behind smoking. Smoking is the greatest cause of preventable illness and death and giving up smoking at any age confers substantial health benefits. Individuals who wish to stop smoking must be offered appropriate support and smoking cessation services must be widely available. Extra training should be provided to doctors and other health care professionals to enable them to assess and refer individuals to specialist services. Similarly, those services should be offered to workers at places where smoking is now to be outlawed.

If the Government fail to implement a total ban, England and Wales will trail behind many other parts of the world. The hon. Member for Northavon (Steve Webb) pointed out earlier that seven US states have now banned smoking.

Julie Morgan: Is the hon. Lady aware that the Welsh Assembly has already voted in favour of a complete ban?

Mrs. Robinson: I am aware of that and I withdraw the point about Wales.

I was about to say that New Zealand became a smoke-free zone on 10 December 2004. Dr. Tricia Briscoe, chair of the New Zealand Medical Association, commented that that country's

"experience shows that introducing smoke-free legislation makes people more aware about the health impacts of second-hand smoke. And the legislation is popular. Polls now show that 9 out of 10 New Zealanders support the right to work in a smoke-free environment."

Dr. William Glasson, federal president of the Australian Medical Association said:

"The Australian experience shows that when workplaces are smoke-free, families are more likely to have smoke-free homes. The proportion of family homes with smoking restrictions more than doubled in 8 years. That means that fewer children are at risk from chest and ear infections, asthma and cot death."

I hope that that supports the argument advanced earlier by the hon. Member for Liverpool, Riverside (Mrs. Ellman).

Environmental tobacco smoke is also detrimental in terms of the economic effect that it has on businesses due to loss of productivity from sick days and increased insurance due to fire risk. Effects on businesses have often been cited as a reason not to pursue a smoking ban, but evidence from countries that have become smoke-free show positive, not negative, effects on businesses. In New York, receipts in bars and restaurants increased by nearly 9 per cent. in the first year of going smoke-free and reports in the Republic of Ireland suggest that there were no negative effects on sales in bars and restaurants. In fact, many more non-smokers are now going out to restaurants and bars.

Research found that air quality in pubs in the Irish Republic improved significantly in the first year after the introduction of the smoking ban. According to the findings, the level of carbon monoxide among non-smoking bar workers fell by up to 45 per cent. Among ex-smokers, the levels dropped by 36 per cent. These are compelling figures, as I am sure all right hon. and hon. Members would agree.

Studies also show that smoke-free workplaces encourage smokers to quit or reduce consumption—hence addressing a major cause of ill health. The fall in tobacco sales in the Republic of Ireland provides further evidence of that. Dr. James Reilly, president of the Irish Medical Organisation, has stated:

"Over 7,000 smokers gave up in the 6 months before the law came into force. The new law has encouraged many more smokers to quit—as is evident in the continuing drop in tobacco sales—and they say that they are less likely to start again because their workplaces and social venues are smoke-free."

The Republic of Ireland introduced legislation in March 2004 to ban smoking in all public places and workplaces. That has proved to be very successful and highly popular, and no major compliance problems have been encountered. Useful lessons could be learned from that approach. The key to success in the Irish Republic was a clear policy, an effective public information campaign outlining the rationale and clear enforcement laws.

The health and economic evidence is clear and there is widespread support for such a policy. I urge the Government to ensure that any ban is total. That will protect the health of all workers and tackle a major cause of ill health by providing environments that encourage smokers to quit or reduce their consumption. Partial bans rarely work. They please no one in the end. As my dear mother taught me long ago, "If you stand in the middle of the road, you'll get knocked down." The partial ban is morally wrong: it should be a comprehensive ban. Just as extending opening hours for drinking alcohol is morally wrong, all we will succeed in doing is to fill more hospital beds.

8.10 pm

David Taylor (North-West Leicestershire) (Lab/Co-op): Three weeks ago, we commemorated the 400th anniversary of the gunpowder plot. Received wisdom has it that the plotters against the monarchy were alienated Catholics. More perceptive historians blame a group of 17th century cigarette manufacturers, because a few months before 5 November 1605 His Majesty King James I of England and VI of Scotland issued a decree banning tobacco from his kingdom in the following terms:

"Loathsome to the eye, hateful to the nose, harmful to the brain, dangerous to the lungs and in the stinking fume thereof nearest resembling the horrific Stygian smoke of the pit that is bottomless".

Clearly, he was not a native of Airdrie and Shotts. And he was not wrong.

Four hundred years later, after mounds of medical evidence, tax rises, warnings on packets, laws about sale of cigarettes to children, and bans on advertising, more than 100,000 people a year in the UK still die from smoking-related disease. That appalling total included my own father when I and my sisters were adolescents.

Smoking is still the biggest cause of preventable death in our country. It is an addiction that brings misery, illness and bereavement to countless families. It is therefore a political issue of great importance.

Dr. Stoate: May I assist my hon. Friend by pointing out that if smokers use the product as intended by the

[Dr. Stoate]

manufacturer, 50 per cent. of lifelong smokers will be killed by their habit? Can he think of any other legal product in the world of which that is true?

David Taylor: In just a sentence, my hon. Friend has demonstrated the lunacy of the case of the tobacco manufacturers.

Speaking as a Labour MP, I would argue that smoking is all the more important because of its impact on social and health inequality. The chances of a man in social class 1—the richest—living until the age of 70 are, on average, two in three. For a man in social class 5—the poorest—the chance of living that long is less than one in two. Half that difference is down to smoking. More poor people smoke than rich, and more poor people die as a result from lung cancer, emphysema, vascular disease and all the other terrible conditions that smoking causes.

We must lighten that burden of preventable suffering, not widen the gap. I shall look favourably on Government interventions with that objective. Part 1 of the Health Bill is just such a major intervention. A giant step is being taken to protect the great majority of workers and members of the public from carcinogenic second-hand smoke. However, the proposed exemptions will fail to protect a large group of employees and customers in the hospitality industry. They will introduce further market distortions, lead to unfair competition between licensed premises and generate public order problems. That latter point has not been made so far today.

No wonder affected groups have been so vociferous about the Bill, including those with pre-existing medical conditions such as asthma. Asthma UK has calculated that one in five people with asthma may still be prevented from using parts of their workplace where people smoke because of cigarette and other tobacco fumes. The best estimate of the number of premature deaths caused by workplace exposure to other people's smoke is 600 a year, although other estimates have been quoted today. Compare that to the 200 or so people who die in this country every year from all other industrial injuries and accidents. Let us stop pretending that smoking is not a workplace health and safety issue.

Bryan Ferry and other popular singers of recent times were only partly right. Smoke gets in your eyes, but it also gets into your hair and clothes, into your blood stream and on to your death certificate. Many workplaces still permit smoking and they are generally in sectors with the highest levels of exposure and, therefore, the greatest health and safety risk. Most of them are operated by small firms that employ relatively low-paid staff. Workplace smoking is particularly common in the hospitality trades, including restaurants, pubs and casinos, but it is not confined to such places. The latest Government survey shows that more than 2 million people in Great Britain work in workplaces that allow smoking throughout. A further 10 million people work in places where smoking is allowed somewhere on the premises. In total, that is almost half of the work force.

In Ireland, as we have heard, smoke-free legislation was introduced to tackle a similar starting position. Since its inception in March 2004, it has received wide public support and is well on the way to proving a great success. I was able to visit Dublin in September last year in a delegation drawn from the all-party group on smoking and health, which I chair. There were representatives from both Houses, including that excellent campaigner in the other place, Lord Faulkner. We talked to Irish parliamentarians at the Dail, including Health Minister Micheal Martin, licensed victuallers, cancer consultants, trade unionists, and drinkers and smokers in the Temple Bar area—the Dublin equivalent of Leicester square. The reaction to the then six-month old ban was hugely positive. I hear that the Health Committee visit this autumn had very similar findings. Objective Irish evidence does not bear out the claims of the tobacco lobby here and parts of our hospitality trade that smoking restrictions have been bad for business, which is in fact improving.

Welcome as the Health Bill is, the exemptions for pubs that do not serve food and for membership clubs make no sense at all. They will increase health inequalities. They will make the law harder and more expensive to enforce, and they will, as I have said, produce unfair competition right across the hospitality industry. On health inequalities, a major survey of more than 1,200 pubs, conducted by survey firm IFF Research Ltd., has shown that those not serving prepared food are concentrated in poorer communities—no great surprise—where smoking rates are already highest. On average, about 14 per cent. of pubs in the richest areas do not serve food, compared with 45 per cent. in the poorest areas.

Worse still, if the current exemption survives the parliamentary passage of the Bill, publicans say that many will stop serving food. The IFF survey suggests that in future the percentage of pubs not serving food in the richest areas will rise to 20 per cent. and in the poorest areas the majority will not serve food. That shift would also be disastrous for the Government's alcohol strategy, a key part of which is to cut binge drinking by encouraging consumption of meals when alcohol is drunk.

After the devastating evidence from, and indeed near resignation of, the chief medical officer last week, I have no doubt that the Health Committee will report in favour of the comprehensive legislation that was indeed the overwhelming choice of the 60,000 respondents to the Government's recent consultation. I suppose that it is possible that the Government might be able to keep the exemptions in the Bill if they are prepared to rely on Tory support to do so, although more and more Tory MPs are recognising the case for comprehensive legislation, too. I know that the Prime Minister will not be unaware of the political fall-out that such a situation could cause.

Thus an end to all smoking in workplaces and enclosed public places would protect non-smokers from the damaging effects of second-hand smoke, and would encourage many smokers to quit.

Michael Fabricant (Lichfield) (Con): I have been listening—

Andrew Mackinlay: You've only just come in.

Michael Fabricant: I have not. I have been listening to the hon. Member for North-West Leicestershire

(David Taylor), and I wish to reassure him that the Opposition have a one-line Whip on the issue. I shall vote with him for an all-out ban, so he should not characterise Members on party lines.

David Taylor: I stand second to none in the Chamber in my admiration for the upright stance and integrity of my near-neighbour in Lichfield. I look forward to having a chat with him in the Lobby.

On health and safety grounds, there should be no exemption for any pub or membership club. It is wholly unacceptable to exempt any category of worker—I say that with great respect for my hon. Friend the Member for Sunderland, North (Bill Etherington)—from an identified, controllable and significant risk. Good gracious me, the bulk of Labour Members were trade unionists in another life.

Exempted pubs and clubs will be in less well-off areas, where smoking prevalence rates are higher, and general health and life expectancy are worse than elsewhere. We have heard that that is shown at its starkest in Liverpool, with its sad and unique position as the lung cancer capital of England, and with average smoking prevalence in the most deprived areas at around 50 per cent. No wonder the call for change is even stronger on Merseyside than elsewhere. I commend the Smoke-Free Liverpool campaign; I wear its wristband proudly as a token of my support—the first such wristband I have ever worn.

While the partial ban proposed in the Bill will protect many workers and members of the public, it will leave some of those at most risk still exposed to the health risks of second-hand smoke. In summary, it will also reduce the number of smokers quitting as a result of the legislation, worsen health inequalities and produce perverse and unfair competition between licensed premises.

Smoke-free legislation is essentially a yes/no question, ideally suited to a Chamber with just two Lobbies. Once the health and safety case and the public health benefits are conceded, it is not possible to find a compromise, whether exemptions for some premises, ventilation systems or separate smoking areas are incorporated. All of that is lunacy. It is impossible to find a compromise that is practical, logical and enforceable.

There is still time for the Government to ensure that workplaces and enclosed public places in England will have the same protection from second-hand smoke as will soon be available in Scotland, Wales and Northern Ireland and which already exists in the very enlightened Irish Republic. The benefits and popularity of such a measure would be enormous.

My parliamentary neighbour, the Secretary of State for Health, my right hon. Friend the Member for Leicester, West (Ms Hewitt), has said that a comprehensive workplace smoking ban will be in place by 2007. I hope that she is right, and that second thoughts and sound advice will prevent my Government from snatching a wholly unnecessary defeat from the jaws of a much-needed historic victory. For then, 400 years after the first tobacco ban was promulgated by an absolute monarch, an absolute ban in enclosed public and workplaces will at long last be a reality. If that is not a reason for public rejoicing, celebrations and, yes, bonfires, then I do not know what is.

8.21 pm

Mr. David Amess (Southend, West) (Con): I am beginning to feel sorry for the Under-Secretary of State for Health, the hon. Member for Don Valley (Caroline Flint), who has to reply to the debate. It has been fascinating, and I certainly enjoyed the speech by the hon. Member for Sunderland, North (Bill Etherington), but I must say to the House that we have another Health Bill—another piece of legislation, more regulation—and we must ask ourselves: are these measures sensible and practical and will they be enforceable?

I shall start by commenting on smoking, because everyone else has. I do not smoke—I do not think it is very clever to do so—but I defend to the end people's right to smoke. The question for the House is whether other people's smoking affects our health adversely. During the course of the debate, well over half of the Health Committee has been present. As the House knows, we are currently carrying out an inquiry into passive smoking, and it would be wrong for me to pre-judge that report, in spite of what the hon. Member for North-West Leicestershire (David Taylor) has said. We shall see in due course whether there will have to be a minority report. I hope that the House will have another chance to read the interesting evidence that we considered during the inquiry.

The question on passive smoking that the House must consider is very difficult indeed. I just wonder whether we are being sensible about this. I have been influenced by a variety of points that have been made in today's debate, but I shall also bear in mind the evidence that the Health Committee heard. The Minister gave evidence to the Committee, and I hope she enjoyed it, but she followed the chief medical officer, and during his evidence, as everyone now knows, he said that he came within a hair's breadth of resigning. I would simply say to the Minister that, given that this is a Government Bill, it does not look terribly good if the chief medical officer has made those remarks and is clearly in total disagreement with the Government.

I am disappointed that we have not spent much more time today talking about MRSA. These things seem to go in and out of fashion, and months ago, before the general election, MRSA was a big issue, so it would have been nice if one or two hon. Members had shared with the House their explanations as to why we have so many infections in our hospitals today. Is it because we no longer have Hattie Jacques as matron? My hon. Friend the Member for Mid-Bedfordshire (Mrs. Dorries), who I believe was a nurse, will no doubt hope to catch your eye, Madam Deputy Speaker, to tell us all about it. Is it because we no longer wash our hands? It is worrying that there has been only a small drop in the number of cases since 2001, when there were 7,684. The present situation is just not good enough. I represent an area with a huge number of elderly people, and as one hon. Member said earlier, they now worry that when they go into hospital, they will come out with a life-threatening illness.

The Bill provides for the publication and enforcement of a code of practice, but as my hon. Friend the Member for South Cambridgeshire (Mr. Lansley) said, the code is not included in the Bill, and until its content is revealed I am anxious about the effectiveness of the measures. It is a great shame that my party did not manage to convince the British people with our

[Mr. David Amess]

proposals in the general election, because I think they would have been a little bit more effective than those proposed by the Government.

I agree with my hon. Friend the Member for Beckenham (Mrs. Lait) about ophthalmic services—I certainly share her doubts on the issue. All Members have received correspondence from their local organisations, and I am no exception. The joint Essex local optical committee has worked with our 13 primary care trusts to devise shared care schemes, providing enhanced services to diabetic patients, post-cataract cases and the visually impaired. It has worked with both ophthalmologists and primary care trusts to streamline the entry of acute cases into the hospital eye service, so that the widest choice of treatment can be offered to cataract patients. It does not oppose the proposed reforms in theory; indeed, it has proposed a clinical governance accreditation scheme for optometrists, paving the way for the new contracts. However, I believe that it is essential that the Government continue to consult optical professionals on the details of the Bill, as the Minister of State, the hon. Member for Doncaster, Central (Ms Winterton), told the conference that she addressed in October.

Mr. Philip Dunne (Ludlow) (Con): On ophthalmic services, I urge the Minister to consider the rural aspects of ophthalmic services, currently provided by relatively small practices, and the fact that the current contract, by reducing the fees available to those small practices, puts them at risk, which is a danger to public health in rural areas.

Mr. Amess: Many hon. Members wish to speak, so I shall simply say that I agree with my hon. Friend.

Clauses 24 to 30 propose changes to the level of personal control held by pharmacists. Again, there has been very little mention of that in the debate, which has been entirely about smoking. The relaxation of legal procedures would free up those health care professionals so that their skills and experience could be used more widely in the community, in health centres and clinics.

Sandra Gidley (Romsey) (LD): I apologise to hon. Members for not being present for the whole debate. As the only pharmacist in the House, I know that there is a great deal of concern about the possible relaxation of the supervision arrangements. Some people regard that as an opportunity to provide more services, but what could be lost is the presence of a qualified health professional in the high street at a known time. Has the hon. Gentleman an opinion on that?

Mr. Amess: The hon. Lady was a member of the Health Committee and has great knowledge of the subject. Again, so as not to annoy the House, I shall simply say that I agree with her.

I also agree with the Royal Pharmaceutical Society in highlighting the fact that, once again, the Bill allows for much of the detail of the changes to be written into the regulations that must be carefully drafted to deliver the benefits of flexibility for supervising pharmacists, while maintaining patient safety and ensuring that the Bill is not a short cut to spreading pharmacists over two or three pharmacy businesses.

Part 4 addresses the deregulation of pharmaceutical services. I welcome that with caution. Several aspects of these proposals come on the back of the recommendations of the "Over the Counter" report of 2003. However, although the control of entry regulations 2003 report by the Health Committee, of which I was also a member, concludes that the current system of control of entry regulations is

"overly inflexible and in need of reform",

it goes on to say that the

"recommendations of the OTC report have the potential to make certain pharmacies unviable, potentially leaving some of the most vulnerable communities, who have the greatest health needs and are least able to travel long distances, without any local pharmacy provision, a situation that would be unacceptable."

Therefore, I certainly stand by the Health Committee's 2003 report.

Although it is sensible that some of the restrictions on applications for contracts to dispense NHS prescriptions should be relaxed to deliver the best possible service to NHS patients, PCTs must retain the ability to plan the provision of local pharmacy services, and any reform to the regulatory framework should be unfolded in tandem with negotiations for a new payment system for pharmacies. Competition in the pharmacy sector should be supported only if it is proven to be compatible with a planned provision of pharmacy services that ensures provision in deprived areas.

This is another Health Bill—more legislation, more regulation. It is true that the Bill frees up health care professionals from the restrictive regulations and requirements of previous legislation. However, my concern in all the points that I have made is that, by reforming the frameworks in which infection control, ophthalmic services or pharmacy and pharmaceutical industries operate, the Government must be careful and consistent throughout the drafting of the regulations so that this opportunity to provide more freedom and flexibility in local health care provision is not squandered by the creation of more targets and bureaucracy, because that burden will hit the health service even more heavily, given its already over-burdensome regulation.

Several hon. Members *rose—*

Madam Deputy Speaker (Sylvia Heal): Order. Several hon. Members hope to catch my eye. If they could be brief in their remarks, more of them may well be successful.

8.32 pm

Julie Morgan (Cardiff, North) (Lab): Thank you very much, Madam Deputy Speaker, for calling me to speak in the debate on the Second Reading of this very important Bill, which will improve the well-being and health of women, men and children in the UK. I want briefly to concentrate on two aspects of the Bill: smoking in public places and the proposals for the ophthalmology service.

I was fortunate enough to be drawn fourth in the ballot for private Members' Bills in the last Session of the previous Parliament. In fact, I think that mine was

the last Bill to be debated on Second Reading before the general election was called. The title of my Bill was Smoking in Public Places (Wales), and I was aided in proposing it by my right hon. Friend the Member for Rother Valley (Mr. Barron), who is Chairman of the Select Committee on Health, and my hon. Friend the Member for Conwy (Mrs. Williams), who is not in the Chamber. The purpose of my Bill was to call on the Westminster Government to enable the National Assembly for Wales to make its own decision about any smoking restriction that would apply in Wales. I am very pleased indeed that that is proposed in the Bill. Under part 1, decisions about smoking in Wales will be delegated to the Assembly, which will be able to determine its own restrictions, so I warmly welcome that delegation of power to the Assembly.

The Welsh Assembly has a long-standing commitment to ban smoking in workplaces and public places. It first debated and voted on the subject almost four years ago, when the Culture Minister in Wales, Alan Pugh, AM, proposed that

"the National Assembly for Wales ... calls upon the UK Government to bring forward a public Bill relating to Wales which would provide that the Assembly could ... prohibit all smoking with tobacco in ... public buildings ... The purpose and effect of any such Bill ... would be to reduce the exposure of employees and members of the public to the well-documented and proven life-threatening dangers caused by environmental tobacco smoke".

The motion was passed by 39 votes to 10 and received the support of all parties. Four years later, we are enacting such a Bill.

Subsequent to that vote, and after the introduction of private Members' Bills in the other place by Baroness Finlay, a well-known palliative care consultant in Cardiff, and Lord Faulkner, who has already been mentioned, the Assembly set up the Committee on Smoking in Public Places, which was chaired by the Swansea, East Assembly Member, Val Lloyd. The purpose of the Committee was to examine developments in Ireland and other countries in which a ban had been enacted and to look at the debate in the UK. The Committee reported in May and the Assembly debated its report on 25 May. A motion in support of the report was carried by 40 votes to nine. I thus have absolute confidence that smoking will be banned in all public places and workplaces in Wales after consultation and an introductory period. I am pleased that that will be able to happen as a result of the Bill.

The Committee asked for powers to introduce a Bill to ban smoking in all enclosed workplaces and public places within two to three years. It recommended several exceptions, some of which have been mentioned today, such as

"private dwellings, which may also be a place of work; ... designated areas in long-stay hospital units ... residential and nursing homes ... prisons"

and

"designated bedrooms or suites in hotels and guest houses, which are occupied solely by a smoker."

That is what happens in Ireland. I am glad that Wales will be able to go its own way on smoking.

I hope that the Government will rethink their proposals for a partial ban in England. There is overwhelming evidence in support of a total ban and the weight of opinion is in favour of that. The Government have a unique opportunity to use the Bill to help to prevent some of the misery that is inflicted by smoking. Why wait? I know that my right hon. Friend the Secretary of State has said that most countries have progressed to a complete ban by stages, starting with a partial ban. However, we have the experience of those countries behind us. Why do we have to wait until more people die because of smoking-related illnesses that could have been avoided? We also know about the example of Ireland, which I visited a year ago with the all-party group on smoking and health. In Ireland, we have a near neighbour that had the vision to move ahead with a complete ban. The Government want to be bold and radical, so this is their opportunity to move ahead with a complete ban.

As other hon. Members have said, the hospitality industry wants a level playing field with no exemptions. The protection for people who work in pubs in which a ban will not be in place will obviously not be the same as that for people who work in places in which there is a ban. There is a suggestion that smoking will be banned in the bar areas of pubs in which food is not served, but it is impossible to draw a line around a bar across which smoke may not pass. The proposal is unworkable.

The Bill, as it stands, will not protect the health of all bar staff. Such a disparity cannot be fair. A partial ban would cause smokers to move from pubs to clubs and some pubs will stop serving food. The hospitality industry says that the proposal is unworkable. I think of city centre pubs in which no food is served and to which lots of young people go. Those young people are the ones who will continue to be exposed to cigarette smoke under the present proposals. I am sure that that is not what my right hon. Friend the Secretary of State wants.

Hon. Members have mentioned health inequalities. The health arguments for a complete ban are overwhelming. The fact that Liam Donaldson told the Health Committee that he considered resigning when his advice was not accepted is overwhelming evidence that the Government should not go ahead with their present plans.

My first job was in Sully hospital, a heart and chest hospital in the Vale of Glamorgan, south Wales. Many people coughed their lives away in those wards and I clearly remember their painful deaths. We cannot stop people smoking—indeed, one could say that they have the right to do so—but we can stop them inflicting their smoke on other people so that in public places, at least, people will not have to breathe other people's smoke.

The debate and public opinion has moved ahead rapidly. What would have been inconceivable five years ago is now, I think, totally acceptable. The Government have to move too, so I urge them to reconsider and, at the very least, allow Labour Members a free vote on the issue.

On optometry, I visited a community optometrist and a representative of the community optometric committee, at his request, in Pontprennau in my constituency last week. He wanted me to mention the concern felt by opticians and ophthalmologists in Wales about the proposals. They will not affect Welsh practitioners as things stand, but he was concerned about devolving the budget to primary care trusts. The opticians think that that will inevitably be capped and

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allow the PCT to select the people with whom they wish to contract. They fear that that could lead to a restricted service to patients.

Huge progress has been made in ophthalmology in Wales. Optometric practitioners can refer eye patients directly to consultants and surgeons in the hospital without going via the GP. They fear that the progress will be affected by the proposals if they go ahead in England. I ask the Minister to consider the implications of those on ophthalmology and to reconsider the proposals on smoking.

8.41 pm

Dr. Richard Taylor (Wyre Forest) (Ind): I have to admit that I am one of those described by the hon. Member for Sunderland, North (Bill Etherington) as a zealot in favour of the total ban. I am in good company because I join the right hon. Members for Holborn and St. Pancras (Frank Dobson), for Rother Valley (Mr. Barron) and for North-West Hampshire (Sir George Young), and other right hon. and hon. Members.

We must face up to the fact that the reason for a ban on smoking in public places is to protect the health of all workers. All workers have equal rights to a healthy environment. That is the answer to Ministers who claim that, because we are protecting 99 per cent. of workers, we are doing all right. The problem is that the 1 per cent. we are not protecting work in the most smoke-filled environments. People do not go to work in a factory or a shop to smoke, but many of them go to the pub to smoke. It is the 1 per cent. who are not protected who are the most worthy of protection.

The Health Committee had to face the libertarian argument. A reader in biomedical ethics at Imperial college was asked, "How do we defend the fact that we are attacking people's liberty?" He said:

"It is a simple idea, first set out most clearly by John Stuart Mill in the mid-19th century, the idea that the main way in which you can justify restricting someone's liberty is where they are causing harm to others."

Much as I object to restricting people's liberty, if it causes demonstrable harm to others, it is justified.

In relation to the trip to Dublin, I want to add some figures to facts that were mentioned by other hon. Members. Support for the total smoking ban in Dublin before it was introduced was 67 per cent., which included 40 per cent. of smokers. Within a year after its introduction, 93 per cent. said it was a good idea, 80 per cent. of whom were smokers. A total ban can be popular. Compliance is high. It is easily understood and enforceable, and it is now a pleasure to go into pubs in Dublin.

The arguments against the partial ban have been mentioned at length. They include the worsening health inequalities and the fact that it is illogical and unenforceable. The people who impressed me in the Health Committee were representatives of the Bingo Association. We all have a lot of little old ladies in our constituencies whose only outing in the week is to go to the bingo hall. They probably smoke and drink while playing bingo. However, the Bingo Association wants a level playing field. Without a level playing field, bingo would move to other places such as pubs that do not serve food and where smoking is allowed, which would be quite wrong.

On our visit to Dublin, members of the Health Committee met a chest physician, Professor Luke Clancy, who reminded us of the effect of the Clean Air Act 1956 on London. I was a senior house officer at St. Stephen's hospital when that Act was enforced piecemeal by different local authorities. Professor Clancy reminded us that it took a decade effectively to lower levels of smog and produce health benefits. Ireland has adopted a big bang approach to a ban, which has worked, and it is the only way forward for us.

I shall take a leaf out of the book of the hon. Member for Southend, West (Mr. Amess) and look at other equally important parts of the Bill. I am glad that the Government are going to issue a code of practice with related sanctions on the prevention and control of health care-associated infections. I welcome the Secretary of State's comments that the code will be based on existing good practice and that waiting list targets will not compete with infection control. However, there are some points that must be included in that code. Yesterday, with the right hon. Member for Rother Valley, who chairs the Health Committee, we met members of MRSA Action UK and MRSA Support, who expressed vitriolic anger about the lack of communication. One of my criticisms of the health service, particularly hospitals, is that communication between staff—nurses and doctors—and patients, is sadly lacking, possibly as a result of overwork. Members of those groups had relatives who had died of MRSA, but they had not been told that that was the cause of death. One of them alleged that they had received an unacceptable death certificate that just said, "Multi-organ failure due to sepsis." In my day, no registrar would accept such a certificate, because one had to say what had caused the sepsis.

Openness with the patient and the family is therefore needed, and to help with that, it may be necessary to formalise notification of those illnesses and make it mandatory. The list of notifiable diseases is under review, but diseases such as smallpox which, hopefully, has been eradicated, are still included. Hepatitis C and Legionnaire's disease are not on the list, and hospital-acquired infections and bugs, including MRSA and Clostridium difficile, which are serious pests, have never been included. There is an MRSA surveillance scheme, but it is not tough enough, so will the Minister consider introducing formal notification of those illnesses? If that is too cumbersome and slow, can another method be used?

As for the code of practice, most hospitals, if not all, have infection control teams, many of which follow protocols. During a previous Health Committee inquiry, our attention was drawn to the formulary used by University College hospital in London. Page 280 of the 2002 edition includes protocols for the eradication of staphylococcal infection and refers to protocols for the management of patients and staff with MRSA. I hope that such publications will inform the code of practice. The Healthcare Commission prepared a submission for our debate, which says:

"It will be vital that the code of practice is fully workable in practice and the Healthcare Commission urges that due time, consideration and consultation be taken over its content."

Part 3 deals with drugs, medicines and pharmacies. There is no place for lax management of controlled drugs. When I was a house physician a quarter of a mile from here at old Westminster hospital, the control of scheduled drugs was lax. Much has happened since then, and controls must be tightened up. However, pharmacists have considerable worries about the Bill, as the hon. Member for Romsey (Sandra Gidley) will know. I hope that in Committee those worries will be taken on in detail. Pharmacists do not know in detail the supervision requirements. How many pharmacies will one pharmacist be able to supervise? They are worried that the Bill may exacerbate the shortage of pharmacists.

To conclude, there are good parts and bad parts in the Bill. Returning to the subject of smoking, at the large cancer conference last week, an oncologist from Glasgow, who is very lucky to have the complete ban, said loud and clear that the one most important thing to improve the prevention of cancer was the total ban. Everything else, he said, was lip service.

8.51 pm

Andrew Mackinlay (Thurrock) (Lab): The hon. Member for Wyre Forest (Dr. Taylor) spoke about MRSA and the massive cover-up that has gone on for years about the scale of MRSA. He makes a true and valid charge. I, along with others, had made it over many years and particularly drew the attention of the House to death certificates recording that a person had died of pneumonia or septicaemia, when in fact the underlying cause of death was a hospital-related infection.

In fairness, the previous Member of Parliament for Welwyn Hatfield—a Minister who lost her seat at the general election—instructed hospitals that death certificates were to be filled in with clarity and precision. Unfortunately, that was not enforced. I called on the House and I call again for it to legislate to discipline or sack civil servants at any level who do not spell out in detail the cause of death on death certificates. I include hospital managers, members of trusts and officials right up to the Department of Health who cover up and conspire to keep the facts from Parliament and the public. I feel strongly about that.

The hon. Member for South Cambridgeshire (Mr. Lansley), who spoke from the Opposition Front Bench, and the hon. Member for Southend, West (Mr. Amess) spoke about MRSA. Plaudits are due to the present Government, who have belatedly begun to address the matter. I wish that they had done so earlier. In the closing stages of the previous Government, I drew attention to the scale of the cover-up of MSRA. Lord Fitt, in another place, drew it to the attention of Baroness Cumberlege, a Minister of Health. It is on the record. In a special debate in the House, I drew the matter to the attention of the hon. Member for Orpington (Mr. Horam), a decent man. I do not blame him, but he warned me from the Dispatch Box not to make party politics of it. It rubs me up the wrong way when I hear people accuse the Government of something that was neglected by the previous Administration. Two wrongs do not make a right. To some extent, both Governments are to blame.

Mark Pritchard *rose—*

Andrew Mackinlay: No, I cannot give way; I do not have time.

We want more effort from the Government. They have begun to deal with the problem, but the message is that Ministers, Labour and Tory, should listen to Back Benchers more, instead of listening to civil servants, and give us at least some credit for possibly knowing what we are talking about. Legislation and administration would be much better, and we could have started to combat MRSA a lot earlier, had people listened.

On smoking, we are told that the chief medical officer nearly resigned. He should have resigned, in my view. It is not very brave of him to say that he nearly resigned. It is an extremely important issue. In a small way, I quit one course of my career partly because of smoking. When I was first elected to this place, I was persuaded to be a Whip. Let me share with the House the fact that I did not like that at all and found it very uncomfortable. I aspired to more than reading out the folder every night and being a choreographer. In opposition, the Whips were all men, so I qualified on that count, but they were all smokers—it was like pea soup in the Whips room—which was one of the things that made me quit. The situation was offensive and I could not alter it. I remember sitting there thinking, "I don't need to put up with this", which is when I went to see Mr. Foster and said, "I don't want to be a Whip." The rest is history.

The right hon. Member for Loughborough—

Mr. Dorrell: Charnwood.

Andrew Mackinlay: A large part of England, anyway.

Earlier, the right hon. Member for Charnwood (Mr. Dorrell) said that employers and employees are working gradually to provide smoke-free workplaces. The truth is that employers are now moving to insist on smoke-free workplaces because they fear litigation. Whether or not we pass the Bill, employers are receiving a growing weight of advice that they could face some serious class actions in the future, because they failed to provide their workers with a smoke-free environment.

The right hon. Member for Bromley and Chislehurst (Mr. Forth), who is not in his place, has mentioned prison officers. We have a duty of care to prison officers and prisoners, regardless of whether we pass this legislation, and future Governments may face serious litigation by them.

I support the Bill, although it does not go far enough. I am deeply disappointed that it contains exemptions that will muddy the waters, that will not provide clarity and precision, but will provide the chemistry for division, argument and lack of enforcement. The burden of enforcement will be placed on bar owners and bartenders, whereas the ban in the Irish Republic has been enforced by peer pressure.

The Minister's notes state, "Keep repeating the mantra, 'It's in the manifesto.'" It will not wash. This is a good Bill, and I shall join the overwhelming majority of hon. Members in supporting it tonight because we want a ban. However, the manifesto did not say, "Thus far and no further." Does the Minister want me to conduct an audit of the policies that have not been

[Andrew Mackinlay]

implemented, although they were included in the manifestos on which we have stood, and the policies which have been implemented even though they were not in a manifesto? The Bill is in line with the manifesto, but so are my hon. Friends who are calling for a comprehensive and immediate ban along the lines of the policy introduced in the laboratory conditions provided for us by the Irish Republic, where the ban has worked.

I represent quite a poor, working-class area, which has the highest indices of heart disease, respiratory complaints, diabetes and asthma. I resent it when hon. Members who represent constituencies where a ban will be implemented because of devolution tell me that a different duty of care will apply to my working-class constituents. I should have thought that a Labour Government would not want the West Lothian question to be raised, and I did not raise it—other hon. Members raised it by interfering in the health care of my constituents and of others in England.

I believe that there is a majority in this House for a comprehensive ban. A week and a half ago, the Government were comprehensively defeated—they persuaded me to join them in the Lobby, which I rather regret now. They are not reading the political tea leaves because there is a majority in this House for a complete ban, but if they want to go down to a further defeat, that is their decision.

When the Secretary of State discussed the Bill, she said that she was proud to introduce it. She should be proud because, as she said, when the Bill goes through—flawed as it is—hundreds, nay thousands, of people will live longer as a consequence. Why would she allow it to be spoiled or diminished by not introducing a total ban on smoking in public places?

Libertarians say that people have the right to choose. I believe in full knowledge and full consent. However, in this case, we cannot provide full consent. We will have a ban in pubs, but not in working-class clubs. Young children are entitled to go into those clubs, and they do. We need to recognise that fact. The Secretary of State says that the ban will apply not only in the bar area but in other areas. That is nonsense, because it cannot be defined. There is bound to be argument and avoidance based on that fudge.

I hope that the Government will have the humility and common sense to reconsider the one area that has aggravated many Members on both sides of the House, but particularly among their Labour colleagues, who welcome the Bill and are proud to support it but see it flawed by sheer cussedness. The problem is that—

Madam Deputy Speaker: Order. The hon. Gentleman's time is up.

9.1 pm

Mr. Charles Walker (Broxbourne) (Con): Thank you, Madam Deputy Speaker, for calling me to speak in this important debate.

My father died at 46 from throat cancer. I am an ex-smoker who smoked a lot. We both made our choices. I might therefore be expected to speak in favour of a total ban, but far from it. I have read the briefs from the learned gentlemen and organisations proposing a ban—the chief medical officer, the British Medical Association and the British Heart Foundation. They are all experts and they all want the Government to implement a comprehensive ban on smoking. I congratulate the Government on having the courage to say, "Yes, you are experts, but the role of Parliament is to balance the interests of various groups, non-smokers and smokers." If Dr. Liam Donaldson wanted to have a hissy fit because he is an expert and the Government would not implement his advice, they would have been well advised to accept his resignation.

What confuses me about this debate is why we get so pious about second-hand smoke even though the science is still a little shaky. We all experience the implications of second-hand alcohol—drunks who turn our town centres into war zones, drink-drivers who maim and kill thousands of people on our streets, and alcoholic parents and children who destroy families. When, Madam Deputy Speaker, was the last time you smoked 20 B&H and went home and beat up your husband or partner? It simply does not happen. If we are interested in protecting innocent parties, why on earth did this House vote to have 24-hour drinking? The implications of alcohol are far more pronounced and far better known than those of smoke.

Is smoking the ultimate evil afflicting our modern society? I talked to a headmaster at one of my local comprehensive schools who said, "Yes, smoking is a bad thing, but what really worries me is young people coming to school hungover or drunk and unable to participate in the day from beginning to end. A few of my students may be smoking behind the bike sheds two or three times a day. I disapprove of that, but at least they can take part in the school day." We compare cigarettes to drugs and alcohol. Cigarettes are addictive, but they do not rob people of their free will as drugs and alcohol do.

We have several extremely bold and courageous charities in Hertfordshire that help people to break severe addictions that lead them to violence against others and themselves. Several of them smoke and I am pleased that the Bill provides for people in residential situations to be allowed to continue to smoke. However, the charities also provide day-care services. It would be appalling if the Bill did not allow those who receive treatment for drug and alcohol addictions to smoke and, because they could not smoke to relieve their tension and angst, they went back on to the streets and pursued a life of violence again to feed their habits.

I have probably spoken for too long—I am full of passion and I would love to go on for longer. I shall make one final point. In Scotland, it appears that £66 million will be provided over the next three years for enforcement. If that were extrapolated to the UK, the figure would be £660 million for smoking-cessation officers. If the British public were presented with a choice between £660 million for smoking-cessation officers and the same sum for 4,500 new police officers, I believe that they would opt for the latter.

9.5 pm

Mr. David Kidney (Stafford) (Lab): I congratulate the hon. Member for Broxbourne (Mr. Walker) on his passionate speech.

I begin with the killer health care-associated infection in the hospital setting. I am proud of my local acute hospital in Stafford. It was a delight to write to the hospital recently to congratulate the management and staff on hitting the December target for waiting times two months early. No one now waits more than six months for an in-patient operation or more than 13 weeks for an out-patient appointment.

However, Stafford hospital featured in the general election campaign in a different light because of some misinformation from the Conservative party, which suggested that the rate of MRSA infections at the hospital was the equivalent of that for every infection in the past year in the west midlands region. When challenged, it said that that was a mistake. However, a similar incident occurred in Harrogate at the same time. Again, the Conservatives said that they had accidentally cited a regional rather than a hospital-specific figure. One such mistake may be misfortune, but two reek of gross carelessness if not worse in trying to frighten voters into making a particular choice at the election.

The infections are serious and Stafford hospital makes a conscientious attempt to test every vulnerable patient who enters the hospital. When I tour the laboratories at Stafford, I never cease to be impressed by the dedicated work of the scientific staff who carry out the tests. I know that my local hospital takes the matter seriously and we welcome the provisions for a new statutory code of practice coupled with a duty on the hospital to fulfil the standards, which the Healthcare Commission will enforce and inspect.

I should like to focus on the provisions that presage a much greater change in primary care services. We await the White Paper in the next few months, but the Bill contains some evidence of the Government's intention to make primary care services much more responsive to patients' needs. First, let me consider the provisions for pharmacists. I have been impressed by the willingness of pharmacists in my constituency to extend their role in primary care services, whether through help with smoking cessation, prescribing medicines—they are very much up for that—giving confidential contraception advice or helping people with long-term medical conditions to manage their medicines. They are a tremendous benefit to my local health economy. I visit local pharmacists regularly and have seen the changes that they have made in the skill mix of their staff and in their physical premises, which now include private places for confidential consultations. I therefore know that the changes on supervision and charges for which the Bill provides will rightly help to contribute to a greater role for pharmacists in primary care.

The same goes for my recent visit to the optometrists Webb and Lucas in Bridge street, Stafford. Like other hon. Members, I was lobbied about the changes in the Bill to the general ophthalmic service contracts. The optometrists are angry because their negotiations on a new GOS contract were proceeding unremarkably when the Bill, which refers to a new contract about which they had clearly not finished consulting, was published. I know that meetings have been held and reassurances given since the Bill was published, and I think that it is now accepted that this primary legislation opportunity was taken to put the framework in place, and that the consultation will continue on what the services will involve.

I would like to say how impressed I was by the members of the local committee whom I met that evening, and by how much they are up for improving their contribution to primary care services. They showed me what they are doing about diabetic eye screening, with the latest camera and computer technology to aid them. They told me about their joint management, with the paediatric services at the hospital, of children with visual problems. They also told me about the "red eye" service, and explained how they were developing a multi-disciplinary community approach to supporting elderly patients with failing eyesight. These are some of the remarkable provisions that they can add to our primary care services.

I know that the great debate tonight has been about smoking, but I will say only that the Bill's proposals on that issue fit with the small contribution that I have made to the debate about primary care services. So many people in primary care services are involved in smoking cessation and in helping people to overcome their addiction to smoking, thereby preventing second-hand smoking among those of us who do not smoke. Health visitors, pharmacists, GPs and practice nurses are all involved in that same aim.

A ban that gets us nearly to where we want to be is better than no ban at all, so I shall certainly support the proposals tonight. The right hon. Member for North-West Hampshire (Sir George Young) described how, when he joined the Administration Committee, he wanted to take the big bang approach to a total ban on selling tobacco in this place. He went on to describe how the ban was actually achieved over a number of years, a stage at a time. We will perhaps not achieve the big bang approach to a ban on this occasion, but I am sure that we will get there pretty soon.

I see that a fixed-penalty notice scheme is being proposed for those who break the law on smoking. As I have the ear of the Minister with responsibility for public health, I should like to ask her whether she would be willing to extend that approach to a subject close to my own heart at the moment. Will she consider introducing legislation to prevent people from interfering with women who are breast-feeding in a public place? Last week, once again, we saw the scandalous situation of a man complaining to the police about a woman breast-feeding discreetly in a public place. The police sent a squad car and a uniformed officer to stop her. We will never achieve the rate of breast-feeding in this country that we see in the Scandinavian countries, with the consequent public health benefits—

Madam Deputy Speaker: Order. I hope that the hon. Gentleman will confine his remarks to the Bill before us.

Mr. Kidney: I will indeed, Madam Deputy Speaker. I hope that the Bill will receive our support on Second Reading, because it brings significant measures to reduce smoke-related ill health, health care-associated infections, and the risk of the misuse of controlled drugs. It contains useful measures that will precede further reforms at primary care level. We are moving in the right direction by improving public health awareness, supporting public health services and cutting premature deaths, so I hope that the Bill will receive a Second Reading.

9.13 pm

Mr. Laurence Robertson (Tewkesbury) (Con): I am a smoker, but I consider myself to be a very considerate smoker. I would not smoke in someone else's house, car or office, or near anyone who was having a meal. It is because I have that consideration for others that I find the parts of the Bill that relate to smoking totally objectionable. I agree with my right hon. Friend the Member for North-West Hampshire (Sir George Young) when he suggested that it would impinge on his liberty if someone else's cigarette smoke reached his nose. I entirely agree with that, and there is no reason why the rights of smokers and non-smokers cannot be accommodated. The hon. Member for Sunderland, North (Bill Etherington) mentioned extractor units, which can be installed in pubs and can do a very good job. We live in a society in which people can make choices.

Many hon. Members have quoted figures relating to the number of people who want smoking to be banned in pubs. I think that those figures are probably exaggerated, but if we accept that they are right, and if there is such a large demand for non-smoking pubs and restaurants, the market will deliver those places, as it will in any other line of business. We will then end up with pubs in which people can smoke and have a meal, and pubs in which people do not smoke. We will also have pubs in which smoking is possible in some areas, and banned in others. In those circumstances, it seems to me that everybody would be happy.

The Government, however, make a play of protecting staff. In today's debate, nobody has asked how many people behind the bar of pubs smoke themselves. I have asked the Minister a parliamentary question about that, and the Government have not carried out such a survey. We are therefore trying to protect people from smoke who, in many cases, already smoke.

I also draw an analogy with people going down coal mines. I understand that there are 400,000 outstanding claims by miners or their families relating to people injured in coal mines, many of whom have died already. I do not know of a proposal to stop people going down coal mines, however. When I raised the issue with the hon. Member for Northavon (Steve Webb), he said that it is not necessary for people to smoke in pubs, but it is necessary for people to work down coal mines—I paraphrase him, but I think that that it is what he said. That is not true. People do not have to work down coal mines—we do not have to generate electricity through burning coal, as there are many other ways of doing so.

Mr. Barron: I worked down coal mines for many years, and the National Coal Board had to take action to protect me from ill health. I have not made a claim, and neither have many other people like me. It is up to the employer, however, to be responsible in terms of how their employees are treated.

Mr. Robertson: For goodness' sake, I do not think that it is possible to go down a coal mine and discover it to be a very healthy working environment.

The Government say that the ban is about protecting the health of people who work behind bars, and I accept that their health should be protected, but there are many licensed premises and a great shortage of catering staff, which is why so many illegal immigrants are employed in catering. Surely if there are different kinds of pubs and restaurants, bar and restaurant staff can find employment in those that suit them.

As many Members have mentioned, if we take the assertion that staff are the primary concern a step further, how can it be right to expose some people in some pubs to smoke, and yet say that in other pubs where food is served people will be protected from a smoky atmosphere? That defies logic. It is nothing to do with liberty. We know why the Government have adopted this position—because the Cabinet could not agree. Everybody would have more respect for the Government were they just to admit that. It is absolute nonsense to suggest that they are protecting some people's liberty.

If we are talking about protecting staff in pubs, as we should, I will mention my pub—I do not own it, but I go in it, as it is in my village. It is the Village Inn in Twyning, if anyone wants to look it up, and it is a fine establishment. The landlord and his wife run it, they both smoke and they do not employ any staff. How does the Government's logic stack up in that case? The pub serves food—it has a very small menu, as it is a country pub. If the ban goes through, let us say that the pub stops serving food, as I think that it would, because many people in that pub smoke. If the landlord chooses not to serve food so that we can continue to go in his premises and smoke, will I be banned from personally requesting a meal? Will I be stopped from going to the landlady and saying, "I am aware that you smoke, that your husband smokes and that it is a smoky atmosphere, but I want to exercise my choice to have a meal"? If I have a meal prepared at home, it is prepared in a smoky atmosphere. Why cannot I exercise that choice? Why should that choice be denied to me? It is ridiculous.

Martin Horwood: I thank the hon. Gentleman—my neighbour—for giving way. I am sure that he is right about what a wonderful establishment the pub at Twyning is, but he will surely accept that Twyning is not typical of either of our constituencies. We share a primary care trust. The difference in life expectancy between the most and the least affluent areas is eight years, which is considerable. A large part of that health inequality is due to smoking. The Bill in its present form aims to deal with it partially; we would deal with it completely.

Mr. Robertson: The hon. Gentleman has made his point. If he will forgive me, I shall not respond to it in detail because there is not enough time.

If the Government are serious about stopping people smoking, which I do not doubt, and if smoking is so bad for us, which I do not doubt either, why do they not ban smoking altogether? There is a one-word answer: tax. We have heard from a number of Members how much smokers cost the national health service. By means of a parliamentary question, I established that not much research is done on whether those admitted to hospital are smokers. Let us, however, accept what the Minister told me in a separate answer—that the estimated cost of smoking-related diseases to the NHS is £1.8 billion a year. That is a lot of money, but we should also bear in mind that smokers put £8.1 billion a year into the

Exchequer—more than four times as much. That is why I cannot see the Bill as anything other than a load of confusion, and rather hypocritical.

9.21 pm

Jeff Ennis (Barnsley, East and Mexborough) (Lab): I want to speak mainly about part 1, but I shall not repeat what has already been said. Essentially, there are two points of view. I shall only say that I believe that the Government will have to accept a full ban on smoking in public places, whether they do it now or later.

Michael Fabricant: Will the hon. Gentleman give way?

Jeff Ennis: Certainly not. Some Labour Members may not be able to speak because of all the interventions that have already been taken, and I am not going to take any more interventions.

An important issue relating to part 1 has not yet been raised. I refer to the possibility of raising the age of sale of tobacco from 16 to 18 to bring it in line with alcohol and other age-restricted products. That is a glaring omission from the Bill. I have tabled two early-day motions on the issue, and on 18 October I presented the Age of Sale of Tobacco Bill under the ten-minute rule. Its aim is to raise the age of sale of tobacco and tobacco products to 18. I am delighted to say that the Government have made good progress in adopting a more consistent approach to age-restricted products in recent years. Under the Gambling Act 2005 the use of many gaming machines will be restricted to those over 18, and through the Violent Crime Reduction Bill the Government intend to raise the age of sale of airguns and dangerous knives from 17 to 18.

The Government must now extend that important policy to tobacco sales, a move that enjoys popular support. In a recent survey carried out by the BBC, 80 per cent. of the public—particularly those aged between 18 and 24—expressed support for it. We should bear in mind that 80 per cent. of smokers start smoking as teenagers. Moreover, the proposal is supported by the Trading Standards Institute, the body responsible for enforcing the laws relating to age-restricted sales. In a recent press release, the TSI said

"We believe that raising the age limit to 18, combined with stronger penalties against shopkeepers who repeatedly make underage sales, would make it more difficult for young people to regularly get their hands on cigarettes."

Madam Deputy Speaker: Order. I wonder if the hon. Gentleman would relate his remarks to the content of the Bill that we are discussing.

Jeff Ennis: But, Madam Deputy Speaker, I feel strongly that the issue should be considered when we debate the Bill's later stages. I intend to table an amendment, although I believe that the issue is relevant on Second Reading. I have raised it in the House before. I will take advice from you, Madam Deputy Speaker, but I think that the issue ought to be considered in greater detail.

Madam Deputy Speaker: The hon. Gentleman has made passing reference to that. Will he now confine his remarks to the content of the Bill before the House?

Jeff Ennis: Obviously, I have to accept your ruling, Madam Deputy Speaker.

I have already made the basic point that I wanted to make. Will the Minister, in her closing remarks, give me a steer on whether the Government would be willing to consider an amendment along those lines? If they are reluctant to accept one, I would like further guidance from her on the ways and means by which I could bring the question to the Floor of the House in future debates.

9.25 pm

Mrs. Nadine Dorries (Mid-Bedfordshire) (Con): I wanted to speak on three parts of the Bill, but as so many Labour Members seem so agitated about the Bill, and want to speak about it, I shall confine my remarks to one part of it, and to a few moments.

I want to talk about hospital-acquired infections and the code of practice. Would the Minister consider putting a statutory obligation on the code of practice? I ask that because a number of practices in hospitals are bringing about hospital-acquired infections, and that requires more than guidelines. Many guidelines and publications have been issued over the years, but as some hon. Members have said, our general election policy, the cleaner hospitals campaign, was probably the right way to go about things.

Staphylococcus aureus, the bug at the root of hospital-acquired infections, has now become vancomycin resistant, too. It is a nasty little bug. Most people here will not yet have eaten this evening, so I shall not go into great detail about it, but it is very vicious in hospitals. What will the hospitals move on to from vancomycin? Heaven only knows. Vancomycin was held back because of complications caused by renal infections and other renal problems when it was given. The fact that MRSA is now becoming VRSA is extremely worrying to people who work in health care.

Hot-bedding seems to be one of the main problems. I never thought that I would say, "In my day", but when I was a nurse I was a good nurse, because I was terrified to be anything else. My matron was a good matron, and when she walked down the ward I shook in my boots, because if our ward was not spotless, and the bedside lockers and tables were not clean, we were in trouble—and we did not have MRSA in the hospital.

Let me give the House an example. When a patient went home or, unfortunately, died, the bed and the bedside cabinet would be cleaned down with chlorhexidine solution, as would the bedside table, the window sills, the floors and the metal on the bed. Everything would be stripped out. Now, when a patient passes away in hospital or is discharged home, the bed gets a quick wipe down and the next patient is in.

A hospital administrator told me recently that the reason for that practice was targets: the hospital had to meet targets and get patients through quickly. I was told that there was a patient with MRSA at the end of the ward that I was standing in. Unfortunately, the administrator had not been allowed to close down the ward, or have it barrier-nursed or sterilised. Why not? Because the hospital management had told him that they had a target to meet.

Mr. Devine: Will the hon. Lady give way?

Mrs. Dorries: No, because other Members want to speak. *[Interruption.]* Labour Members want to speak, too.

[Mrs. Dorries]

The reason why the ward had not been closed was that the hospital had a target throughput of so many operations to do that day from that ward. The patient was moved to the end of the ward, and new admissions were taken into a ward containing a patient with MRSA. That is targets.

Another factor that contributes to hospital-acquired infections is also illustrated by what happened in my day. We were not allowed to go home or travel back to work in our uniforms. Now, one sees nothing else but nursing and medical staff going home in their uniforms. They may not even wash them, and then they travel back in them. Even if the ward is clean, 25 per cent. of infections are brought into the hospital from outside.

We could have a statutory code of practice saying that medical staff must not wear their uniforms to go home, that there is to be no hot-bedding in the wards, that the wards must be clean, and that auxiliary staff are to be brought back into the wards. We used to supplement the cleaning staff.

I shall not continue, Madam Deputy Speaker, because I want to finish my speech in less than my five minutes, but I hope that the Minister will take what I have said on board, and will consider making the code of practice statutory.

9.29 pm

Stephen Hesford (Wirral, West) (Lab): I will be brief. In the time available, I would like to make one or two points. Some hon. Members—including the right hon. Member for Charnwood (Mr. Dorrell), the hon. Member for Tewkesbury (Mr. Robertson) and my hon. Friends the Members for Derby, North (Mr. Laxton) and for Sunderland, North (Bill Etherington)—have spoken against the ban, but I would have to characterise their speeches as disingenuous. They all failed to address the issue of the work force—precisely the point of principle at stake in the Bill.

When my right hon. Friend opened the debate, she was right to say that a point of principle was at stake. That, indeed, is the issue that is exercising many Labour Members. I carried out a survey in my constituency and the results were similar to those that emerged from the consultation that my right hon. Friend very properly instituted after the election. In my survey, too, 90 per cent. of people wanted a ban.

Hon. Members will recognise that we receive more letters on certain subjects than on others. I have to tell my right hon. Friend that I have received many letters on many issues during the past eight years and that a smoking ban is about the fourth most commonly raised with me. Many people have written to ask for a complete ban and I have to say that my sympathies lie with them.

What is the point of principle? It is this: in a public health context, the Bill could be seen as a missed opportunity. It could help to transform people's lifestyle, particularly that of younger people, in a way that we want. We want to help them to lose the habit of smoking. The Government have an opportunity to use the Bill to send out a message to protect the work force and bring about, as I say, an important cultural change. It has even happened in New York of all places. Mayor Bloomberg, a Republican—not on the socialist wing of American politics—introduced a smoking ban. Similar measures have also been introduced in California, Sweden, Ireland and Norway.

I ask my right hon. Friend and her ministerial colleagues to imagine that the House had legislated on clause 3 exemptions and stated that drinking and driving was illegal, but said, "Well, after 2 am, it will not be, because there are not many cars on the road". Imagine if we made seatbelts compulsory, except in cars whose drivers had more than 30 years' experience and a clean licence. Another parallel—*[Interruption.]*—I ask the House to think of the principle behind it: imagine saying that children were not allowed to work in factories, save where the factory owner had children. Some kind of sensitivity may be built into that, but I would have to point out to my right hon. Friend that the illogicality behind such thinking is stark. Similarly, if we leave the current anomaly in the Bill, we will leave those not covered by the legislation to the harmful, smoke-filled environment.

I understand that my hon. Friend the Under-Secretary will have a difficult task in making her winding-up speech. I would like to assist her. I have with me a speech that was prepared earlier, but it is not my speech that I would like to offer her, it is the speech given by the Under-Secretary of State for Northern Ireland, my hon. Friend the Member for St. Helens, South (Mr. Woodward) when he announced the decision on the total ban in Northern Ireland.

9.34 pm

Dr. Andrew Murrison (Westbury) (Con): The Secretary of State for Health said that this is a landmark Bill, and so it has proved for the Government. I have counted the speeches by Back Benchers today. We have had a total of 25—a remarkable effort—of which those from Labour Members for the Government counted three, but eight were against, and I am honestly not clear about two others. That is something of an embarrassment for the Secretary of State.

The right hon. Member for Rother Valley (Mr. Barron) spoke eloquently about health inequalities, a theme that ran through the debate. He specifically mentioned that 85 per cent. of pubs in Corby were likely to be exempt under the Bill and he was very concerned about the inequalities that that might engender. The hon. Member for Northavon (Steve Webb) was pressed on cannabis and he needs to construct a more cogent response. The Liberal Democrats support the Government's ban on smoking, but wish to liberalise the smoking of cannabis. I am not sure whether we heard a change of policy today, but the hon. Gentleman may wish to revisit the issue at some point.

The right hon. Member for Holborn and St. Pancras (Frank Dobson) also talked about health inequalities and made the valid point that there is a real risk that smoking will be concentrated in those pubs that do not sell food, which risks turning such pubs into smoking dens. Like my right hon. Friend the Member for Charnwood (Mr. Dorrell), I am a liberal Conservative, but I am persuaded that the do-nothing option is untenable, given the evidence that we now have about

the effects of second-hand smoke. We have to act, given the evidence that second-hand smoke causes problems. If we do not do so, we are failing our constituents. The question is how we reach the situation in which the majority of our constituents do not smoke and we reduce the incidence of lung cancer, cardiovascular disease, sudden infant death syndrome and so on.

The hon. Member for Stoke-on-Trent, North (Joan Walley) also talked eloquently about health inequalities. Last night, my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) was with me in a pub. We were not drinking; he was smoking, but I was not. He gave a classic "cry freedom" speech, which was very stimulating. The hon. Member for Derby, North (Mr. Laxton) was the first supporter of the Government. He gave a tour de force in which he attacked the bourgeoisie and I was thrown back 50 years to a time of class warfare. If his thesis were correct, perhaps the best way to reduce health inequalities would be to increase smoking, because then the bourgeoisie would get sicker and those whom he defined as working class would get healthier. I may be confused: the hon. Gentleman certainly sounded confused in his contribution.

My right hon. Friend the Member for North-West Hampshire (Sir George Young) made a fantastic speech that drew an important distinction between private and public spaces. He and I agreed on the Tobacco Advertising and Promotion Act 2002, when I was very new to this place, and we share a passion for reducing smoking. I certainly have that passion, both professionally and politically. The hon. Member for Liverpool, Riverside (Mrs. Ellman) rightly talked about Ireland and its experience and the lessons that we can learn. She also pointed out that 59 per cent. of pubs in Liverpool do not serve food and therefore could fall into the smoking den trap, about which many of us are concerned.

My hon. Friend the Member for Beckenham (Mrs. Lait) talked about optical services and the other aspects of the Bill that risk being sidelined by our passion to address the smoking elements. The hon. Member for Lewisham, Deptford (Joan Ruddock) said that the Bill is unworkable, and that point was echoed by several of her colleagues.

In bringing forward the measure, the Secretary of State has asked the House to give her more or less a blank cheque, which will allow her and her successors to fill in the important detail at leisure through regulation. I believe that the chief medical officer is relying on that blank cheque in withholding his threatened resignation. I presume that he hopes for a comprehensive ban through regulation at some point in the future.

Although the Bill is primarily about smoking, we should not ignore its important additional features. We can agree on many of them, although we shall seek clarification and improvement in Committee. For example, why does part 3 contain no clarity over pharmacy supervision or standard operating procedures? We need the detail on how many pharmacies one person will be able to supervise. Why does part 4 apparently give PCTs carte blanche to charge pharmacists to set up new contracts? Will part 4 indeed favour larger chains at the expense of the high street, and therefore reduce choice?

Why have ophthalmic services been bolted on to the Bill in advance of the Government's consultation on general ophthalmic services? Will the Government accept that PCTs that are strapped for cash will be tempted to degrade eye tests that they buy? To what extent will small high street opticians struggle under the new regime? Will the Minister outline the intended contents of the hospital-acquired infection code of practice? Will its benefits outweigh the cost of the yet more paperwork, tick boxes and administrative hassle that our hard-pressed professionals have to cope with? Why have the Government ignored Sir Nigel Crisp's view that target-driven high bed occupancy lies at the heart of our high MRSA rates?

The hon. Member for Sutton and Cheam (Mr. Burstow) did not talk about smoking cannabis, but he laid into ventilation without offering any evidence when pressed. That brings me to the very good speech by the hon. Member for Sunderland, North (Bill Etherington). He is something of an expert in this sphere because he has industrial experience and is a smoker, and in his useful contribution he defenestrated the argument that ventilation has nothing to offer. It is a pity that Ministers have not at least considered the possibility that ventilation might have something to offer in all this.

The hon. Member for Strangford (Mrs. Robinson) supported a total ban on smoking and cited international experience, particularly in the Republic of Ireland, quite rightly. The hon. Member for North-West Leicestershire (David Taylor) is a complete ban man, and brought to mind the hon. Member for Derby, North in his reference to King James's counterblast to tobacco.

I am sorry that I missed some of the speech by my hon. Friend the Member for Southend, West (Mr. Amess). I understand that he spoke extremely knowledgeably about pharmacy and ophthalmology, and wondered whether either would be improved by the Bill.

The hon. Member for Cardiff, North (Julie Morgan) asked for a free vote. The Conservative party will be offering its Members a free vote on this issue, and I call on the Minister to do her own Members the courtesy of offering the same.

The Bill is chiefly about a smoking ban, which, in part 1 weighs most heavily on issues to do with personal choice and freedom, and has the greatest capacity to improve public health. Evidence-based public health is the only basis on which we should consider a ban. We must separate it entirely from amenity and nuisance, which are more properly dealt with elsewhere. Nowhere is the Government's conflation of nuisance with ill health more obvious than in the great play made of banning smoking within some arbitrary distance of the bar. The Government have admitted that there is no evidence that banning smoking at the bar would yield health benefits. Their consultation document referred to it as a "courtesy measure". We cannot legislate for courtesy, but we can legislate for public health. I submit that the public health argument for the red line on our carpet here in the Chamber is stronger than that for the arbitrary line that the Health Secretary wants to scratch on pub floors. At least the two swords' separation carries some logic in public health terms, and 80 per cent. of consultation respondents seemed to agree with that.

[Dr. Andrew Murrison]

The Government's muddle-headedness extends to the artificial distinction between pubs that serve food and pubs that do not. To be fair, the illogical association of food and smoking was made by the Health Secretary's predecessor. She may regret it—the chief medical officer certainly does—but this is her Bill and she is responsible for it. Sir Liam Donaldson is supported by the results of the Government's consultation exercise, which showed that 90 per cent. of respondents were against exempting pubs that serve food.

Clause 4 introduces the possibility of a ban on smoking in a range of outdoor places. If it is not expedient to remove a toxin by banning it, we must control exposure to it by other means. If airborne contaminants in industry settings can be removed satisfactorily using ventilation, we should not dismiss out of hand such an engineering solution in the hospitality sector, yet that is precisely what Ministers have done. Exceptions to the ban are likely to be made by the Minister. Surely an insistence on such ventilation and acceptable levels of atmospheric contamination would be both a reasonable compromise and a possible benefit to exempt establishments that may have future employee claims to defend.

The hon. Member for Wyre Forest (Dr. Taylor) is a self-confessed anti-smoking zealot. He talked about the Clean Air Act 1956. I am pleased about that because that Act was introduced by a Conservative Government. He continued to give us a tour de force of the rest of the Bill—quite a task, given its complexity.

The hon. Member for Thurrock (Andrew Mackinlay) is one of the two supporters of the Government whom I counted—*[Interruption.]*—in respect of the Bill, I hasten to add, and unusually so. He talked with passion about MRSA. He also told us how smoking ended the sparkling ministerial career that was otherwise surely his for the taking.

My hon. Friend the Member for Broxbourne (Mr. Walker) made a thoughtful, passionate speech that balanced libertarianism, good sense and pragmatism. The hon. Member for Stafford (Mr. Kidney) rightly praised the extended role of pharmacists and reflected the annoyance of opticians about the appearance of clauses 34 to 40 in the midst of the consultation on general ophthalmic services.

My hon. Friend the Member for Tewkesbury (Mr. Robertson) rightly drew our attention to the illogicalities of the Bill and the division that it has caused in the Cabinet. The hon. Member for Barnsley, East and Mexborough (Jeff Ennis) referred to raising the age of sale of tobacco to 18—an interesting concept that perhaps contrasts with the ten-minute Bill and the comments made by the hon. Member for Bristol, West (Stephen Williams) earlier today.

My hon. Friend the Member for Mid-Bedfordshire (Mrs. Dorries)—a nurse, of course—talked about MRSA and VRSA. Interestingly, the *Nursing Standard* pointed out on 8 March that 40 per cent. of nurses said that they did not have time to clean bed space between patients. Finally, the hon. Member for Wirral, West (Stephen Hesford) talked about drink driving.

Tobacco is surely captain of the men of death. I spent 20 years trying to persuade people to stop smoking. As a politician, I had rather hoped to have a Bill that would be more likely to address smoking than this one. It is a missed opportunity. My hon. Friends will use their judgment and will vote freely. I hope the Minister will allow Labour Members to have a free vote, too.

9.47 pm

The Parliamentary Under-Secretary of State for Health (Caroline Flint): We have had a very interesting debate, which very much reflects discussions not only in Cabinet, but among the public, about an issue that commands a range of arguments about personal choice and health. We have heard 25 Back-Bench speeches this evening. That is welcome. I absolutely respect the views of my colleagues who would like to see a total ban. I understand their passion, but I hope that, as I proceed, they will understand what we are trying to achieve with a focused package not just on smoking, but on tackling health inequalities across the piece.

Given the comments by the hon. Members for Westbury (Dr. Murrison) and for South Cambridgeshire (Mr. Lansley), who had some difficulty earlier in describing Conservative party policy, I am still not clear about their policy. [HON. MEMBERS: "What policy?"] Exactly—they raised health inequality issues, but as far as I could see, they would leave such things to self-regulation and they had no immediate plan for any legislation whatsoever. We are going a lot further than that. Given the responses of many Conservative Back Benchers—not just the right hon. Member for Bromley and Chislehurst (Mr. Forth), but many others—it was clear that they were unsure about exactly what the hon. Member for South Cambridgeshire was suggesting.

We are debating the Bill in the context of a national health service that is providing faster treatment, with more nurses and more doctors. Survival rates for more major cancers are improving and more people are surviving heart attacks. If people need a heart operation, they will be treated within three months and usually much sooner. There is more choice about health.

Services such as NHS Direct and walk-in centres are all helping to turn the NHS from being just a service for sickness into a health service that is about prevention. That is why NHS stop smoking services have helped more than 500,000 people to quit and stay quit after four weeks. It is one of the reasons why we are considering how we can support families with a better diet. It is why 2 million children get a free apple, pear or satsuma every day through the school fruit and vegetable scheme. Such measures are part of a health service in its widest possible sense and, having succeeded in making progress in all those areas, the Bill will tackle issues surrounding patient safety, primary care and public health.

Let me deal first with issues that hon. Members have raised about measures in the Bill outside those on smoking. My hon. Friend the Member for Lewisham, Deptford (Joan Ruddock) and others talked about MRSA. I am pleased to hear that the rates are going down at Lewisham hospital. She made a good point about testing because many people who arrive at

hospital are already infected. She also mentioned care homes and the co-operation of visitors, which will be important if we are to deal with MRSA rates. There is still a lot of work in progress. We are in discussion with the Healthcare Commission about how to make the code stronger, even though consultation indicated that the content was thorough. Another draft will be available before the Bill is passed—it should be available early in 2006.

Hon. Members talked about the choice between controlling infections and closing wards. Decisions on ward closures are made locally. There must be a balance between the risk of patient infection and risks associated with clinical delivery. However, not closing wards could prevent the control of outbreaks, and thus be more of a risk to meeting other targets. The situation is not clear-cut.

My hon. Friend the Member for Lewisham, Deptford and the hon. Member for South Cambridgeshire asked about the private sector. We propose to consult on proposals next spring on, among other things, introducing provisions of the new code to regulations under the Care Standards Act 2000. There will also be a consideration of issues surrounding care homes and the voluntary sector.

My hon. Friend the Member for Thurrock (Andrew Mackinlay) asked about death certificates. They will be completed by doctors. It is doctors' responsibility to identify the underlying cause of death. However, patients with MRSA who die are often already seriously ill with other conditions, so it is sometimes difficult to identify that cause. However, the situation regarding death certificates is being examined.

Several questions were asked about ophthalmic services. The review is examining what scope there is to make greater use of the primary care sector when delivering such services and how to make the best use of available skills in primary care. My hon. Friend the Member for Stafford (Mr. Kidney) set out exactly the sort of services that are being provided in some areas. Such services could be provided further. There is no immediate change to the payment to practitioners and no change for patients. There will still be a central budget for reimbursement for local sight tests. I do not think that there will be any impact on rural areas. In reply to my hon. Friend the Member for Cardiff, North (Julie Morgan), the provisions will not impact on Wales.

My hon. Friend the Member for Dartford (Dr. Stoate) made a point about clause 18 and controlled drugs. We have held discussions with the Royal Pharmaceutical Society. There is already the power of entry into community pharmacies, but we can consider setting out in regulations other specific persons who could enter and inspect relevant organisations. The pharmacy provisions are all about bringing services closer to people. Our "Your health, your care, your say" consultation showed how much people valued their pharmacists and the health care that they provide.

On smoking, I say this from the outset. Several hon. Members talked about young people, especially teenage girls. I am pleased to inform the House that the prevalence of smoking among teenage girls has gone down. In 1996, 13 per cent. of 11 to 15-year-olds smoked, but the figure had gone down to 9 per cent. by 2004. The figure for all women between the ages of 16 and 19 in Great Britain went down from 31 per cent. in 2001 to 25 per cent. in 2003. That is to be welcomed.

My hon. Friend the Member for Barnsley, East and Mexborough (Jeff Ennis) and I have had several discussions about raising the age at which people may smoke, and I am considering the matter. We need to examine some of the evidence that he presented to the House when he introduced his Bill.

In relation to the provisions on smoking, let me quote two opinion formers. Deborah Arnott, the director of ASH, said:

> "This Bill will be a big step forwards for public health. If passed into law, it will save thousands of lives every year, as vulnerable people are no longer exposed to dangerous second-hand smoke at work, and as thousands of smokers are encouraged to cut down or quit altogether."

Giles Thorley, chief executive of Punch Taverns, one of the largest operators of public houses, said:

> "If self-regulation is no longer possible for the licensed trade industry, then legislation that offers both licensees and pub customers some degree of choice is certainly the next best thing. Although we acknowledge that the proposed non-food/food split will present some landlords with difficult decisions, nonetheless we feel that the distinction is relatively straightforward and workable as well as preserving some degree of choice."

The measures are a huge step forward. They will make enclosed workplaces covering more than 99 per cent. of the work force completely smoke-free. They will give choice to many millions of people in England. The number of smokers in England has fallen by 1.2 million since 1998. That is because of the considerable work done by the Government to tackle not only NHS services, but tobacco control, advertising and so forth.

Many hon. Members commented on the consultation. It is important to remember where the policy started. We consulted widely on "Choosing Health: making healthier choices easier", the most significant public health White Paper for generations. We learned that both smokers and non-smokers overwhelmingly wanted us to restrict smoking in public places, but the support was not as high for a total ban. Although support for that has increased, as my right hon. Friend the Member for Rother Valley (Mr. Barron) said, figures for the latest survey show that 31 per cent. of the public support it. There was, however, considerable support for banning smoking in places where there is food and in restaurants. We have had to grapple with the problem of reconciling health issues with what the public want in order to decide how to move forward.

Public opinion is important. It is not about popularity, but about taking the public with us. Several hon. Members talked about enforcement. That is important, but one reason why we know that voluntary bans, which we have seen for many years on transport, in restaurants and in other public places, have succeeded is because the public—smokers and non-smokers alike—supported them. That is why enforcement of the proposals—they are radical and far-reaching, but they have the support of the public—will be light touch.

Many countries decided to have exemptions in the first instance, especially in the hospitality sector. It is not a case of simply jumping ahead. They did that for the very reason that they could command public support

[Caroline Flint]

and take the public with them. That is why we have chosen to do the same thing. That goes for California, New York, Norway and practically every country in the European Union.

Let us not forget that Ireland also has exemptions. In response to hon. Members who mentioned Northern Ireland, I acknowledge that there was a consultation, but I have yet to see a public survey based on those conducted by the Government and ASH, through MORI and other companies, in which the public were directly asked for their views. *[Interruption.]* That was its choice.

We are working to tackle the things that affect health, in particular health inequalities. The biggest determinant of health outcomes is poverty. If I believed that a total smoking ban would affect the problems that I have seen in my constituency, in my life and as Minister with responsibility for public health, I would sign up to it tomorrow, but it is not as easy as that. We know that smoking takes place in the home. We know that people are affected by many other things that have an impact on their health inequalities. We have a package that will take us far further forward in reducing health inequalities and that shows that we are willing to act in an important area.

Question put and agreed to.

Bill accordingly read a Second time.

HEALTH BILL (PROGRAMME)

Motion made, and Question put forthwith, pursuant to Standing Order No. 83A(6) (Programme motions),

That the following provisions shall apply to the Health Bill:

Committal

1. The Bill shall be committed to a Standing Committee.

Proceedings in Standing Committee

2. Proceedings in the Standing Committee shall (so far as not previously concluded) be brought to a conclusion on Tuesday 10th January 2006.

3. The Standing Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.—*[Tony Cunningham.]*

Question agreed to.

HEALTH BILL *[MONEY]*

Queen's recommendation having been signified—

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a), (Money resolutions and ways and means resolutions in connection with bills),

That, for the purposes of any Act resulting from the Health Bill, it is expedient to authorise the payment out of money provided by Parliament of—

(a) any expenditure incurred by the Secretary of State by virtue of the Act,

(b) any increase attributable to the Act in the sums payable out of money so provided under any other enactment.—*[Tony Cunningham.]*

Question agreed to.

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

Immigration

That the draft Asylum (Designated States) (No. 2) Order 2005, which was laid before this House on 24th October, be approved.—*[Tony Cunningham.]*

Question agreed to.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

International Immunities and Privileges

That the draft European Forest Institute (Legal Capacities) Order 2005, which was laid before this House on 26th October, be approved.

That the draft European Court of Human Rights (Immunities and Privileges) (Amendment) Order 2005, which was laid before this House on 3rd November, be approved.—*[Tony Cunningham.]*

Question agreed to.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith, pursuant to Standing Order No. 119(9) (European Standing Committees),

Reducing the Climate Change Impact of Aviation

That this House takes note of European Union Document No. 12790/05 and Addendum 1, Commission Communication: Reducing the Climate Change Impact of Aviation; welcomes the work of the European Commission in taking forward the work programme on reducing the climate change impact of aviation; and supports the Government's approach to continuing to press for the inclusion of aviation in the EU Emissions Trading Scheme from 2006 or as soon as possible thereafter.—*[Tony Cunningham.]*

Question agreed to.

TAX LAW REWRITE BILLS (JOINT COMMITTEE)

Ordered,

That Mr Kenneth Clarke, Mr Nick Clegg, John Healey, Kali Mountford, Mr Andy Reed, Mark Tami and Peter Viggers be members of the Select Committee appointed to join with a Committee of the Lords as the Joint Committee on Tax Law Rewrite Bills.—*[Gillian Merron, on behalf of the Committee of Selection.]*

PETITIONS

BUPA Care Services

10 pm

Mr. Neil Gerrard (Walthamstow) (Lab): I would like to present a petition on behalf of my constituent, Mrs. Dee Sedgwick, about the care given to her mother, Mrs. Joan Gaddes, a resident in a care home for the elderly owned by BUPA Care Services. The petition states:

Wherefore your Petitioner prays that your Honourable House will urge this Government to take effective steps to bring BUPA to account and that the avoidable suffering and death of a dearly loved mother is not so easily excused in future.

To lie upon the Table.

Scottish Regiments Campaign

10.1 pm

Mr. Alex Salmond (Banff and Buchan) (SNP): I take enormous pleasure in presenting a petition on behalf of Andrew Nigel Hamilton of 16, Lynedoch place, Edinburgh and formerly of the Black Watch. He makes material observations to the effect that the abolition of the Scottish regiments is disgraceful and counter-productive. He make the point that the collapse in recruitment to the Scottish division amply demonstrates that the Government's policy is leading not just to a betrayal of tradition but an operational disaster for the Scottish division. Some 165,000 people in Scotland and far beyond have endorsed the petition, which will be taken to Downing street tomorrow. It states:

To the House of Commons

The Petition to Save the Scottish Regiments Campaign

Declares that Her Majesty's loyal army is at "overstretch" and is also facing the hitherto unforeseen threat to her country's homeland security posed by the London suicide bombers.

The Petitioners therefore request that the House of Commons urge Her Majesty's Government:

To re-examine with immediate effect, by means of a Defence Review, its decision to reduce the number of infantry battalions from 40 to 36.

To cancel, subject to the outcome of the Defence Review, the decision to amalgamate The Royal Scots regiment with the King's Own Scottish Borderers regiment.

To cancel the decision to replace the six historic Scottish infantry regiment with a single large regiment.

And the Petitioners remain, etc.

To lie upon the Table.

Mines Rescue Service

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Dhanda]*

10.3 pm

David Taylor (North-West Leicestershire) (Lab/Co-op): The main town in the constituency of North-West Leicestershire is Coalville—a place created by an industry that provided it with work, shaped its community, fashioned its landscape and gave it its name. My constituency office is close to the town centre and just a few hundred yards from the old No. 5 pit of Whitwick colliery. In the early hours of 19 April 1898, 42 men were in that pit when a fire broke out, 34 of whom were cut off and perished. Of the eight men who escaped by the main roadway or by the return airway, one bravely returned to the smoke and fumes in an attempt to help his workmates, but tragically he, too, died. That man, Charles Clamp, a 27-year-old onsetter, was heroically doing a job that has developed in the past century into a key role in the modern-day Mines Rescue Service, the courage, skill, knowledge and professionalism of which are renowned wherever coal has been mined in our nation.

I was privileged to unveil a statue on the centenary of that worst disaster in the history of the Leicestershire coalfield, and ever since then I have kept in touch with the MRS through visits to its original local headquarters in Ashby and its modern base at nearby Moira. Generations of mining communities have looked to the MRS and its predecessors for assistance. Now the MRS needs our help as it carves out a new future in a country with just a handful of remaining deep mines. Tonight's debate will summarise its present position and the options available to us.

Following the privatisation of the mining industry by the previous Conservative Administration, the Mines Rescue Service was formed on 17 January 1996 for the purpose of taking over the operations of the Mines Rescue Service and associated activities previously undertaken by the British Coal Corporation. Its turnover in the year to 31 March 2005, including £2.5 million from the Coal Authority, was around £6 million and its operating costs were £7.1 million. The MRS has, over the past nine years, followed a strategy designed to counteract the decline in membership fees paid by the coal mines by increasing other income earned by its employees.

Colin Burgon (Elmet) (Lab) *rose—*

David Taylor: I will happily give way to my hon. Friend, who advised me in advance that he wished to participate in the debate.

Colin Burgon: I congratulate my hon. Friend on securing this important debate. Today I spoke with Steve Kemp, the general secretary of the National Union of Mineworkers, who believes that the Mines Rescue Service should be treated in much the same way as the ambulance and fire service. He also believes, as I do, that it should be taken back into public ownership, along with what is left of our deep mine coal industry. Will my hon. Friend deal with these matters?

David Taylor: I hope the Minister will do so too. My hon. Friend knows from previous conversations that I fully agree with such an outcome. We shall see whether the Minister announces it in his response.

The other income that the MRS has tried to develop has been earned by the provision of health and safety services to industry in general, and it has so far successfully enabled funding gaps to be covered. The strategy has enabled the MRS to retain its highly trained personnel during a time when confidence in the future of the coal industry has been very low. The past 12 months, however, has seen a sudden and marked decline in output from the deep mines—13.1 million tonnes falling to 9.5 million tonnes—at a time when the industry itself has been in some financial difficulty. An anticipated fee income of £2.3 million has declined to £1.5 million, leaving a shortfall of £800,000.

Mr. Kevin Barron (Rother Valley) (Lab): My hon. Friend probably knows that I still have a deep coal mine in my constituency. I am one of the few people who believe that there is a future for deep mining in this country because we have access to millions of tonnes of reserves, but without the MRS on standby I do not know how the ordinary services could do the special job that it does if they were ever needed—God forbid—to go underground to rescue people at Maltby colliery.

David Taylor: That is a topic for a separate debate. There are 800 million tonnes of coal left in north-east Leicestershire, and I agree that we need to work those reserves in the future. The need for the MRS will be acute at that time.

Every effort is being made by the MRS to increase other income and reorganise services to the remaining underground mines without reducing standards. It is anticipated that the shortfall of £800,000 can be reduced by some £500,000, leaving an actual shortfall of £300,000, which can be carried this financial year, but losses cannot be sustained for next year. Action must be taken now to stop the decline.

Mr. Fraser Kemp (Houghton and Washington, East) (Lab): I have a mines rescue station at Houghton-le-Spring in my constituency, which has a proud and brave history. As we have lost the last deep coal mine in the northern region, the service has diversified into other areas, particularly specialist training in the fire service. Does my hon. Friend believe it would be a good idea for the Government to consider some seed-corn resources, as such diversification can be very expensive to develop? That would give the MRS the support that it needs to develop such training.

David Taylor: I am pleased that my hon. Friend mentioned that and I thank him for it. I shall deal with the point at the end of my speech.

The MRS is in discussion with the Health and Safety Executive, mine owners, trade unions and its own employees about a more efficient use of the mines rescue resource. Operational personnel cover 24/7 and they will, within the constraints of the legislation, provide an overall framework of emergency cover to the mines as efficiently and effectively as they can. These changes will not reduce numbers overall, but will release operational personnel for income-generating work elsewhere.

The expertise of the MRS is unique and its advice and training is much sought after by industry, fire brigades and the civil resilience directorate. I know that it will continue to work with these as long as it is financially able. The UK coal industry has an enviable record for safety worldwide and the MRS will hopefully continue to play a major role in ensuring that that continues as long as underground mines exist in the UK.

May I instance just one example of how the MRS has diversified in recent times? On 11 May 2004, a huge explosion at the ICL Stockline plastics factory in Maryhill, Glasgow caused a four-storey building to collapse, killing nine people and injuring 40. In the three days of intense rescue and stabilisation activity that followed the collapse of the factory building, more than 200 firefighters were involved in freeing trapped workers from the wreckage. Time is, of course, the crucial factor in such search and rescue operations, and the work of the Strathclyde fire and rescue service was greatly assisted by the presence at the scene of staff from the MRS office in Fife.

The chief officer of the Strathclyde fire and rescue service, Brian Sweeney, has praised the role that the 14 members of the MRS staff played at Stockline over that tense three-day period, which has subsequently led to training and development links of the sort that my hon. Friend the Member for Houghton and Washington, East (Mr. Kemp) mentioned being forged between Strathclyde fire and rescue service and the MRS. When my office contacted Mr. Sweeney, he said:

"The expertise and commitment of the Mines Rescue team from Crossgates, Fife was invaluable during the search and rescue phase of the tragic incident at Stockline Plastics, Glasgow . . . The knowledge, skills and experience of the Mines Rescue staff provide a much valued resource to enhance the skills and safety of firefighters in the area of Urban Search and Rescue."

That endorsement of the specialist skills and professionalism of MRS staff clearly illustrates the enduring importance of such skills in reacting to disasters of a potentially bewildering diversity, particularly in urban areas.

In discussing with the MRS its experiences at Stockline, I have been struck by the impact on search times that its expertise brought to the situation. Minor details suddenly become extremely significant when the clock is ticking on a search and rescue operation in such a hazardous environment as a collapsed building. The fact that the breathing apparatus that the MRS carries as standard has a minimum of four hours air supply increases in importance when one realises that the standard air supply carried by a firefighter is 20 minutes. That is not a criticism of firefighters or the fire and rescue service—far from it—it merely provides further demonstration of the flexibility, adaptability and specialised nature of the skills and equipment possessed by MRS staff.

In my county, Leicestershire, the MRS has supported and assisted the fire and rescue service in a number of ways, most significantly in the development of Leicestershire fire and rescue technical rescue team. As a result of that partnership, Leicestershire is one of the leading fire and rescue services in the new dimension

urban search and rescue roll-out programme. Ian Holden, the manager of Leicestershire's technical rescue team, has commented:

"Our joint collaboration with the MRS . . . has increased our capacity to assist members of the public who are in need of rescue. There is no other organisation that has this technical expertise within the United Kingdom."

I appreciate that the fire service comes under the remit of the Office of the Deputy Prime Minister, but I am sure that the Minister agrees that that is powerful testimony.

The continued decline of the domestic coal industry is an obvious challenge for the MRS, and UK Coal's sudden and unexpected closure of the last working coal mine in the north-east of England, Ellington, was an unwelcome shock for all concerned. However, the MRS has been able to mitigate the impact of the loss of working mines in the UK by planning for it. The sale of land assets, not least the former headquarters at the Selby complex, and a 29 per cent. increase in income from non-traditional streams in the past year, have enabled the MRS to address its pension fund deficit, invest in its national network of rescue stations and training centres and upgrade vital search, escape and rescue equipment.

Mr. Alan Meale (Mansfield) (Lab): I thank my hon. Friend for giving way and congratulate him on securing the debate. He has mentioned other income streams: the MRS headquarters in Mansfield has recently been used as an estate agents to sell holidays and holiday cottages and flats abroad. A recent case involved land and property in northern Cyprus owned by refugee Greek Cypriots, one of whom resided in my constituency. Such practices do not suit the operation of the MRS, and I urge my hon. Friend to urge his friends to desist from such activities.

David Taylor: That is not the sort of diversification that I had mind, and I will certainly raise the matter with the MRS.

The growing range of emergency escape and rescue services provided by the MRS offers an alternative source of income that benefits not only the company, but society as a whole. The Government have provided financial assistance to the MRS to the tune of £2.5 million in each of the past two years, but that is not the whole picture. The Minister for Energy, who is unable to respond today, has said:

"This funding enabled Mines Rescue Services Ltd. to reimburse to UK deep-mine operators the production-related levy sums which the latter had paid to the company throughout that period."—[*Official Report*, 6 July 2005; Vol. 436, c. 464W.]

The payments from the Coal Authority to the MRS have gone back to the mining companies, which are thereby assisted by the Coal Authority in that regard. It is a source of regret to the MRS, its staff and its many supporters that the £2.5 million payments from the Coal Authority to itself via the MRS have been the extent of a Labour Government's financial help to a service that is increasingly needed beyond the shrinking confines of its industrial origins. The MRS only ever budgets to break even and still performs its statutory duties at the remaining deep coal mines in the UK to a high standard. Although the Government have helped to prolong the existence of some of the remaining pits by making those payments from the Coal Authority to the MRS over the past two years, I feel that they should make a continued further contribution to secure the continued existence of the MRS. The long-term strategic aims of the company are working, and it is anticipated that its continued diversification will reduce net costs and enable it to become less reliant on the UK deep coal mine industry. Yet member companies running underground coal mines in the UK continue to have access to a fully functioning and cost-effective emergency escape and rescue capability.

Consolidation of the role of the MRS in the provision of escape and rescue emergency services in the mining sector has been achieved in the form of a three-year contract with the Coal Authority. The deal is to provide 24/7 emergency response call-out for surface hazards associated with legacy coal mining activities. A year into the contract, the MRS is meeting stringent service delivery targets and creating an excellent working relationship with Coal Authority representatives. During the past year, the MRS has successfully bid for several large training contracts in mining and non-mining sectors. The outsourcing of health and safety training requirements has benefited it, and the acquisition and use of mobile training facilities has increased its competitiveness.

Many Members have been consistent advocates for the MRS since 1996 and are well aware, often through the bitter industrial experiences of their communities, of the origin of the skills that it has honed so well for a broader search and rescue application. I pay particular tribute to my hon. Friends the Members for Mansfield (Mr. Meale) and for Elmet (Colin Burgon), who are both present, and to others who have intervened.

Mr. Meale: As my hon. Friend well knows, I am the Member of Parliament for Mansfield. In the 18 or 19 years for which I have been a Member, the MRS has been in contact with my office on no occasion other than the recent case that I mentioned. When I inquired of other Members, they said that they have had no personal one-to-one communications with it. I wanted to put that right.

David Taylor: I am happy for my hon. Friend to do that. I know that he has recently asked questions about the future of the MRS.

Those Members are rightly proud of, and reassured by, their constituencies being bases for the MRS, and have consistently lobbied the Government on its behalf.

So what of the future? Industrial accidents on the awful scale seen yesterday at the Dongfeng mine in north-east China may be regarded as a thing of the past in this country, but the skills, knowledge and expertise developed first by the British Coal Corporation and continued by the MRS have the potential to be of crucial benefit in a wide range of disastrous circumstances in many parts of the world.

Our industrial history has bequeathed us an exceptional search and rescue service that we risk losing at a time when we face a distinct threat from our past—international terrorism. That is most likely to strike in urban areas, as the appalling events in parts of London on 7 July this year tragically confirmed, and the MRS is the only organisation adapted purely to the needs of emergency search, rescue and escape situations. We cannot afford to lose those skills at this time.

[David Taylor]

We have come a long way since the heroic efforts of Charles Clamp and the many other miners who perished trying to save lives that some pit owners disdained as mere numbers. I hope that we will hear some recognition from the Minister of the Government's duty to recognise the past legacy, current value and future potential represented by the MRS. Some companies appoint themselves to a tier of the emergency services in their advertising. The MRS can legitimately claim that through its training and development of a growing number of fire and rescue service staff across the UK. As my hon. Friend the Member for Elmet said, that suggests a continued public sector involvement. No fanfare is required, just Government funding to meet the present shortfall if we are to continue to benefit in the medium term from the skills, courage and professionalism of the MRS, to which all Members here would pay tribute.

10.19 pm

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. Gerry Sutcliffe): I congratulate my hon. Friend the Member for North-West Leicestershire (David Taylor) on securing an important debate. I thank him, my right hon. Friend the Member for Rother Valley (Mr. Barron) and my hon. Friends the Members for Mansfield (Mr. Meale) for Elmet (Colin Burgon) and for Houghton and Washington, East (Mr. Kemp) for their contributions. I also thank my hon. Friend the Member for North-West Leicestershire for understanding why my hon. Friend the Minister for Energy is not replying to the debate.

It goes without saying that underground coal and other mining operations take place in highly hazardous conditions. A fire or explosion underground can produce large quantities of carbon monoxide and other noxious gases. Old workings and mine waste can release asphyxiating fumes. Serious machinery or transport accidents can also occur. However, for me, the most harrowing possibility is a roof fall that leaves miners trapped underground, perhaps miles from the safety of the pithead.

Despite those ever-present dangers, I am glad to say that the coal mining industry's recent safety record in this country is excellent. There has been one fatality this millennium and only 53 major injuries occurred in 2004–05. Of course, that detracts neither from the fact that it is vital for mine operators to have access to the specialist underground rescue services to respond to emergencies on the thankfully rare occasions that they occur, nor from the courage and dedication of those whose business is to provide those services.

In the United Kingdom, local authority emergency services generally deal with fires, explosions and gas leaks on the surface in residential, commercial and industrial premises. However, they do not have the specialist skills and experience necessary to cope with underground emergencies, which require specialised breathing apparatus and other equipment, and important specialist training.

Mines rescue services are principally relevant to the deep mine coal industry. However, other underground mines such as salt, gypsum, stone, potash and storage mines may also use them. In addition, their services may on occasion be called on to rescue members of the public from abandoned mine workings, culverts and confined spaces.

Against that background, the Escape and Rescue from Mines Regulations 1995 provide the current legislative framework for mines rescue in the UK. Under the regulations, owners of all types of mine must make what are termed "effective arrangements" for the rescue of persons operating below ground. However, the owners of coal mines in particular must ensure that sufficient trained and fully equipped rescue team members are available as required to provide a continuous 24-hour rescue service. To that end, coal mine operators must participate in a Government-approved mines rescue scheme.

The scheme requires: the maintenance of an adequate pool of full and part-time rescue workers; the operation of a common command structure with suitably qualified and competent rescue offices to supervise the training and operation of rescue teams; the maintenance of regional mines rescue stations at suitable locations, with common communication systems; suitable equipment that is common throughout the country; similar training for all rescue personnel, and the co-ordination of arrangements for mutual assistance between members in an emergency situation at any member's mine.

As we all know, privatisation of the coal mining industry in 1994 led to the creation of several new deep-mine owners. In the 1993 White Paper "The Prospects for Coal", the Government of the day clearly reaffirmed a commitment to ensuring that health and safety standards would be maintained after privatisation. The document states:

> "Safety must, of course, continue to be paramount. The Government is determined to ensure, in consultation with the Health and Safety Commission, who remain responsible for safety regulation in the industry, that the existing high safety standards in such mines are maintained after they pass into the private sector."

The maintenance of effective mines rescue provision clearly was, and continues to be a vital part of that equation.

For a period following its effective withdrawal from mining, British Coal provided to its successor deep-mine operators a fully trained mines rescue service, which, at the time, numbered around 100 full-time and 500 part-time rescue workers. In 1996, the assets, employees and liabilities of British Coal's mines rescue operation were transferred to a stand-alone company, Mines Rescue Service Ltd. has fulfilled the requirements of the statutory scheme ever since.

As my hon. Friend the Member for North-West Leicestershire said, Mines Rescue Service Ltd. operates from headquarters in Mansfield in Nottinghamshire and from a network of rescue stations in the proximity of the remaining deep mines, whose operators, principally UK Coal and Tower colliery, finance the service by means of a production levy, currently standing at 16p per tonne.

In 2002, the Health and Safety Executive commissioned an examination of alternative structures for the provision of mines rescue arrangements in Great Britain and to assess their relative merits against credible scenarios for the future coal mining industry.

The resultant report concluded that, from a structural perspective, the existing arrangements provided the most flexible and lowest cost means of ensuring rescue cover to both large and small mine operators.

However, it would be remiss of me if I did not acknowledge that, in examining the funding aspects of the service, the 2002 report propounded several alternatives to the status quo, recognising the further contraction in the industry that had taken place since the service's creation. It suggested that there were cogent arguments for partial or total Government funding. In doing so, it noted that, in other countries with active deep mine coal industries, Governments provided funding or at least a subsidy. International comparisons suggested that it was common for operators to contribute to the funding of mines rescue provision up to a specified limit, and for the balance to be met centrally. Such a system obviously provides operators with greater certainty that they will be insulated against cost escalation.

We were sufficiently persuaded by the case for Government assistance when, in 2003, we were considering how best to formulate a package of support for the coal sector. The principal element of what emerged was, of course, the coal investment aid scheme, from which we have awarded more than £58 million to deep-mine projects. At the same time, we pledged to endeavour to provide funding for the MRS over the three-year period from 2003 to 2006. However, finding those funds was always going to be an uphill struggle. None the less, I am glad to say that last year and the year before, our efforts were successful, thanks to the Coal Authority.

The authority, as most hon. Members will know, is the industry's licensing body and the inheritor of much of the environmental legacy of past mining. Some of its functions are self-financing but, for the others, it receives grant-in-aid funding from my Department. As well as inheriting a raft of liabilities, the authority was heir to a good deal of former British Coal land and property, and it has been disposing of this over the years. In both 2003–04 and 2004–05, we allowed the authority to direct windfall gains on property sales towards the MRS. The £2.5 million paid in each of those years enabled the service to reimburse deep-mine operators for the levy payments that they had made over the period. Regrettably, however, it looks highly unlikely that we will be in a position to repeat the process this year or in the future.

David Taylor: I know that my hon. Friend will discuss these matters with the Minister for Energy tomorrow, but may I just tell him that the decline in coal mining production has been sudden and steep, and what we are seeking is bridging support for 12 months or so, to allow the MRS to diversify even further in the successful way that it has in the past?

Mr. Sutcliffe: I thank my hon. Friend for his intervention. I shall come to that matter shortly. I know that he, too, is going to meet my hon. Friend the Minister for Energy.

My hon. Friend mentioned the diversity that the MRS has been proactive in seeking. It has been shaping its destiny in a way that helps to minimise the need for industry funding. The company has valuable and, in certain respects, unique experience and expertise in first aid, fire fighting, the use of breathing apparatus and, most significantly, working in confined spaces. It has skilfully marketed this expertise, principally to the other emergency services, in the form of training programmes. At the same time, it has exploited its ability to provide an emergency response throughout coalfield areas to secure a contract to provide the Coal Authority with a surface incident service which involves experienced mines rescue staff being the first to arrive on the scene when hazards such as ground collapses arising from historic mining are reported. I know that, in the constituency of my hon. Friend the Member for North-West Leicestershire, the MRS is in discussion with the east midlands fire and rescue service with a view to entering into a memorandum of understanding that will provide for collaboration in the provision of life-saving intervention at collapsed structures and other similar incidents.

All of these activities are helping to support the core deep-mine rescue service that the company was originally established to provide, and are instrumental in ensuring, for the meantime at least, that there will be no increase in the industry levy. While I appreciate that the service might have to dip into its limited reserves to make good a modest budget shortfall this year, I have some confidence, given its excellent track record up to now, that its tireless pursuit of new and different business opportunities should see it fair for the future.

That is the spirit in which my hon. Friend has asked us to try to resolve the difficulty in the short term, and I know that my hon. Friend the Minister for Energy will look at ways to protect and develop the service in conjunction with the other emergency services along the lines that my hon. Friend has described.

David Taylor: As the Minister rightly says, I hope to discuss these matters with the Minister for Energy when he becomes available. Tomorrow, will he ask the Minister for Energy, who has a good track record in response to the coal mining industry, to strain every sinew and tap every fund that might be available to give breathing space to this important organisation, as it has tried so hard in its professional life to give breathing space to trapped miners? It is trapped in a position not of its choosing. It seeks an escape route, and the Government can offer that escape route, which is required for a brief period. I hope that he will put that case strongly and vigorously to the Minister for Energy when he next discusses the matter with him.

Mr. Sutcliffe: I will certainly do so, echoing how my right hon. and hon. Friends have put the case this evening. We value what the service does, and we will try to find ways to be of assistance. The Department is in a tight financial position anyway, but discussion about what the service is already trying to do to diversify will help. I am prepared to add my voice to my hon. Friend's to make sure that there is a successful outcome.

Question put and agreed to.

Adjourned accordingly at half-past Ten o'clock.

House of Commons

Wednesday 30 November 2005

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

WALES

The Secretary of State was asked—

Health Service (Capital Investment)

1. **Mrs. Madeleine Moon** (Bridgend) (Lab): What discussions he has had with the First Minister on capital investment in the health service in Wales. [31667]

The Parliamentary Under-Secretary of State for Wales (Nick Ainger): I have regular discussions with the Assembly Minister for Health and Social Services on a range of issues including the capital investment programme in Wales. The Assembly budget provides for NHS capital investment of some £674 million in the three years to 2008. That investment is aimed at key NHS priorities including the reconfiguration of hospital provision, the diagnostic strategy underpinning those services, provision of mental health services and the improvement of patient access times.

Mrs. Moon: I thank the Minister for that response. Will he encourage the First Minister to tie in the generous capital allocation mentioned in his response with consequent revenue resources, to enable those high-performing trusts such as Bro Morgannwg NHS Trust in my constituency to forge ahead with the exciting "Designed for Life" agenda in Wales?

Nick Ainger: Generous revenue spending is planned by the Assembly, which builds on its record in that the Assembly has spent £4.3 billion on health in Wales, which is almost double the 1997 figure. That funding means an extra 450 consultants and 7,300 qualified nurses. By 2010, the Assembly plans to employ 700 more consultants and GPs, 6,000 more nurses and 2,000 other health professionals. That demonstrates a clear commitment to the NHS, which is sadly lacking from the Conservative party.

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): Given that NHS trusts across Wales are severely in the red, and with the axe hanging over services at numerous good hospitals such as the excellent Withybush hospital in Pembrokeshire, will the Minister accept that devolution simply has not worked for the NHS in Wales? As many health service professionals will tell him, health services in Wales are being allowed to decay because of ideological roadblocks at the Assembly.

Nick Ainger: That is not the case, and I am surprised that the hon. Gentleman has said that, bearing in mind that, as I understand it, he is a supporter of the hon. Member for Witney (Mr. Cameron), who yesterday endorsed the devolution settlement and said that he might even consider taking it further. However, he refers to Withybush hospital, and I am well aware, as I am also a relatively local Member to that hospital and a considerable number of my constituents use it, of the real problems there. I am aware that clinicians are concerned about the hospital's future. Following discussions with the Assembly Minister for Health and Social Services, I can assure the hon. Gentleman that there are no plans whatever to downgrade Withybush hospital. The generous additional funding that that and many other trusts throughout Wales have received—the local health board in Pembrokeshire has received a 28 per cent. increase in the past three years—means that they should be able to manage. The Assembly's track record on investment in the NHS is excellent—

Mr. Speaker: Order.

Mr. Wayne David (Caerphilly) (Lab): Does the Minister agree that the decision to invest £108 million in a new hospital in Caerphilly is eloquent testimony that health policies are working in Wales?

Nick Ainger: Absolutely. This year, capital expenditure will be £186 million, next year it will be £220 million, and in 2007–08, £309 million. Surely that shows the rapid increase in investment in the NHS throughout Wales, and I congratulate my hon. Friend on receiving substantial investment for a brand new hospital, which will be able to reconfigure a number of smaller hospitals to improve services for his constituents.

Hywel Williams (Caernarfon) (PC): Investing in "Designed for Life" will require a great deal of capital spending, but that will be subject, as I understand it, to capital charges of between 7 and 10 per cent. That was a great problem with the new Alltwen hospital in Tremadog. The danger is that current services will be cut in order to meet those charges. Can the Minister give us any hope that he might press his colleagues in the Assembly to freeze those charges in order to avoid such cuts?

Nick Ainger: I have discussed that issue with the Assembly Minister, and it is an issue that the Assembly can consider. The fact remains, however, that revenue investment from the Assembly is way above the inflation rate. The choice that a trust has to make is whether to opt for that investment. Because the revenue investment has been so generous, they are certainly able to pay for the capital charges.

Bill Wiggin (Leominster) (Con): We have heard from the Minister about the spending, and we have heard him say that the trusts should be able to manage. Can he tell us why there has been a 17 per cent. reduction in the

number of beds over the past few years, why there has been an 18 per cent. increase in the number of complaints during this year alone, why one person in 10 is still on a waiting list in Wales, and why there do not seem to be any NHS dentists?

Chris Ruane (Vale of Clwyd) (Lab): He is on his way out!

Nick Ainger: I am not sure whether that is true. Certainly the result on Monday may affect the hon. Gentleman's future.

The hon. Gentleman must explain to the House why he fought a general election on a manifesto that proposed the introduction of patient passports, which would have cut—

Mr. Speaker: Order. The Minister is well out of order. He must not talk about the Conservative party's manifesto. Perhaps he will now answer the question.

Nick Ainger: It was a temptation that I could not resist, Mr. Speaker. I apologise.

Wales is addressing its problems. *[Interruption.]* Yes, there are problems; no one is denying that. All of us, as constituency Members, know that there have been problems—but they are not due to a lack of resources: that is the issue. The hon. Gentleman and his party have no plans whatever to address the issues. That is the point.

Rail Services (South Wales)

2. **Mrs. Siân C. James** (Swansea, East) (Lab): If he will make a statement on improvements to rail services in south Wales. [31668]

The Parliamentary Under-Secretary of State for Wales (Nick Ainger): I welcome improvements made to rail services in south Wales, such as the reopening of the Vale of Glamorgan line. I look forward to further improvements across Wales as a result of the introduction of the new Arriva Trains Wales timetable on 11 December.

Mrs. James: Does my hon. Friend share my concern about the deterioration of punctuality and reliability on First Great Western trains from Swansea? At the beginning of November the managing director was forced to apologise to her customers

"for the recent deterioration in performance levels of service".

Today she has had to apologise again.

Between 1997 and the end of the current financial year—*[Interruption.]* Hold on! Between 1997 and the end of the current financial year the company has received £335 million in public subsidy, yet it has paid only £17 million in penalties. In view of that huge public investment, will my hon. Friend make representations to the company about its poor performance?

Nick Ainger: I am very conscious of the number of recent disruptions on services between south Wales and Paddington. My hon. Friend the Member for Halton (Derek Twigg), the Under-Secretary of State for Transport, has already held meetings with First Great Western and Network Rail to discuss the problems.

As my hon. Friend will know, the agreement for the new Greater Western franchise will contain strict targets for year-on-year improvements in punctuality. The Government are determined to respond properly to any failure to meet those targets. We are investing £87 million a week in rail infrastructure. Unfortunately, as with road repairs, that sometimes causes delays, but the fact remains that we are making the investment.

Mark Williams (Ceredigion) (LD): Does the Minister agree that one line that lacks investment is the Shrewsbury to Aberystwyth line? Will he join local campaigners in calling on those responsible to reinstate an hourly service?

Nick Ainger: The hon. Gentleman may wish to take that up with Andrew Davies, the Minister for Economic Development and Transport in the Welsh Assembly, as the Assembly now has powers in relation to assisting and improving rail services. As he will know, the new budget was announced last night—or was it this morning? It is clear from that budget that the Assembly now wishes to improve services for rail passengers throughout Wales, and I am sure that it will be able to consider the line to which the hon. Gentleman referred.

Nia Griffith (Llanelli) (Lab): What representations is the Minister making to Arriva Trains about what I call the peapod train—a minuscule green train that runs from Llanelli westwards and never has enough places for its passengers?

Nick Ainger: I will certainly make representations on behalf of my hon. Friend, but the new timetable that Arriva will be working to from 11 December will introduce an additional 950 services a week across the network in Wales. There will be more seats on peak time services, a 28 per cent. increase in Sunday services and a number of new services from stations in Wales. We should all welcome that. It is clear that the Government's investment is now being reflected in improved services, with more and more passengers using them.

Pensioners

3. **Mark Tami** (Alyn and Deeside) (Lab): What discussions he has had with ministerial colleagues on help for pensioners in Wales. [31669]

The Secretary of State for Wales (Mr. Peter Hain): I have regular discussions with ministerial colleagues on a range of issues, including measures to help pensioners in Wales.

Mark Tami: I thank my right hon. Friend for that answer and I also welcome the many measures that the Government have delivered for pensioners in Wales. However, does my right hon. Friend accept that the take-up of council tax benefit by pensioners remains low? What more can we do to highlight the existence of that benefit to those who need it most?

Mr. Hain: My hon. Friend is right that take-up is lower than it should be. I welcome the fact that, in the budget agreed yesterday, the Assembly has decided to

invest: an extra £1.5 million to promote council tax benefit take-up. My hon. Friend should also bear in mind the fantastic help that the Government are giving to pensioners in Wales: £200 winter fuel payments and upwards of £400 council tax support, which will help a significant majority of nearly 500,000 households in Wales. The over-75s are benefiting as 186,000 pensioner households in Wales have free television licences—Labour delivering for pensioners in Wales. There are free bus passes for the over-60s provided by a Labour-run Assembly—Labour delivering once again for pensioners in Wales. We will have the first ever champion of pensioners in Europe when the Bill to appoint a commissioner for pensioners in Wales goes through Parliament. Yet again, Labour is delivering for pensioners in Wales.

Mr. Roger Williams (Brecon and Radnorshire) (LD): Settens, an organisation in my constituency that makes box files, runs a very good pension scheme that has promoted employee loyalty. However, it is now afraid that the added financial burden of the pension protection fund will put that scheme's future in doubt. What assessment has the Secretary of State made of the pension protection fund and its effect on small and medium-sized enterprises in Wales?

Mr. Hain: The hon. Gentleman raises an important matter, but he must concede that the average pension in Wales is now £1,500 a year higher in real terms under the Labour Government. If there are additional issues to address, as there always will be, we will certainly listen and consider them.

Paul Flynn (Newport, West) (Lab): Does the Secretary of State recall that for five consecutive years, early-day motion 1 called for the restoration of the link between pensions and earnings? In fact, the Government have done far better than that, as they have increased pensions and introduced other benefits that are equivalent to a far greater amount than would have been generated by restoring that link in 1997. Does my right hon. Friend welcome the splendid report published today by Adair Turner and will the Government approach this reform, which could be their major reform, with humility and a sense of urgency?

Mr. Hain: The Government always act with humility and a sense of urgency and we will certainly do so in respect of Lord Turner's important report. I know that my hon. Friend will welcome the fact, as it is implicit in his question, that the poorest third of pensioner households across Wales and, indeed, in the rest of the United Kingdom, are now £2,000 a year better off than they were under the Tories.

Bill Wiggin (Leominster) (Con): We have heard from the Secretary of State about the money that the Government are handing out to pensioners this winter, but Steve Cranston, the director of National Energy Action in Wales, estimates that 223,000 households will not be able to heat their homes adequately this winter. My concern is about the number of people over 65 who may die. Last year, there were about 1,200 such deaths; this year, it could be as high as 1,800. Does not the Secretary of State realise that his £400 handout amounts to less than the average band D council tax increase in Wales?

Mr. Hain: The truth is that under our Government, more support for council tax payments is being given to pensioners than ever before. I am getting a little worried on behalf of the hon. Gentleman. His putative leader, the hon. Member for Witney (Mr. Cameron), says that

"it does make sense . . . to have MPs who sit for Welsh seats being responsible for Welsh matters".

Where does that leave the hon. Gentleman?

Licensing Hours

4. **Jessica Morden** (Newport, East) (Lab): How many applications have been granted for 24-hour sale of alcohol licences in (a) Newport, East and (b) Wales. [31670]

The Parliamentary Under-Secretary of State for Wales (Nick Ainger): I understand that one application, for a supermarket, has been granted in Newport, East. Only 61 applications have been granted by local authorities in Wales, 40 of which are for supermarkets and retail sites, and only 21 for pubs, clubs and hotels. That is out of an estimated total of 12,000 licensed premises in Wales.

Jessica Morden: My hon. Friend's reply shows that the idea that the amended Licensing Act 2003 would bring about widespread 24-hour pub opening is a myth. Will he explain, however, what the Government are doing to tackle alcohol-related disorder in cities such as Newport?

Nick Ainger: My hon. Friend is right: there is a substantial gap between the reality on licensing and the scaremongering by Opposition parties and certain sections of the media. Predictions of widespread disorder at the weekend were way off the mark; police reported a level of activity similar to, or lower than, before the introduction of the new licensing hours. Under the 2003 Act, we will expand the police's closure powers where disorder is occurring or is anticipated. We will increase the penalties for breach of licence conditions and for selling alcohol to children or to people who are drunk, and remove personal licences following convictions. Moreover, the Violent Crime Reduction Bill includes measures such as alcohol disorder zones and drink banning orders. That shows that the Government are absolutely committed to tackling alcohol-related crime.

Jenny Willott (Cardiff, Central) (LD): In my own constituency, Cardiff county council has proved very effective at processing licensing applications in time for the 24 November deadline, but many other councils across the UK have not been so successful. Does the Minister have any idea how many premises in Wales are trading illegally because their licences are still pending or because they have yet to apply? How does he propose to deal with premises that, as of last Thursday, were trading outside the law?

Nick Ainger: I cannot give the figure that the hon. Lady asks for, but let us be clear: local authorities in Wales have dealt with the applications made. As I said, only 61 applications were made for 24-hour licences,

and a number of others were made for extended licences. I will write to the hon. Lady with the figure that she asks for once I have it to hand.

Huw Irranca-Davies (Ogmore) (Lab): As a former licence holder myself, I am fully aware that there are four categories of people whom licence holders cannot serve: vagrants, women of the night, the police and drunks. Does my hon. Friend agree that one of the best ways to make use of the existing licensing powers and the new ones is to take away the licences of those who knowingly sell alcohol to people who are clearly over the limit, before such people wander on to the streets and cause trouble?

Nick Ainger: My hon. Friend is right, and such powers are included in the 2003 Act. It is not just about drunks; licensees who sell alcohol to children can have their licence revoked on a first offence.

Bill Wiggin (Leominster) (Con): In the past five years, alcohol-related deaths in Wales have soared by 20 per cent. That is not scaremongering. One in 13 people is fighting alcoholism, and 40 per cent. of patients admitted to accident and emergency are suffering from alcohol-related ailments or illnesses. Does the Minister see the contradiction between the proposed total ban on smoking in Wales and the damage resulting from extending licensing hours?

Nick Ainger: Research in Scotland, for example, where licensing hours were extended substantially some years ago, focused on the question of evidence of alcohol-related disorder. Extended opening hours do not necessarily mean that alcohol consumption is increased. The powers that the new Act gives to local councils and the police should stop licensees abusing their position and selling alcohol to people who have had too much. *[Interruption.]*

Mr. Speaker: Order. I ask the House to come to order.

Police Restructuring

6. **Mr. Philip Hollobone** (Kettering) (Con): What discussions he has had with the Home Secretary about the restructuring of police forces in Wales. [31672]

The Secretary of State for Wales (Mr. Peter Hain): I have had several discussions with my right hon. Friend the Home Secretary on this matter. We see no realistic alternative to a single force for Wales if the objectives set out in the report by Her Majesty's inspectorate of constabulary are to be achieved. However, decisions will not be made until we have final recommendations from the police service.

Mr. Hollobone: Given the effectiveness and popularity of the existing police forces in Wales, what evidence does the Secretary of State have that a merged national force would be more effective or more popular?

Mr. Hain: The hon. Gentleman is right to say it that the existing police forces are popular with local people. However, HMIC identified a point that is very important for all hon. Members, especially those with constituencies in Wales, namely, that we face new challenges of terrorism, drug trafficking and serious organised crime that the present structure in Wales of four separate police forces acting on their own does not have the capacity to meet. That is why we are proposing a different structure, but it is important that neighbourhood policing and local accountability are retained.

Albert Owen (Ynys Môn) (Lab): My right hon. Friend will know my concerns about an all-Wales force. They are shared by people across north Wales who fear a possible drift of resources to south Wales. Will he give an assurance that budgetary controls under any restructuring will mean that resources remain in the regions for community policing?

Mr. Hain: I am certainly aware of my hon. Friend's quite proper concern about this matter. It is shared by those other hon. Members with north Wales constituencies whom I met in my office this morning. I think that it makes sense to have an all-Wales force to deal with the new challenges of terrorism, serious organised crime and drug trafficking. However, at this morning's meeting, I assured hon. Members that, if we go down that road, the resources presently devoted to north Wales must be at least maintained. Those resources must be locked in. North Wales has led the rest of Wales in respect of neighbourhood policing, and the best practice in neighbourhood policing must be spread southwards. I do not think that an all-Wales force will injure in any way the performance of the police in north Wales—indeed, I believe that it will enhance it.

Lembit Öpik (Montgomeryshire) (LD): First, may I thank the Secretary of State and other colleagues for the support that they showed to me following my brother's death last week? Hon. Members have been very understanding and sympathetic.

I understand that the Government are committed to a consultation about the proposed merger of the police forces in Wales. The proposals are opposed by the Liberal Democrat, Conservative and Plaid Cymru parties, and by a large proportion of Labour MPs. Will the Secretary of State therefore assure the House that the consultation will be genuine and that if there is overwhelming opposition to the merger, the Government will take that feedback on board and think again?

Mr. Hain: The whole House does indeed express its sympathy for the hon. Gentleman, as we did last Wednesday.

The hon. Gentleman is suggesting that we should ignore the fact that HMIC has pointed out that the existing policing structure—including in Wales—does not have the capacity to deal with the new, big threats posed by crimes at level two and especially level three, including terrorism. We can protect neighbourhood policing and regional accountability, including in north Wales and Dyfed-Powys, and still make sure that we have a much better and more modern police structure that is able to deal with the new threats.

John Smith (Vale of Glamorgan) (Lab): Will my right hon. Friend assure the House that any proposals to restructure police forces in Wales to deal with serious crime will take into account the fact that organised criminals do not recognise national boundaries? In south Wales, organised crime tends to cluster in the area between Cardiff and Bristol, and along the M4 corridor to London. In north Wales, it is most common along the A55 heading into the north-west of England.

Mr. Hain: My hon. Friend is right. The flow of serious organised crime does tend to go from east to west in both south and north Wales. However, I am sure that he will agree that given cases such as the Soham murder case, which overwhelmed the local police force, the future threats that we face from potential terrorist attacks, including in Wales, and drug trafficking and serious organised crime, we must have a modern police structure able to deal with those threats. Our voters will expect nothing less.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): Further to the replies from the Secretary of State, can he tell the House the evidence base for the Government's assertion that police forces with fewer than 4,000 officers are somehow ineffective in dealing with organised crime?

Mr. Hain: The evidence base is contained in the recommendations from Her Majesty's inspectorate of constabulary. I find it puzzling that Plaid Cymru, the Liberal Democrats and, apparently, the Conservatives should want to stick their heads in the sand and not deal with the new emerging threats of terrorism, drug trafficking and serious organised crime. We want a modern police force able to deal with those threats and we think that the people of Wales support us in that.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [32922] **Mr. Wayne David** (Caerphilly) (Lab): If he will list his official engagements for Wednesday 30 November.

The Prime Minister (Mr. Tony Blair): This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings later today.

Mr. David: In the Prime Minister's busy schedule, has he had a chance to see Monday's copy of *The Western Mail*? If so, he will have seen an excellent report of Wales's tremendous victory on the rugby field against Australia on Saturday, but he will also have seen a very good report about a boom time for the Welsh economy—some 120,000 jobs have been created in the Welsh economy since 1999. Does my right hon. Friend agree that that record is in sharp contrast to what the Conservative party did when they were in power?

The Prime Minister: I have now had the opportunity to see the front page of *The Western Mail*—that is at least one front page that I welcome. My hon. Friend is absolutely right: unemployment in Wales has halved over the past eight years; employment is at record levels; more than 100,000 people have secured jobs through the new deal; and Wales has had the second fastest growth rate in the UK. That should please everyone in Welsh constituencies or of Welsh origin.

Mr. Michael Howard (Folkestone and Hythe) (Con): I know that retirement will be on both our minds today. When the Prime Minister's former chief economic adviser said last month that

"the Government has no long-term strategy on pensions"

and that the Chancellor was leaving pensions policy in "a complete ... shambles", does the Prime Minister think that he was referring to the £5 billion a year pension tax, the spread of means testing or the Chancellor's plan to sabotage Lord Turner's report, which at least tries to do something about the problems that the Chancellor has created?

The Prime Minister: First, let me tell the right hon. and learned Gentleman what he can expect in retirement, thanks to this Government. There is the winter fuel payment—[HON. MEMBERS: "Hooray!"] There is the council tax rebate—[HON. MEMBERS: "Hooray!"] There is the reduced VAT on fuel—[HON. MEMBERS: "Hooray!"] There are the restored free eye tests—[HON. MEMBERS: "Hooray!"] Once he is over 75, there is a free television licence—[HON. MEMBERS: "Hooray!"] An extra £11 billion spent on pensioners is a record of which we can be proud.

Mr. Howard: It is such an enticing prospect that I expect that the Prime Minister will want to join me very shortly. Is not the problem that the only retirement for which the Chancellor is planning is the Prime Minister's? The truth is that under this Government more than 10,000 occupational pension schemes have collapsed and the amount of money people save has almost halved. Does not the Prime Minister see that there is a growing consensus that, in order to deal with this mess, we must ditch the Chancellor's obsession with means testing? That is our view and that of the pensioners' groups and the industry, and of Lord Turner. We also know that it is the view of the Prime Minister, because he once said:

"we can end means testing for pensioners once and for all."

Will the Prime Minister now, just for once, stand up to his Chancellor and, with our support, do what needs to be done to sort out one of the greatest challenges that the country faces?

The Prime Minister: The right hon. and learned Gentleman will also have seen that Adair Turner made mention of the fact that, thanks to the pension credit and the minimum income guarantee, we have lifted nearly 2 million pensioners out of hardship and poverty. Of course, we need to secure pension provision for the long term and we will do that, but let us be in no doubt at all that it is the result of the Government, and the means that we have used to lift pensioners out of poverty, that has allowed us for the first time to go

through winter periods with pensioners no longer forced to choose between the heating they need to stay alive and the standard of living that they want. We will take no lessons in pension provision from the party that was responsible for pension mis-selling, which left millions of pensioners in poverty in 1997.

Mr. George Howarth (Knowsley, North and Sefton, East) (Lab): I thank my right hon. Friend for his support for Merseytram line 1. However, given that yesterday the Secretary of State for Transport announced that the scheme was to be dropped by his Department, will my right hon. Friend have a sharp word with him about the extreme prejudice his Department has shown towards Merseytravel, the promoters of the scheme?

The Prime Minister: I entirely understand the desire for the Merseytram scheme, and in December 2002 we committed somewhere in the region of £170 million to that scheme, but the trouble is, as my right hon. Friend knows, that the costs of the scheme have risen considerably. So we are perfectly willing and happy to make that contribution to travel on Merseyside, but it has to be done within an overall framework that is affordable.

Mr. Charles Kennedy (Ross, Skye and Lochaber) (LD): Given that there is undoubtedly broad agreement with Lord Turner that the present system of means-tested, muddled and inadequate state pensions cannot be maintained, and if the Chancellor is not to exercise a veto on the direction in which Lord Turner wants to go, will the Prime Minister give the House a commitment today that he will legislate following Lord Turner's proposals and that he, as Prime Minister, will see the reforms through?

The Prime Minister: As my right hon. Friend the Secretary of State for Work and Pensions has already said, we will publish our response to the Turner proposals next year. I have no doubt at all that we will end up with a long-term framework for pensions that has as its basis a decent basic state pension and a much simplified way for people to save. However, I have to say to the right hon. Gentleman, as I said to the Leader of Opposition, that the fact is, as Lord Turner himself acknowledges, that without pension credit we could never have lifted pensioners out of poverty. Long term, we need the type of framework that I set out but it has to be affordable. I am aware that the Liberal Democrats do not always put that at the forefront of their concerns, but any party that wants to be in government must take it into account.

Mr. Kennedy: The Chancellor will be the person in the House most interested to hear that the Prime Minister did not give a commitment to see pension reform through while he was Prime Minister, in answer to my direct question. Can the Prime Minister at least give the House a commitment about another concern that we all share? Pension reform, as and when it comes, must once and for all end the scandalous inbuilt discrimination against women in the current operation of the benefit of the state pension system. Will the Prime Minister give us that commitment and make it a top priority?

The Prime Minister: Again, there is an issue about women who are not properly credited in and cannot get the full state pension. Of course, that is an issue; Lord Turner addresses it and we have to address it in response to his report. However, I have to say again to the right hon. Gentleman that whatever proposals any party comes up with have to be properly costed and affordable. For example, I have looked at the Lib Dems' pension policy and it is true that in terms of its commitments everyone would cheer, but when we come to how they would pay for it they say that they want to shift public spending priorities. I do not know what that means, so at least that is one thing we have in common.

Mr. Mark Hendrick (Preston) (Lab/Co-op): Since 1997 in Preston, the number of people claiming jobseeker's allowance has reduced to 1,400. Long-term unemployment is down by 81 per cent. and youth unemployment is down by 43 per cent. May I say to my right hon. Friend that Labour is working, so why should anyone bother voting for another party, even if it has a new leader?

The Prime Minister: My hon. Friend is of course right that the numbers who are unemployed are down and the numbers who are employed are up. The most important thing—apart from the effect on people's livelihoods, living standards and prospects for success in life—is the fact that as a result of the reduction in unemployment and increases in employment, we are spending about £5 billion a year less on benefits. That is why part of the welfare reform that the Government have managed to put through is getting people off benefit and into work, and it is why the new deal should, of course, remain.

Q2. [32924] **Miss Julie Kirkbride** (Bromsgrove) (Con): May I remind the Prime Minister that in 1997 there were three acute hospitals in Worcestershire? His Government closed one in Kidderminster, and they are threatening the Alexandra hospital in Redditch, which he might remember visiting during the general election. In response, I am sure that the Prime Minister will tell me his usual mantra about the amount of money that the Government are putting into the NHS. However, is it not a simple fact that my constituents and many others are entitled to ask where all that money is going? Given that the maternity unit is being axed and the Alexandra's accident and emergency department is under threat, are we not entitled to ask where all the money is going and what the Prime Minister is going to do about it?

The Prime Minister: First, let me congratulate the hon. Lady on her powers of prediction, because I am indeed going to say that the three primary care trusts in her area have been allocated a total of £509 million, which is a cash increase of almost 10 per cent. Over the past few years, we have of course reduced waiting lists and waiting times, and we have better cancer and cardiac care. However, whatever Government are in power and however much money they give to the national health service, there still must be proper financial accountability. We are working with her local NHS trust to try to ensure that it puts in place the measures necessary to reduce its deficit. The deficits that the NHS is carrying are not in every single trust in the country. They are specifically in some trusts, so we have to ensure that those trusts come back into balance.

Mr. Andrew Dismore (Hendon) (Lab): Will my right hon. Friend congratulate the Mayor of London on achieving record levels of police in London, with some 4,000 more officers than when the Leader of the Opposition was Home Secretary? Will my right hon. Friend work with the Mayor of London to ensure that the roll-out of safer neighbourhoods teams is completed on time—by April 2007?

The Prime Minister: It is important that we continue this year and next year to roll out the local community policing teams. The combination of warranted police officers and community support officers is enormously popular in London and elsewhere. As a result of that, we have been managing to get crime down, but there is still a great deal more that we have to do, including, as my hon. Friend says, rolling out the neighbourhoods policing teams, and also ensuring that we introduce the new measures on both organised crime and antisocial behaviour.

Q3. [32925] **Jo Swinson** (East Dunbartonshire) (LD): As the Prime Minister says goodbye to his fourth Tory leader, is it not also time to say goodbye to the Punch and Judy style of Prime Minister's questions?

The Prime Minister: Yes, I agree with the hon. Lady. We will wait and see what happens next week.

Q4. [32926] **Mrs. Louise Ellman** (Liverpool, Riverside) (Lab/Co-op): The Prime Minister will be aware that this afternoon the Shields family will be delivering a major petition to No. 10 Downing street. The petition calls for justice for 19-year-old Michael Shields, who is serving a 15-year sentence in a Bulgarian jail for a crime to which another man has confessed. Will the Prime Minister impress upon the Bulgarian authorities the seriousness of the situation and the determination of those supporting Michael Shields to see justice? Will he agree to meet the Shields family at an appropriate time?

The Prime Minister: My right hon. Friend the Foreign Secretary has raised the issue with both with the Prime Minister and the Foreign Secretary of Bulgaria, and has done so in the proper way, as this is subject to an appeal that Mr. Shields has lodged. I understand entirely the concerns of the Shields family and the consular staff are doing all that they can to assist them and the legal team to prepare for the final appeal, and they will continue to do so. At the present juncture in time, that is all that I can reasonably say.

Mr. Michael Howard (Folkestone and Hythe) (Con): Returning to the issue of retirement, everyone knows that this is my last appearance at the Dispatch Box. What they want to know is how many more appearances the Prime Minister will make at the Dispatch Box. Will he confirm that it is still his intention to serve a full third term?

The Prime Minister: I repeat all the things that I said before the election and, indeed, subsequently. May I say, however, that as the right hon. and learned Gentleman is taking his leave of us today, we wish him well?

Mr. Howard: I am grateful to the Prime Minister for his good wishes, but they will not deflect anyone's attention from the fact that he refused to confirm whether he is going to serve a full term. Why is he being so coy? Surely, this is something that we are entitled to know. Everyone knows that I am going next week, and they want to know when he is going. Why will he not tell us? Is his coyness due to the fact that he has been listening to his Environment Secretary, who said at the weekend that he should give his successor a decent

"chance to settle in and make [his] own mark."

A simple yes or no will do: will he serve a full term?

The Prime Minister: I have answered that before, and I answer it again in the same way now. I entirely understand why the right hon. and learned Gentleman wishes to see my retirement, but he is the fourth Conservative leader I have faced. Next week, I shall face the fifth, but I must say one more thing to Opposition Members. If one looks at all the previous Conservative leaders I have faced, the first one was Conservative leader for six years; the second one for four years; the third one for two years, one month and 16 days; and the right hon. and learned Gentleman has lasted just two years and one month. I do not know whether that is a very good basis on which the next one should start.

Mr. Howard: The Prime Minister is ending exactly as he started two years and one month ago: by refusing to answer any of the questions that I have put to him. Everyone knows that retirement is a time for reflection. The Prime Minister said of his party:

"I have taken from my party everything they thought they believed in. I have stripped them of their core beliefs . . . What keeps it together is . . . power."

When he said all that, did he realise that he would end up needing their votes?

The Prime Minister: Let me tell the right hon. and learned Gentleman what we have done in eight years of government. We have delivered the strongest economy in the G7. That is what politics is about, not the points that he is making—it is about delivering for the people of this country. We have record levels of employment. Youth unemployment is down, and ordinary unemployment is down. There is record investment in the national health service and education, and record numbers of police officers. How does that compare with his record? When he was Employment Secretary, unemployment rose by 1 million. When he was Home Secretary, the Conservatives cut police numbers by 1,000, and when he was leader of his party he lost the only election that he fought.

Mr. Howard: Two years ago, I held up a dossier called "Blair: His Past". Today I have one called "Blair: His Legacy", which shows that taxes have gone up; crime is up; MRSA up; truancy up; means-testing up; borrowing up; savings have gone down; productivity growth down; competitiveness down; manufacturing employment down; crime clear-up rates down; numbers of servicemen and women, down; and reform blocked. That is the Prime Minister's legacy, but I have just one last question. The Prime Minister once said:

"My project will be complete when the Labour party learns to love Peter Mandelson."

Can he give us a progress report on that?

The Prime Minister: I may have to say, on that one, a lot done, a lot left to do. However, there is one simple test of whether one succeeds or fails in politics, and that is based on putting one's case to the British people. The British people elected the Labour party in 1997, they elected it again in 2001, they elected it again in 2005, and, given the current state of the Conservative party, I have no doubt that they will do so again when the next election comes.

Q5. [32927] **Jim Cousins** (Newcastle upon Tyne, Central) (Lab): I have never called for my right hon. Friend's resignation. I hope he will never have cause to call for mine. I know that he wants to invest in the science base and see it grow, but recent short-term decisions by Government agencies in Newcastle concerning stem cells and health protection, and in Portsmouth concerning our involvement with commercial satellite research on a European level, have put vital parts of our science base at risk. Will my right hon. Friend arrange to meet hon. Friends and others who are concerned about this, to get important parts of our science base back on track?

The Prime Minister: Yes, I am grateful for the opportunity to meet my hon. Friend and his colleagues in order to discuss that. He is right in what he says. The important thing is that we have put extra investment in the science base—indeed, we have more than doubled it over the past few years. But my hon. Friend is right: we must make sure that co-operation takes place across Europe. We also have to make sure that the right relationship between business and science is established. That is where many of the knowledge jobs of the future will come from. I shall be happy to meet him and his hon. Friends in order to discuss the matter.

Q6. [32928] **Justine Greening** (Putney) (Con): When asked last week about means testing, the current Secretary of State for Work and Pensions told me that socialism is the language of priorities. Is it a priority for the Government to penalise people who have worked hard all their lives and saved, when they get to retirement?

The Prime Minister: It would be right that my right hon. Friend should not entirely take that quotation as his own. I think it was Nye Bevan who said it first. I thank the hon. Lady for the opportunity to demonstrate my Labour credentials. It is just as well I was reminded by my right hon. Friend. The reason why the pension credit has been so important is that it has allowed us not just to lift pensioners out of poverty, but to reward their savings. That is one of the ways in which the pension credit works. Yes, of course there are real issues about the long-term pension framework in both the public sector and the private sector, but they must be dealt with in a framework that allows us to achieve the objectives that the Government want: to make sure that people get a decent standard of living in retirement, that we deal with pensioner poverty, as we have done successfully over the past few years, and that people have an easy and simplified vehicle to save and top up whatever the state can give them.

Chris McCafferty (Calder Valley) (Lab): Will my right hon. Friend join me in congratulating the West Yorkshire police force on the remarkable crime reduction figures that were published on Monday, and in particular the Calderdale division in my constituency, on the best crime reduction figures not only in the force, but in the whole of the UK?

The Prime Minister: I am delighted to congratulate West Yorkshire police. That is part of the work being done by police forces right across the country, which has seen crime come down so significantly over the past few years. We now have record numbers of police and under this Government, as the latest British crime survey figures show once they are broken down, crime has fallen in every region of Britain.

Q7. [32929] **Dr. Andrew Murrison** (Westbury) (Con): Will the Prime Minister contrast his manifesto commitment to build more community hospitals with the fact that around the country about a hundred of them are faced with the axe, two of them in my constituency? Will he understand that my constituents are fed up with his rhetoric about spending more and more of their money, when all they see around them are things closing down?

The Prime Minister: The investment to create the new generation of community hospitals will go ahead, but in every single area people have to decide how they will best configure their own local health services. The hon. Gentleman says that all people can see is closures, but I will tell him what people see. They see, for example, in cancer and cardiac care, massive improvements since 1997. They see in new hospital buildings the importance of the capital investment that we have put in. When we came to office, many people had to wait over 18 months for their operation— sometimes over a year—in their tens of thousands. From the end of this month, there will be a six-month maximum wait; by the end of 2008, an 18-week maximum from the GPs' surgery right through to the operating theatre. These are the changes that are being made. But, of course, how the money is spent is best done at local level. For the hon. Gentleman and his hon. Friends to say that nothing in the health service has improved over these past few years— *[Interruption.]* So a lot has improved; well at least we are agreed on that.

Q8. [32930] **Mr. Gordon Marsden** (Blackpool, South) (Lab): My right hon. Friend has just returned from the Euromed summit in Barcelona. Does he agree that, despite the difficulties, we need to continue to support and encourage the Maghreb countries of north Africa, in particular, to implement the practical commitments and agreements reached at that summit, for the sake of our social cohesion, security and migration policies, as well as theirs?

The Prime Minister: My hon. Friend is entirely right. One of the important things that came out of that conference was the agreement of the code of conduct on terrorism, which contained the sentence that terrorism can never be justified, and included some of the strongest language that we have ever managed to agree at Euromed on this issue. That is extremely important not just for the measures that are contained in that agreement, but in terms of the signal that it sends of the

absolute determination of all of us to defeat the scourge of terrorism. Sitting round the table at Euromed, it was interesting that not merely European countries such as Spain and the UK have suffered from terrorism, but countries such as Egypt, Algeria and Jordan. That combined determination to defeat it was very evident.

Q9. [32931] **Mr. Nick Clegg** (Sheffield, Hallam) (LD): Is the Prime Minister aware of the growing anger in Sheffield and throughout south Yorkshire among bus passengers at the way in which what are in effect private sector bus monopolies can chop and change bus routes and raise fares without any meaningful public consultation whatever? Will he undertake to look into the inexplicable difference in the way in which bus services here in London are regulated in the interests of passengers, and yet bus passengers elsewhere are left to the erratic whim of bus companies themselves?

The Prime Minister: I do know that that is an issue that causes anger in many constituencies in Sheffield, because my hon. Friends tell me that it does, and it is something that we keep under review. I am afraid that I cannot say any more at this stage.

Andrew Miller (Ellesmere Port and Neston) (Lab): My right hon. Friend will be aware that the three-star primary care trust in Ellesmere Port and Neston has just had another way-above-inflation increase in its budget. It has succeeded in driving down coronary heart disease and has been amazingly successful. Will my right hon. Friend ensure that, as PCTs are reorganised, communities such as mine that have pockets of significant disadvantage are not left out in the restructuring?

The Prime Minister: The point that my hon. Friend makes is entirely reasonable, and yes, we should ensure that that position is safeguarded during restructuring. What my hon. Friend draws attention to is the fact that the additional sums of money—in his case an increase in real terms of 5.8 per cent.—has meant that we can improve services for people and bring waiting times down, all within the NHS where there is more hospital building and more nurses, doctors and consultants, who, in addition, are better paid than ever before. That is why in nurse training, as in teacher training, more and more people are willing to come forward, despite high levels of employment, for those occupations. But he is absolutely right: we must ensure that in the change in the boundaries, we safeguard the interests of the poorest communities.

Q10. [32932] **Mr. John Randall** (Uxbridge) (Con): The Prime Minister will be aware of the waste of millions of pounds of taxpayers' money in the Paddington health campus, which has failed. Will he then explain, as I am sure that he wishes to avoid any future waste of money, why no Health Minister was willing to give evidence to the independent inquiry?

The Prime Minister: I have no doubt that we will get the right mix of services for the hon. Gentleman's constituency and others. He knows why the campus could not go ahead, but that should not detract from the fact that hundreds of millions of pounds of extra money is going into hospital building. The real-terms increase for the health authority in his area—*[Interruption.]* I know that Opposition Members do not want to hear about the increases in health spending, but they are going to. I do not know why a Minister did not go to the committee—*[Interruption.]*

Mr. Speaker: Order. Let the Prime Minister answer the question—*[Interruption.]* Order—in his own way.

The Prime Minister: In my own way, I do not know why a Minister did not attend, and I will write to the hon. Gentleman and tell him why. There you go—that is one in two years. [*Laughter.*] The real-terms increase in health service spending in his area is more than 6 per cent., which means 3,800 more nurses, 500 more consultants and 30 more GPs. That is a very good reason why people in his constituency and elsewhere should vote Labour.

Q11. [32933] Ian Lucas (Wrexham) (Lab): Is my right hon. Friend aware that there is widespread concern in north Wales about the suggestion that there should be an all-Wales police force? Will he make it clear that the excellent progress in neighbourhood policing in north Wales will not be threatened by any reorganisation?

The Prime Minister: The issue is obviously important for my hon. Friend's constituents and others, and we will certainly make sure that whatever is done in north Wales best meets the needs of local policing.

Pensions Commission Report

12.32 pm

The Secretary of State for Work and Pensions (Mr. John Hutton): With permission, Mr. Speaker, I should like to make a statement on the publication of today's report by the Pensions Commission. In making its recommendations, the Pensions Commission has acknowledged the progress that we have made since 1997. Its proposals are designed to build on that success, and I believe it important to consider them in that context.

As Lord Turner has recognised, the Government's first priority on entering office in 1997 was to tackle pensioner poverty, which was absolutely the right thing to do. We have succeeded in lifting nearly 2 million pensioners out of absolute poverty and are now spending £11 billion extra each year on pensioners, with almost half of that spending going to the poorest third. Thanks to measures such as the minimum income guarantee, pension credit, winter fuel payments and a 7 per cent. real-terms increase in the basic state pension, we have ensured that pensioners will never again suffer the indignity of living on as little as £69 a week, which was the scandalous legacy of pensioner poverty that we inherited when we came into office.

In our second phase of reform, we took action to tackle the loss of confidence in the private pensions market. That included the pensions mis-selling scandal we inherited. In 1997, less than 2 per cent. of pension mis-selling cases had been satisfactorily resolved. By the end of 2002, more than 99 per cent. of consumers with mis-selling claims had been compensated, with total compensation reaching £11 billion. Through the pension protection fund, the pensions regulator and the financial assistance scheme, the Pensions Act 2004 is helping to respond to the problems experienced by defined-benefit occupational pensions and to boost security for scheme members. The introduction of the Sandler suite and the stakeholder pension has been an important step in facilitating low-cost private savings. I believe that that amounts to a record of achievement of which this Government can be rightly proud.

Despite that progress, we recognise that there are still significant and serious issues that we need to address. I believe that there are three. First, there are the demographics. When our grandparents reached 65 they could expect to live another 11 years in retirement. The 20th century's tremendous advances in science, welfare and health mean that today we can expect to live another 19 years beyond 65 and our children can expect to live another 24 years. In 1950, we spent 18 per cent. of our adult life in retirement; now, we spend 30 per cent. in retirement. By 2050, there will be 50 per cent. more pensioners than there are today. Critically, by the same time there will be two people of working age for every pensioner, compared with 10 people 100 years ago.

Secondly, we know that people need to save more. Our 2002 Green Paper first highlighted the need to enable people to save more or to work longer to achieve the income that they want in retirement. It also established the Pensions Commission to review our long-term savings regime. The commission has calculated that nearly 10 million people are not saving enough for their retirement. Some have suggested that that challenge could be averted by the growth in housing assets, but that offers, at best, only a partial solution. People would need to release £100,000-worth of equity to generate £100 per week of pension provision, which is far from easy given that the average house price is now £180,000 and people still need to live somewhere in retirement.

Thirdly, we know that the existing system is complex—yes, possibly the most complex in the world. It produces unfair outcomes for women and carers, and there remains the question of how to ensure an adequate and sustainable state pension for future generations. As Lord Turner said today,

"the problems in our pensions system will grow increasingly worse unless a new pensions settlement for the 21st century is now debated, agreed and put in place."

Put simply, we cannot afford to ignore the problems that the Pensions Commission has identified. We must instead ensure that future generations can sensibly plan for their retirement. The choice is not between the status quo and reform; it is a question of how we act—not whether or when.

The Pensions Commission was very clear in its first report last year that there is not currently a pensions crisis, and it made that clear again this morning. But the pensions of tomorrow clearly depend on decisions that people make to save today. It has argued that a failure to respond to this challenge would lead to a crisis in 20 years' time. If we do nothing, future pensioners will be 30 per cent. worse off relative to workers than they are today.

The commission has put forward a comprehensive package of reforms to address those challenges. In relation to state provision, it recommends

"a reform of State pension provision to make it simpler to understand and less means tested than it would become if current indexation arrangements continued."

It makes it clear that there are a variety of options to secure its objectives. Its preferred way forward is a higher basic state pension indexed to average earnings growth, ideally starting in 2010 or 2011 as the public expenditure benefits of the rise in women's state pension age begin to flow through. The commission has also proposed a universal basic state pension based on residency rather than contributions.

The trade-off would be a higher state pension age. That would be phased in gradually in proportion to the increase in life expectancy. For example, it could rise to 66 by 2030, 67 by 2040, and 68 by 2050. Those changes would not affect anyone aged 50 and over. Furthermore, based on the commission's assumptions, today's 41-year-old could face only one additional year of working age, a 32-year-old two years, and a 23-year-old three years.

Those changes are designed to underpin a major extension of workplace savings. Here, the commission recommends a new, simple, low-cost savings scheme. All employees would automatically be enrolled into either a high-quality employer pension scheme or a newly created national pensions saving scheme, but with the right to opt out. Employers would be required to make a matching contribution. The commission also makes proposals to tackle inequality in the pensions system, especially for women and carers.

The Government welcome the broad framework of the Pensions Commission proposals and options and believe that they are the right basis for the debate to come. There is much to be discussed and decided about the detail of that framework. Our response will be based on the five key tests that I set out last week.

First, do the proposals promote personal responsibility? The role of the state is to provide a floor through which no one can fall but, as we have made clear, the primary responsibility for security in old age must ultimately rest with individuals and their families.

Secondly, are the proposals fair? Our future system must continue to protect the poorest. It must be fair to women and carers, employers and workers in the public and private sectors and those who have saved.

Thirdly, are the proposals affordable? Several points in them raise the prospect of additional Government spending. For example, there is the re-linking of the basic state pension to earnings, scrapped by the previous Conservative Government. There is also the proposal to make the basic state pension universal from the age of 75, which would benefit many women pensioners. We therefore have to test all the costings. We cannot make decisions without first determining the affordability of the proposals and there is no point in us or anyone else making commitments on anything other than a sensible and sustainable financial basis.

As the Chancellor has made clear, there will be no relaxation in our fiscal discipline and we will not put the long-term stability of the public finances at risk. That test will be central. A near 50 per cent. increase in the number of pensioners between now and 2050 presents obvious challenges and choices for the country about the proportion of its wealth that should be used to support retirement.

Fourthly, do the proposals simplify the system? Any credible package of reform must represent a clear deal between citizens and the state so that people know what the Government will do for them and what is expected of them in return.

Fifthly, are the proposals sustainable? People must have the confidence to plan for their retirement. An enduring national consensus must be our goal.

The Pensions Commission's first report last October was a comprehensive analysis of the UK pensions system. I believe that today's report is an important milestone on the way to a lasting pensions settlement. I should like to put on record on behalf of the Government—and, I hope, the House—our thanks to Lord Turner and his fellow commissioners Jeannie Drake and Professor John Hills for their work during the past three years. They have made a tremendous contribution to one of the most important public policy challenges that face the country today.

The publication of the Pensions Commission's second report today marks the beginning of the new national debate, not the end. As far as the specific recommendations are concerned, we are ruling nothing in and nothing out. We will welcome ideas and proposals from the political parties, employers, trade unions and everyone with an interest in the future of our pensions system.

In the next few months, we will examine in detail the commission's policy recommendations. The Pensions Commission has called for a national debate about the right way forward to start as soon as possible. I agree. We will therefore undertake a major consultation exercise, talking to people of all ages, in all parts of the country. I have asked the Pensions Commission to continue its involvement in the debate in the next few months as we move from diagnosis and analysis to proposition and decision. I want the debate to involve every section of our community as we work towards the publication of a White Paper in the spring.

Previous Labour Governments have risen to the challenge of securing long-term reform of our pensions system to meet the challenges of their time. From Clement Attlee to Barbara Castle, crucial decisions have been taken by politicians who could see the benefits of long-term reform. I believe that it is our turn now to see the scale and depth of the challenge in the way that previous generations of politicians viewed such challenges. This should be our benchmark in laying the foundations for reform in the 21st century.

The need to get it right is clear; the responsibility to do so is even clearer—for this generation and the next.

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): We thank the Secretary of State for his remarks. Given last week's noises off, he is to be congratulated on even having been invited to make the statement on the Government's behalf. He will also rightly be thanked for, unlike the Chancellor, not having sought to undermine the Turner report even before the public had been made aware of its contents. Does the Secretary of State agree that it was quite unprecedented for the Chancellor—perhaps even without consulting the Secretary of State—to seek to sabotage the report in that way? It must be the first book in the history of publishing to have been rubbished by one of its publishers before it even appeared on the bookshelves.

The Conservatives very much welcome Adair Turner's report. It is a powerful, professional and persuasive document, and, like the Government, we wish to devote considerable time to analysing its recommendations. As the Secretary of State will be aware, the commission was appointed because of a savings crisis in this country. He might like to remind the Minister for Pensions Reform, who claimed again on Monday that there was no crisis, that that will not sound convincing to the 70,000 to 80,000 future pensioners who have already been told that all or most of their pensions simply will not be paid in the years to come. Indeed, to allege that there is no crisis flies in the face of what Lord Turner says in the Pensions Commission report published today. He says that

"private pension provision is not growing: rather it is in serious and probably irreversible decline."

If that is not evidence of a crisis, it is difficult to understand what is. It is all very well, after eight years, for the Secretary of State to say, "Now is the time for pension reform". One has to ask where the Government have been over the past eight years.

The Conservatives will judge not only the Turner report but the Government's response against three important criteria. First, will they offer to future generations of pensioners the security and standard of living that they are entitled to look forward to? Secondly, will the report and the Government's response deal with the fundamental problem of

[Sir Malcolm Rifkind]

women's pensions in a way that will resolve that difficulty in an acceptable fashion? Thirdly, will the Government's response to the Turner report treat fairly both public and private sector employees? Only on the basis of common treatment based on fair principles are the difficult proposals in the report ever likely to be acceptable to the British public.

Against that background, I have four questions for the Secretary of State. The first relates to the recommendation that the retirement age should in future be around 67 years of age. Does the right hon. Gentleman accept that the Government have made it enormously difficult to persuade the public that they should continue working until the age of 67, when that same Government have simultaneously agreed with the trade unions that, for the next 40 years, their own employees should be able to continue to retire at 60? Does the Secretary of State agree with the Chancellor, who said only a couple of days ago that more work needs to be done on this matter? Does he accept that it is simply not feasible to imagine that, for the next 40 years, a retirement age of 60 will be available to the Government's own employees while the rest of the nation is expected to accept quite different criteria?

My second question is on the proposal that future accruals of the state pension should be based on a universal residence principle—a fundamental change in the way in which pensions have been dealt with over the past 60 years, and over time would effectively bring an end to the contributory principle. Whether or not the Secretary of State believes that that is desirable in principle, he should indicate whether the existing information available to Government would enable a residence qualification to be monitored effectively. As the Turner report says, unless that is feasible, the recommendation could not be taken forward in practice.

My third question relates to the proposed national pension savings scheme. We welcome the fact that Lord Turner and his colleagues have drawn back from the original suggestion that it should be made obligatory for employees to pay towards such a scheme. The report contains an extraordinary anomaly, however, because while auto-enrolment will mean that every employee will have the right to decide whether to opt in or out of such payments, employers will be given no such freedom. Does the Secretary of State agree that it is a substantial anomaly, at the very least, that those who will benefit as a result of such a pension scheme can choose whether to participate in it, but those who will not benefit are given no such choice?

My fourth question relates to the other radical proposal in the report. As the Secretary of State will be aware, existing schemes such as stakeholder schemes have a cut-off point so that those with five employees or fewer do not have to participate. Lord Turner recommends that all employees should be part of the national pension savings scheme, and that there should be no amelioration for very small businesses. Does the Secretary of State agree that that will be a matter of great concern to the Federation of Small Businesses? There are serious questions, at least during a transitional period, about whether many small businesses could cope with such a requirement. Will he also take into account the fact that the views of charities and voluntary organisation will have to be canvassed in order to ensure that they are not unfairly treated?

We believe that it is enormously important—in this respect, I share the Secretary of State's view—to try to achieve a national consensus, if that is possible, on the issue of pensions. People's security and future sense of stability will be assisted if such a national consensus can be achieved. The Secretary of State should recognise that the origins of the Turner commission lie in the savings crisis. Does he agree with the Institute of Chartered Accountants, which has said that the single most important contribution—*[Interruption.]*

Mr. Speaker: Order. The behaviour of the hon. Member for Bolsover (Mr. Skinner) is intolerable. He should allow right hon. and hon. Members to put their case without interruption.

Mr. Dennis Skinner (Bolsover) (Lab) *rose—*

Mr. Speaker: Order. I can hear what the hon. Gentleman says, as he speaks so loudly. He does not need to repeat it.

Sir Malcolm Rifkind: As the hon. Member for Bolsover (Mr. Skinner) is a very worthy pensioner, he should listen carefully to the exchanges taking place.

Does the Secretary of State agree with the Institute of Chartered Accountants that the single most important cause of the crisis in savings was the decision that the Chancellor of the Exchequer took eight years ago to remove the tax relief on the dividends of pension funds? Is not it indefensible that the Chancellor, who is the prime cause of the savings crisis, should now try to sabotage those who are trying to resolve the problem, which is largely of his making?

Mr. Hutton: There was some evidence in the right hon. and learned Gentleman's remarks that he is prepared to study seriously Lord Turner's proposals, and I welcome that. I also welcome his suggestion that he supports the search for a national consensus. I conclude from his remarks, however, that there is quite a lot more work to be done if we are to secure it. I will not get into the tittle-tattle that he raised at the beginning of his remarks, because this is a serious debate, and I will not demean it by peddling rumours and all the nonsense to which he alluded. We do not do ourselves credit if we do that.

The right hon. and learned Gentleman asked what we have been doing for the past eight years. We have been putting right the Tory mistakes, and tackling the problem of pensioner poverty, which, as Lord Turner acknowledges, has been a significant advance in our pensions system. Why will not the right hon. and learned Gentleman acknowledge that? I agree about the importance of tackling the inequalities in relation to women in the pension system, and Lord Turner proposes a number of ways of doing that. We will study all those proposals carefully.

The right hon. and learned Gentleman said that there was a pensions crisis. I can only point out to him what Lord Turner says on page 345 of his report:

"there is no immediate crisis."

I made that point in my remarks. We must tackle these matters seriously, and there will be a problem if we do not take action today. Surely, at the very least, that should be common ground in the House.

The right hon. and learned Gentleman raised four specific points. He alluded to his concerns about public sector pensions. We stand by the deal that we have secured. He and his hon. Friends have been confusing several totally separate issues. Nearly half of all occupational pension schemes in the private sector provide a retirement age of 60 for current scheme members. Many employers in the private sector have been closing defined benefit schemes to new entrants, which is the policy decision that this Government have taken. I am surprised, as I said to him last week, that he wanted to raise the issue, as his party had a chance to make its position clear at the last election on whether it would extend new retirement ages to existing civil servants. The Conservative party made that clear:

"People are right to raise concerns over the Government's planned reforms to civil service pensions . . . We appreciate, for example, that there is genuine concern over extending the public sector retirement age, especially in high-risk and physical public service occupations, and we will listen to any practical concerns people have."

As I understand it, he is saying today that we should have imposed a higher retirement age on civil servants, which is flatly contradicted by his party's stance during the general election. We can therefore discount completely his remarks in that regard.

On the right hon. and learned Gentleman's second question about universal residence-based criteria for entitlement to the basic state pension, it is true that that is what the Turner commission proposes. That, too, needs to be considered seriously. As I understand it, it proposes to keep a contributory basis for the state second pension, which would continue to be national insurance based. Obviously, we must consider all those proposals carefully. I have made it clear to the House that we are not making any announcements about any of those details today. I will have to say something similar in relation to his previous points about the national pension savings scheme, and his point about stakeholder pensions and the difference between NPSS and stakeholder pensions.

It is true that Lord Turner proposes that once an employee has exercised the right to stay in a new low-cost pension scheme, the employer would be mandated to pay a 3 per cent. contribution towards that savings plan. Again, we will have to consider that proposal seriously, and we need to be mindful of the variety of different views that, I am sure, will be expressed.

In relation to stakeholder pensions, as the right hon. and learned Gentleman knows, there is a cut-off for small employers. The Pensions Commission proposes that there should be no similar exemption for small employers in relation to the new low-cost savings scheme that it proposes. That, too, will need to be considered very seriously, as we reflect on what Lord Turner has to say and what emerges from the national pensions debate.

Mr. David Laws (Yeovil) (LD): I congratulate Lord Turner on his report. We agree with its basic analysis and long-term vision of the pension system. We, like the Conservative party, are willing to work with the Secretary of State to find a consensus on reforming the pension system, if he is able to find a consensus within the Government with which it is possible to work. May I test the extent of that consensus by asking him whether he agrees with the Turner report's conclusion that the existing pension system is not fit for purpose looking forward? Similarly, would the Chancellor agree with those words from Lord Turner's report?

Do the Secretary of State and the Chancellor of the Exchequer share Lord Turner's analysis that significant future growth of means testing would undermine voluntary private pension provision by the very groups of people most in danger of under-provision?

Does the Secretary of State agree that the Chancellor and his lieutenants were wrong to brief that the Turner proposals were unaffordable? Will he acknowledge that Lord Turner addressed that directly in his report?

Does the Secretary of State accept that we face a choice between two alternatives? We can choose either the complex means-testing system introduced by the Chancellor in 1997 and designed initially to deal with the issue of poorer pensioners, or the simple system described by Lord Turner, which would give people responsibility for individual savings on top of a better state pension. Are not both the Chancellor and Lord Turner talking about affordable systems, and is not the real issue which is likely to be more sustainable in the years ahead?

Does the Secretary of State agree with Lord Turner and me that it would be unsustainable for 70 per cent. of pensioners, or more, to retire in 2050 and have to claim means-tested benefits? Would it not be ludicrous to suggest, as the Chancellor seemed to in his leaked letter, that a Labour Government would consider breaking the link between earnings and means-tested benefits for some of the poorest pensioners in Britain? Is that not utter nonsense?

Does the Secretary of State agree, again, with Lord Turner and me that it is also ludicrous to expect, as the Chancellor seems to, that the share of national income devoted to pensions will remain static over the next 40 years despite a 50 per cent. increase in the pensioner population? Does he agree that the Chancellor should not be allowed to wreck a consensus on pensions reform that includes not just those in different parts of the House, but every major body that made representations to the commission?

Does the Secretary of State agree that if there is a higher state pension, the trade-off will have to be a significantly better state system that is fairer to women and takes people out of means-testing? Does he agree that so far the Government, including his right hon. Friend the Secretary of State for Trade and Industry, have made a pig's ear of the reform of public sector pensions, which will make the Turner proposals much more difficult to introduce? Does he agree that sooner or later the Government will need to go back and think about the affordability and sustainability of public sector pensions if they are to reach a conclusion that is sustainable and fair to everyone in Britain?

A consensus is emerging in Britain about the way in which pensions policy should develop. Sadly, it seems to be a consensus with which only one man is out of step: the Chancellor of the Exchequer. Does the Secretary of State agree that it would be a tragedy for people in this

[Mr. David Laws]

country—for every pensioner in this country—if we missed the opportunity to secure a national consensus because of the veto of one powerful man in the Cabinet?

Mr. Hutton: We established the Turner commission with the precise objective of reaching a national consensus on the long-term future of our pensions system. I find it bizarre and regrettable that the hon. Gentleman should seek to turn Turner, as it were, into a negative. We have made clear today that we will study every aspect of the commission's proposals carefully and in detail with Members and with people outside, which I think is the responsible thing to do.

As far as I am aware, the only people who have pre-empted any of Lord Turner's recommendations are the hon. Gentleman and his party, and I am afraid that, in true Liberal Democratic fashion, they got it hopelessly wrong. The hon. Gentleman's principal proposals on citizens' pensions were expressly rejected by the Pensions Commission, as we read on page 9 of the report. *[Interruption.]* The hon. Gentleman will not have another chance to speak on this occasion, but his hon. Friends may, and we will of course continue the debate. I fear that it may run and run.

The hon. Gentleman asked a number of questions about public expenditure, and about the affordability and sustainability of the package. All those decisions will form part of the debate that we shall have, and the options that we decide are sensible will have a profound bearing on the impact on public spending. I will not trade figures or get into an argument about them today, because I think that that would be premature.

I consider that any unpredictable expansion in means-testing would be a bad idea. We must look at the issue in the round, and we must look at Lord Turner's proposals. We must not, however, lose sight of one important and fundamental fact. Targeting additional support on the poorest pensioners was the right thing to do, and we did it in the face of opposition from the hon. Gentleman and his hon. Friends. Lord Turner has made it absolutely clear that it was the right thing to do, and it has made a significant difference to millions of pensioners. Now we need to move on to the long-term settlement.

Mr. Frank Field (Birkenhead) (Lab): Will the Secretary of State convey my thanks to the Pensions Commission for its work? Will he also use the first opportunity he has to assure the Chancellor that all Labour Members, and the vast majority of people in the country, thought the Chancellor was right to concentrate help on the poorest pensioners, in record terms, after we were elected in 1997? That, however, is not a long-term strategy when we expect to see 70 per cent. of pensioners being means-tested and a bill rising to 13p in the standard rate of tax.

I welcome my right hon. Friend's statement that today marks the next stage in our debate. Does he accept that that debate is likely to revolve around the question of whether we should opt for a higher state pension and increased taxation to pay for a decent minimum, or an increase in the retirement age with increased savings? Labour Members need to make a decision and enact it in the current Parliament. If we think that we can kick pensions reform into the long grass until after the next election, we may find that the electorate believe that many of us should join it.

Mr. Hutton: I am grateful to my right hon. Friend for his opening remarks and, indeed, for all that he said. Obviously we shall need to examine the commission's proposals in detail, along with the means by which they can be implemented.

My right hon. Friend mentioned means-testing. We shall have to examine the specific issues raised by Lord Turner and his fellow commissioners, because it would be impossible for us to deal with the country's long-term pension needs without doing so.

I accept my right hon. Friend's point, and I look forward to his contribution to the debate, which I am sure will be significant.

Mr. David Ruffley (Bury St. Edmunds) (Con): Can the Secretary of State guarantee that he will not rewrite, in any way, the deal allowing public sector workers to retire at the age of 60 for the next 40 years?

Mr. Hutton: We have made it clear that we will not revisit that deal.

Mr. John McFall (West Dunbartonshire) (Lab/Co-op): I commend Lord Turner for the national pension scheme in particular, and ask the Secretary of State to give it serious consideration.

Witnesses from the financial services industry who gave evidence to the Treasury Committee for its report "Restoring confidence in long-term savings" asked for compulsion, but the stampede from defined benefits to defined contributions and the accompanying smaller contributions from employers mean that more of the risk is borne by individuals. On grounds of equity and risk, will the Secretary of State seek a sensible compromise from all parties to ensure the desired outcome in relation to the contributions of employers, employees and other individuals?

Mr. Hutton: We need to think about all those issues. Lord Turner and his fellow commissioners submitted a specific proposal relating to the national pension savings scheme, but when Members study the report in detail over the next few days, they will see that it proposes a number of other ways of securing the same objective.

I hope that Members and people outside will focus on the important question of how society can do more to encourage people to take responsibility for securing their retirement income in old age. It is at the top of the list of our priorities, and I think that our debate on that part of the report will define the overall framework on which we ultimately decide.

Mr. Kenneth Clarke (Rushcliffe) (Con): Does the Secretary of State accept that the commission's proposals assume that the generation consisting of today's schoolchildren will pay higher taxes than we are prepared to pay, and will contribute a significantly higher proportion of their gross domestic product to state pensions than we are prepared to contribute? There is legitimate room for debate about whether that is

affordable without damage to the future competitiveness of the British economy. Given that after eight years in office the Government obviously have no pensions policy of their own, does the Secretary of State accept that the alternative is to do more to encourage personal and private provision of pensions and more personal and private accumulation of savings? That will involve a complete reversal of the Chancellor's policies of the last eight years, in which he has raised taxation on pension funds, reduced incentives to enter tax-free savings schemes, and extended means-testing so far that he has positively discouraged everyone of modest means from going into savings at all.

Mr. Hutton: I have a great deal of respect for the right hon. and learned Gentleman, but I think that he is completely wrong when he said that the Government had no pensions policy. That is palpably not the case. As to his points on taxation and public spending, he is charmingly inviting me to announce the Government's proposals on the Turner report right now, but I am clearly not in a position to do so. I have made it clear that we have a principal responsibility, as a sensible Government, to ensure that we manage public expenditure within the rules laid out by my right hon. Friend the Chancellor of the Exchequer, and we certainly intend to do that.

Laura Moffatt (Crawley) (Lab): Does my right hon. Friend agree with the Turner commission that voluntary contributions for both employees and employers are not the way forward? If there were an element of opting out, it would prove enormously successful. Crawley residents joined me on a citizens panel on this issue and they totally agreed that there should be a system to allow people to opt out, and I have the results with me, though it is not a weighty tome. Will the Secretary of State seriously reflect on that in the ensuing deliberations on this matter and will he thank the Turner commission very much for echoing what Crawley residents were saying?

Mr. Hutton: I am certainly not going to contradict anyone from Crawley, as that would not be sensible. My hon. Friend will see that the Pensions Commission proposes auto-enrolment, which will provide the option for employees to decide not to invest in any of the low-cost saving schemes or existing employer pension schemes. The Pensions Commission estimates that about 30 per cent. of staff may well want to exercise their right to opt out, but we will be studying such matters of detail very carefully over the next few months.

Peter Viggers (Gosport) (Con): I declare an interest in the pensions industry and I wish the Secretary of State well in finding a solution to its problems, which have largely been created by the present Government over the past eight years. May I tell the right hon. Gentleman that he will not succeed in his search if he shackles himself to the deal with the public sector unions, which will allow public sector employees to retire at the age of 60? A great deal of sacrifice is expected from everyone, as there is no such thing as a cheap pension. If he allows the combination of a complacent Secretary of State for Trade and Industry and the bullying and blackmailing attitude of a union before an election in threatening a strike to dominate the starting point of his search, he will not succeed.

Mr. Hutton: The hon. Gentleman started well enough, but I am afraid that it got worse quite quickly. He raised his concerns about public sector pension provision and people are aware of the detailed proposals about that. However, the hon. Gentleman and Conservative Members more widely are confusing two wholly different things. They are confusing the state pension age with the occupational retirement age under these schemes. I tried to make it clear in response to the right hon. and learned Member for Kensington and Chelsea (Sir Malcolm Rifkind) that nearly half of all private sector occupational schemes have a retirement age of 60, and we should not lose sight of that. It is quite wrong to stigmatise the agreement that we made with the public sector in the way that the hon. Gentleman has. I hope that what he said is not a foretelling of his position on the search for a national consensus, as it seems to me that he has already made up his mind.

Rob Marris (Wolverhampton, South-West) (Lab): I congratulate Lord Turner—or, as we call him in Wolverhampton, the other Lord Turner—on his report. My right hon. Friend may be a little optimistic in envisaging a White Paper next spring, as the public debate may need to go on rather longer than that. On the matter of affordability, I urge him and the Government to look again into the matter of tax relief on pension contributions. His own Department's evidence is that it has no bearing whatever on encouraging savings for pensions and it is the most regressive income tax measure in this country, with 50 per cent. going to the top 10 per cent. of income earners and 25 per cent. to the top 2.5 per cent. of earners. It is £14 billion of forgone taxation, which would be better spent on poorer pensioners.

Mr. Hutton: I certainly think that we should continue to work on the assumption that we will produce our proposals in the spring. The Prime Minister and I have made that very clear. It may well be difficult, but we should do all we can to ensure that it happens then. The Turner report deals in some detail—I think, in chapter 9—with some of the issues that my hon. Friend mentioned, and we will all need to study those proposals carefully. Ultimately, any issues to do with taxation are a matter for the Chancellor.

Hywel Williams (Caernarfon) (PC): Lord Turner specifically said that he did not recommend a major reform to the overall system of tax relief. Will the Secretary of State confirm that in the forthcoming debate that issue will be ruled in, rather than ruled out?

Mr. Hutton: I think that Lord Turner is quite right to refer to the issue in those terms, because, as we suspect, any changes would have a significant administrative burden, particularly in respect of defined benefit schemes. We would need to think very carefully indeed before deciding that we wanted to proceed with that.

Mr. Jim Devine (Livingston) (Lab): May I tell my right hon. Friend that the debate will be welcomed by many groups in my constituency—particularly, dare I say it, among health service workers in Scotland—because it may help to resolve the anomalous position of part-time women workers, people living in single-sex

[Mr. Jim Devine]

relationships and others that do not benefit from pension provision on the death of their partner? Does he acknowledge that the former director-general of the CBI and the president of the TUC were on the commission, thereby making it a unanimous report?

Mr. Hutton: Yes, certainly, I can confirm that the recommendations in the report were all unanimous. I also agree with my hon. Friend that it has long been recognised that there is a problem in the present pension arrangements as they apply to women. It is now clear that we will have broadly reached convergence between men and women in respect of entitlement to the basic state pension by 2025, but I do not believe that it is acceptable for us to wait until then before taking any further measures.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): Does the Secretary of State agree that Lord Turner's main and correct conclusion is that Governments must either encourage or require people to save more or work longer? Was that not as obvious eight years ago as it is today, so why have the Government done nothing for eight years—nearly a fifth of people's working lives—to encourage more savings and have instead drawn off £5 billion a year from their savings? Will not this Government's record be as damaging to the savings of the nation as Robert Maxwell's was to his employees?

Mr. Hutton: No, I do not accept any of that. As to the hoary old myths that are traded by Opposition Members about decisions taken back in 1997, let me make it absolutely clear that they were the right decisions and they formed part of an overall package of tax reform measures that were welcomed by the CBI at the time. They were partly designed to deliver, and succeeded in delivering, a significant improvement in respect of investment in British companies, so we should not be under any illusions about that. I have great respect for the right hon. Gentleman, who was a former Secretary of State, but he is mistaken and quite wrong to suggest that the Government have taken no measures since 1997 to encourage savings. As with similar comments made by the right hon. and learned Member for Rushcliffe (Mr. Clarke), that is palpably not the case.

Barbara Keeley (Worsley) (Lab): My right hon. Friend said earlier that our complex pensions system produces unfair outcomes for women and carers, and many of us would agree. Will he assure the House that the Government's approach to pension reform will start to address those unfair outcomes and increase people's ability to accrue full state pensions through their caring?

Mr. Hutton: Yes, I can give my hon. Friend that assurance. We take the view that we should look carefully into those issues in relation to Lord Turner's report, and we hope to introduce measures at the appropriate time that will deal with my hon. Friend's concerns.

Mr. Nigel Dodds (Belfast, North) (DUP): I welcome the publication of Lord Turner's report, which must be the catalyst for real changes that will help today's as well as tomorrow's pensioners. Does the Secretary of State agree that forcing more and more older people on to means-testing and into the means-testing system is, for all the reasons that have already been set out by hon. Members, neither sustainable in the long term nor desirable? Does he also agree that one of the basic elements of the way forward must be the provision of a basic state pension, set at a level that raises people out poverty, which is not based on contributions and which is linked to rises in earnings? Is that not the best way to deal with pensioner poverty, especially among women?

Mr. Hutton: I am grateful to the hon. Gentleman for his positive words of welcome for the Pensions Commission report. As to his further specific comments, he is inviting me to say whether we agree with every dot and comma of the report, but we simply cannot do that today; indeed, it would be wrong to do so. Clearly, we will have to address the issues that the hon. Gentleman has alluded to, particularly the future of means-testing; such factors will be an intrinsic part of the solution and the long-term settlement. We should not forget the very significant difference that the pension credit and the savings credit in particular have made to many millions of poor pensioner households. In the rush to condemn, there is a real risk that we forget to acknowledge those genuine achievements.

Mr. Michael Meacher (Oldham, West and Royton) (Lab): Does my right hon. Friend fully accept that, as other Members have said, means-tested topping up of the basic state pension is not a long-term viable option? I realise that he cannot give full answers today, but will he give a commitment to examining very closely the only real way out of this situation, which is to raise the basic pension to the pension credit level and to link it to national average earnings? Lord Turner makes it clear in his report that that is affordable. How, moreover, will my right hon. Friend deal with the very real problem of the many women who are entitled to derive benefits not on their own account, but simply because they are married and opted for reduced contributions before 1977?

Mr. Hutton: With due respect to my right hon. Friend, I tried to make it clear in my statement that in our view, the broad analysis and framework in the Pensions Commission report is right, but we will have to look very carefully at its implications for public spending and affordability over the medium to long term. It would be remiss of me not to point that out, and such considerations will be a central part of our response to Lord Turner's report. That report also makes it clear that Lord Turner acknowledges the contribution made by targeted support for the poorest pensioners. I realise that I am sounding like a broken record on this issue, but it is very important that my right hon. and hon. Friends do not forget the contribution made by such measures and investment.

Mrs. Jacqui Lait (Beckenham) (Con): Will the Secretary of State confirm that he will consult on whether the new state second pension will be a fully funded, properly invested scheme, and will such consultation address the question of whether the Government or the private sector will do the investing?

Will the terms of such a scheme be drawn up under private sector trustee laws, or will the Government direct such investment?

Mr. Hutton: I am not sure that I can answer the hon. Lady's latter questions; I might need to take some specific advice first. We intend to conduct the national pension debate that I referred to in my statement on the basis of Lord Turner's recommendations, and of other recommendations made on the future of the state second pension and any other part of the pension system. Lord Turner is making a number of important recommendations on the future of the state second pension—for example, he proposes a broad convergence between the basic state pension and the state second pension, so that both are flat-rated by approximately 2030—and we need to consider them very carefully. He also proposes that funding continue to be provided by way of national insurance contributions. There are some big policy issues for us to consider, but I can assure the hon. Lady that all serious suggestions on the future of the state second pension, and any other part of our state pension system, will be looked at seriously during the national pension debate.

Vera Baird (Redcar) (Lab): I thank my right hon. Friend for confirming that he accepts the inequities of the current system for women and I ask him to digest very carefully the recommendation that future accruals of basic state pension be done on an individual basis. It is essential that we abolish the outmoded, totally unacceptable and inequitable basis on which women get a pension: dependency on their spouse—if, indeed, there is a spouse. I also ask my right hon. Friend to note, when considering the recommendation that pensions ultimately become universal, the potentially great benefits for women. Does he further acknowledge that if universality offers the way ahead for the young, there is none the less a present and urgent need to reconfigure national insurance credits, so that women who are part-way through their careers do not suffer from these now well acknowledged inequities when they retire?

Mr. Hutton: I am grateful to my hon. and learned Friend for that, and I pay tribute to the work that she and many other Labour Members have done in drawing attention to such problems. I can confirm that we will examine all those proposals in detail in the next few months. I accept the urgency of the situation and the need for reform in this very important area.

John Penrose (Weston-super-Mare) (Con): Does the Secretary of State accept that if the Government decide to go ahead with the Turner report's recommendation for a national pension savings scheme, it will be essential to have sufficient safeguards in place to prevent future occupants of No. 11 Downing street from mounting a smash-and-grab raid on what we hope will be a mounting pot of individual savings over many years? To pick up on the point made by my hon. Friend the Member for Beckenham (Mrs. Lait), it will be essential to avoid any kind of political interference in the management of that money.

Does the Secretary of State also acknowledge that if he accepts the Turner commission's recommendation to increase the retirement age, he will have to adjust the current age discrimination laws, which allow people above the age of 65 to be dismissed on age-related grounds? If we are going to ask people to work until 67 or 68, we will clearly need to adjust those laws.

Mr. Hutton: The hon. Gentleman's last point is right, and we will need to revisit that issue if we accept any part of Lord Turner's proposal. At the risk of jeopardising the spirit of consensus and good will, all that I can say of his point about my right hon. Friend the Chancellor is: for heaven's sake, grow up.

Mr. Ian Davidson (Glasgow, South-West) (Lab/Co-op): Will the Government's proposals take account of inequality in our society? Is the Secretary of State aware, for example, that average life expectancy in my constituency is 68, and that enthusiasm there for an increase in the retirement age is therefore less than total? How does he intend to take account of these social factors?

Mr. Hutton: I agree that we have to look very seriously at this issue. To be fair to Lord Turner, his report does provide a number of options that might help to ameliorate the problem that my hon. Friend refers to, and we need to study them very carefully. They include triggering entitlement to the pension credit at 67, 66 or even earlier. It is important, however, to correct a notorious headline in *The Daily Telegraph* of a few weeks ago, which said that if we pursued the policy that Lord Turner was likely to recommend—a stepped and gradual increase in the state pension age—20 per cent. of men would never get to the age of 67. That is completely untrue. It is likely that, with a pension age of between 65 and 67, a further 3 per cent. of men would not make it to 67. That is obviously a matter of regret, but the situation is not quite as bad as when Lloyd George introduced the basic state pension in 1908. Then, the pension age was 70 and average male life expectancy was 45. With hindsight, that looks like something of a fiscal con-trick.

Dr. Vincent Cable (Twickenham) (LD): Does the Secretary of State endorse Lord Turner's specific conclusion that the 40 per cent. marginal tax rate arising from the withdrawal of the pension credit undermines voluntary private saving, or does he insist—as his Ministers were doing until as recently as this Monday—that there is no evidence of any disincentive?

Mr. Hutton: To be frank, I have yet to see any concrete evidence of a disincentive effect on saving, but the Department for Work and Pensions will shortly publish new research that might throw some light on this subject.

Tony Lloyd (Manchester, Central) (Lab): I greatly welcome my right hon. Friend's commitment to doing something concrete about poverty among women pensioners, who were structurally locked out of adequate pension schemes for now outmoded reasons. However, will he be cautious in dealing with blandishments concerning an exemption for small firms? If we build in another barrier to adequate pensions, we will probably end up reintroducing gender

[Tony Lloyd]

discrimination. In any case, such an exemption would be unacceptable for those working for small firms, who are often low earners.

Mr. Hutton: We have made no decisions on Lord Turner's recommendation for a new, low-cost savings scheme for employees. He proposes no exemptions for small firms, but I have made it clear that we will have to consider that part of his report in the same way as other aspects of it. My hon. Friend will be aware of the changes that we have made in an effort to credit periods spent out of waged employment by women and carers, and I hope that they will make a significant difference. They apply principally to the state second pension, but they have made, and will continue to make, a significant contribution.

Mr. Charles Walker (Broxbourne) (Con): At the risk of incurring the Secretary of State's wrath, does he accept that pensioners would be better off with the compounded £60 billion to £70 billion removed by the Chancellor since 1997? If not, why not?

Mr. Hutton: I am afraid to say that the hon. Gentleman needs to learn a lot more about this subject before he makes another contribution. It is much more complicated than that, and if he wants to study it further he should perhaps look at the Pensions Policy Institute's recent work on the alleged £5 billion figure. It is complicated, in the first place by increases—*[Interruption.]* Well, the hon. Gentleman either wants to listen or he does not, and I suspect that it is clear to all of us on this side of the House that he does not. One of the issues is longevity, and it would be foolish for him and others to pretend otherwise. Another factor is what has happened in the stock exchange over the past six or seven years, and the low level of interest rates has also been significant. The announcement about tax dividend credits was welcomed by business because it formed part of a wider overall package, and it is important to bear that in mind. I know one other thing—that the Opposition are not proposing to reverse that tax credit.

Steve McCabe (Birmingham, Hall Green) (Lab): Does my right hon. Friend accept that there is little evidence that the reduction in the tax dividend credit, which actually began in 1993, has had any significant impact on pension levels? Was not the hon. Member for Witney (Mr. Cameron) telling the truth when he said that the leading companies in the FTSE 100 list had told him that the reintroduction of the tax credit would have no bearing on their decisions about company pensions?

Mr. Hutton: I am very grateful to my hon. Friend for that clarification, and agree absolutely with him. I agree with something else that the hon. Member for Witney (Mr. Cameron) said recently—that Tory pensions policy would not solve the pensions crisis. I think that that is very right too.

Grant Shapps (Welwyn Hatfield) (Con): The Secretary of State is proposing to bring out his White Paper next spring. By then, the Government will have had nine years to bring proposals forward. The point made a moment ago by my hon. Friend the Member for Broxbourne (Mr. Walker) was rather rudely dismissed, but nine times £5 billion does equal £45 billion. I understand that the calculation may be somewhat more complex, but I have studied the issues and understand advance corporation tax better than most hon. Members. Lord Turner makes it clear that the deficit is about £57 billion, of which £45 billion could be taken from the ACT change and raid carried out by the Chancellor of the Exchequer. What does the right hon. Gentleman think about that?

Mr. Hutton: Again, we have spent a lot of time on this matter this afternoon. The hon. Gentleman obviously likes to read widely on the subject, so I recommend that he take a look at the material produced recently by the Pensions Policy Institute. That would require him to revisit all the figures that he has quoted to the House today. If he has a chance to look at Lord Turner's report, he will see that he declines to give a figure for the pensions savings gap that in any way resembles what the hon. Gentleman has quoted. Lord Turner says that that is not possible, and I agree.

Anne Snelgrove (South Swindon) (Lab): Does my right hon. Friend agree that the vast majority of the 2 million pensioners whom we have lifted out of poverty since 1997 are women and carers? I welcome what the right hon. and learned Member for Kensington and Chelsea (Sir Malcolm Rifkind) said earlier, but I do not recall him saying the same sort of thing when I was a carer and part-time worker in the 1980s. Does my right hon. Friend share my concerns that simplifying and reforming the pensions system to make it less means-tested may threaten those women and carers whom we helped to receive bigger pensions? Must we not be careful, in any consideration of the Turner report, that we do not plunge those people into poverty again?

Mr. Hutton: I agree absolutely. Over the next few months, we must look very carefully at those outcomes that we think are important and that we want to secure. I assure my hon. Friend that we will take no measures that will threaten the retirement incomes of the people to whom she referred.

Point of Order

Dr. Julian Lewis (New Forest, East) (Con): On a point of order, Mr. Speaker. May I very gently seek your guidance about the status of the convention regarding the silence of the Whips? During the exchanges between the Secretary of State for Work and Pensions and my right hon. and learned Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind), the shadow Secretary of State, you firmly reproved one hon. Member for very loud heckling. However, you may not have been able to hear the very senior member of the Government Whips Office—I shall not name her, as she has left the Chamber—who kept up an almost compulsive and constant sedentary chattering. Moreover, today is not the first time that that has been observed. Is that in order for the proceedings of this Chamber?

Mr. Speaker: Let me say to the hon. Gentleman that I can hear a pin drop in the Chamber, so he does not have to worry about what I heard. I have a policy: I pick up one at a time, and the next time round it will be the right hon. Lady to whom he has referred.

BILL PRESENTED

Armed Forces

Mr. Secretary Reid, supported by the Prime Minister, Mr. Secretary Prescott, Mr. Secretary Straw, Mr. Secretary Clarke, the Solicitor-General, Mr. Adam Ingram, Mr. Don Touhig and Bridget Prentice, presented a Bill to make provision with respect to the armed forces; and for connected purposes: And the same was read the First time; and ordered to be read a Second Time on Thursday 1 December, and to be printed. Explanatory notes to be printed [Bill 94].

Abandoned Waterways

1.34 pm

David Heyes (Ashton-under-Lyne) (Lab): I beg to move,

That leave be given to bring in a Bill to make provision about the protection of abandoned inland waterways, and for connected purposes.

The Bill will safeguard opportunities for the restoration of inland waterways, especially canals, by ensuring a more consistent approach to planning and development activities that affect the original lines of abandoned waterways.

I should start by explaining how I came to attach importance to the need for this Bill. My constituency has a rich canal history. In the centre of Ashton-under-Lyne, the Portland basin is a vital hub in the national canal network at the confluence of the Ashton, Peak Forest and Huddersfield Narrow canals. The Ashton canal runs through Droylsden to Manchester to meet the Rochdale and Bridgewater canals, forming part of the Cheshire ring. In recent years, we have seen the successful refurbishment or restoration of all of these canals and, most recently, millennium funding has enabled the restoration of the Rochdale canal through Failsworth in the Oldham part of my constituency.

Yet there is a missing link in this canal success story, and I should declare an interest as a member of the society that is working towards the restoration of the abandoned Hollinwood branch of the Ashton canal. In some places, especially through the Daisy Nook country park, this canal has been cosmetically refurbished. In other places, it has been infilled and built on. What is more, the construction of the M60 motorway has severed the original line in two places. Despite that, the Hollinwood canal society believes that it can be restored. I agree, but we are realistic about the time scale, which could be as long as three decades. I know that similar challenges are faced by many hon. Members in their constituencies

The Government's commitment to the future of inland waterways was clearly stated in the transport White Paper and the "Waterways for Tomorrow" document explains that the Government want

"to promote the inland waterways, encouraging a modern, integrated and sustainable approach to their use."

The document highlights the benefits of inland waterways in terms of leisure and recreation, heritage, the natural environment and regeneration.

Planning guidance already exists in relation to inland waterways. Planning policy guidance note 12 states that local authorities might:

"wish to safeguard sites for transport related development which might otherwise be lost to other development, such as sites adjoining railway sidings or wharves alongside waterways and ports."

That is the problem, however: local authorities might wish to safeguard such sites but, then again, they might not.

In similar vein, PPG13 exhorts local authorities to work with all those concerned, including private operators, British Waterways and voluntary groups, to develop the potential of inland waterways. In drawing

[David Heyes]

up development plans and determining planning applications, they are advised, among other things, to seek to protect and enhance the waterway environment, "where these are viable options".

The difficulty is that planning guidance is just that—guidance, and not mandatory. It is open to interpretation by planning officers, and one planner's "viable" is another's "non-starter".

The waterways recovery group is one of the leading voluntary organisations involved in the restoration of canals. In the most recent edition of its magazine "*Navvies*", the editor makes clear the commonly held view among volunteers in this sector—that planners and developers often do no more than pay lip service to planning policy guidance. His article points out some of the difficulties. For example, PPG13 stipulates that new road construction should incorporate full provision for canals under restoration, yet it does not cover waterways that have the potential for restoration where work has not yet started. It does not cover diversionary routes that have been identified because the original line has already been compromised. It does not prevent roads being built so close to the canal line, alongside it rather than across it, that future restoration is rendered impractical and extremely costly.

I know, from what the hon. Member for Lichfield (Michael Fabricant) has told me—and I am glad to see him in his place this afternoon—that that is precisely what has gone wrong in his constituency, where ambitions to restore the Lichfield and Hatherton canals have been frustrated by the failure of PPG13 to place enough of an obligation on the local planning authority to protect the line of the canal from adverse development that has hindered its reconstruction.

One volunteer in my constituency has expressed frustration that preserving the line of a canal can hinge on whether the senior council officer with local responsibility for inland waterways is sympathetic and enthusiastic or cautious and pessimistic about restoration. Given the time scale involved in restoration, changes in personnel are inevitable and that brings the risk of inconsistency and uncertainty.

Another concern is the difference in approach towards urban, inter-urban and rural locations. Developers and planners see the benefit of waterside locations and urban sites are very likely to be restored within regeneration projects. In my own constituency, in Droylsden town centre, work has started on a multi-million pound marina, with quality housing alongside leisure and commercial developments. The line of the Hollinwood branch canal has been protected, for a short distance, as part of that scheme. Also, on the banks of the restored Rochdale canal in Failsworth, there are plans for a new district centre, including retail and waterside housing development. However, the relevance of regenerating small stretches of canal and canal-side properties within urban regeneration projects must be called into question if the original waterways between will never become navigable again. The whole point of a marina is surely that boats will visit.

Where the line runs through a rural or inter-urban setting, there is no developer interest and attracting funding is much more difficult. The burden often falls on volunteer groups to bid for funding. Volunteers devote an enormous amount of time to restoration of canals and lobbying of local authorities, funding bodies and others. Many of those volunteers have incredibly detailed knowledge and a great deal of technical expertise. Their work has had, and will continue to have, an invaluable impact on the restoration of canals. However, it is regrettable that the future of inland waterways is so heavily dependent on the existence, skills and abilities of local volunteer groups. In areas where there are no volunteers diligently checking every planning application, the danger is that the lines of more and more abandoned waterways will be permanently compromised.

So, the problems are the lack of consistency of approach between local authorities; lack of consistency of approach between rural, urban and inter-urban areas; an over-reliance on the existence, skills and abilities of volunteers; the fact that construction projects that affect the line of disused inland waterways continue to be allowed, all too often without adequate consideration of the impact on the potential for future restoration; and the fact that PPGs are open to wide variations in interpretation and are guidance rather than being mandatory.

As long as guidance is applied in a patchy way, with variations in approach between one local authority and another and between urban, inter-urban and rural areas, the Government's vision of an integrated and sustainable approach to the use of inland waterways is at risk. The Bill will safeguard the future of inland waterways by preserving the lines of much of the abandoned network until such time as the funding, and the capacity of organisations such as British Waterways, is in place to effect the necessary restoration.

The Bill will establish a requirement for local authorities to consult all those concerned in the inland waterways industry—private operators, British Waterways and other navigation authorities and the voluntary sector—to develop the potential of inland waterways in drawing up development plans and determining applications. In short, it will translate current guidance into legislation.

The Bill will establish a requirement for local authorities to preserve the lines of disused inland waterways to ensure the possibility of future restoration to a standard that meets the normal requirements of navigation. We must act now to prevent planning decisions continuing to be made that close the door forever on the eventual restoration of many of our inland waterways. I commend the Bill to the House.

Question put and agreed to.

Bill ordered to be brought in by David Heyes, Andrew Gwynne, Kelvin Hopkins, Paul Flynn, Michael Fabricant, Dr. Brian Iddon, Andrew Miller, Lynda Waltho and Mr. Ian Austin.

ABANDONED INLAND WATERWAYS (PROTECTION) BILL

David Heyes accordingly presented a Bill to make provision about the protection of abandoned inland waterways; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 12 May, and to be printed [Bill 95].

Orders of the Day

Terrorism (Northern Ireland) Bill

Not amended in the Standing Committee, considered.

New Clause 1

MODE OF TRIAL ON INDICTMENT

'(1) Section 75 of the 2000 Act (mode of trial on indictment) shall be amended as follows.

(2) After subsection (1) insert—

"(1A) The court shall consist of three judges of the Crown Court."'.—*[Lembit Öpik.]*

Brought up, and read the First time.

1.45 pm

Lembit Öpik (Montgomeryshire) (LD): I beg to move, That the clause be read a Second time.

I congratulate the Government on their sensible handling of the timetable for this legislation. This is one occasion on which there has been no issue of process, but there has been an issue of content. For that reason, I am sure that we can dispense with the business fairly quickly today, even though three important issues are up for debate. The first is the issue of the mode of trial.

Right hon. and hon. Members will recall that in Committee we had a debate about the specific question of how many judges should sit on the committees known as the Diplock courts. At the moment, as we all know, it takes one judge to operate the Diplock courts. The new clause seeks to alter the way in those courts operate by increasing the number of judges from one to three.

We had the option to table an amendment that would simply have repealed the entire Diplock court system, but we were aware that we would not have gained a consensus on that and also that there may still be a case for operating the Diplock court system because of the evils of intimidation and coercion that are well known in Northern Irish politics. However, Lord Carlile, who has informed much of our debate—the Government have listened to him considerably—suggested in his last report on the operation of part 7 of the Terrorism Act 2000 that three judges of the Crown court should sit in such trials, rather than one.

It is fair to recognise that Lord Carlile's assessment that Northern Ireland judges apply rigorous standards to the quality of evidence in non-jury trials still stands, but he suggested that a three-judge court would command greater confidence across the communities, without diminishing the credibility of the court system that we are discussing.

As we try to normalise Northern Irish politics and Northern Irish law, we believe that it is necessary to do all that we can to normalise the court system. So I agree with Lord Carlile that such a move would help to secure greater confidence in how the criminal justice system operates in scheduled-offence trials in Northern Ireland. We believe that the Government should seriously consider how best to move the situation forward and should certainly take on board Lord Carlile's suggestion.

Mr. Nigel Dodds (Belfast, North) (DUP): In the scenario that the hon. Gentleman envisions, with three judges sitting, would decisions have to be reached unanimously, or could they be reached by majority vote in cases of a difference of opinion?

Lembit Öpik: I was just about to come to that point, because it arose in Committee. My hon. Friend the Member for Solihull (Lorely Burt) said that she thought that the decision needed to be unanimous. On consideration, and after discussion with colleagues and others, I concur. A unanimous judgment would be a check step that would guarantee that the body of evidence was robust. The argument against a unanimous vote would be that a majority vote was sufficient insurance, because at least two judges would have to agree. In my judgment, it should be unanimous. However, those details do not have to be decided now as they could be dealt with by a statutory instrument that would establish the standing orders for the procedure.

In the previous debates on this point, the Minister cited cost as a reason not to have three judges. He said that in Lord Carlile's 2003 report

"he estimated that 10 additional judges would be required to produce the same criminal justice system. Those judges would have to be recruited and trained, and accommodation would have to be provided for them. If necessary—of course we would do this if we were to move to that system—steps would have to be taken to protect their security. That would have significant financial implications."—*[Official Report, Standing Committee E,* 8 November 2005; c. 25.]

Lorely Burt (Solihull) (LD): May I develop the theme of costs? Lord Carlile was talking about 10 judges in 2003 and although only two years have elapsed since then considerable progress has been made, so one would hope that the necessity for the number of Diplock courts envisaged by Lord Carlile might be less than it was. I would also like to make the point that—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order.

Lorely Burt: I beg your pardon, Mr. Deputy Speaker.

Mr. Deputy Speaker: Order. I have not finished with the hon. Lady. She must understand that there is a distinction between an intervention and a speech. If she really wants to develop a point, perhaps she would be better off trying to catch my eye later in the debate.

Lembit Öpik: Nevertheless, the point made by my hon. Friend the Member for Solihull (Lorely Burt) is valid. We are constantly told that the situation in Northern Ireland is normalising, so the estimate of 10 may be on the high side. There is a second point, which relates to other legislation that we have been discussing recently where the Government want to set up an entire, parallel quasi-judicial system to deal with on-the-runs, which will be a colossal expense. It is not acceptable for the Government to rail against the relatively modest investment in a three-judge Diplock court system while advocating an entire parallel system, at relatively high expense, for that other legislation.

Mr. Jeffrey M. Donaldson (Lagan Valley) (DUP): The hon. Gentleman will recall that during Second Reading of the Northern Ireland (Offences) Bill, the Secretary of State claimed that one reason why the Government were

[Mr. Jeffrey M. Donaldson]

not able to go through a full judicial process for terrorists who were on the run was that it would create major problems in the judicial system in Northern Ireland. What implications does that have for his proposal that three judges should sit in such proceedings?

Lembit Öpik: I thank hon. Friends for their contributions, because as they make them we are covering all the points. In response to the hon. Gentleman, I recall the Secretary of State for Northern Ireland saying, only seven days ago, that he did not want to use the existing court structure because the on-the-runs legislation would "jam up" the courts, so if that is the state of shortage of judges in the Northern Ireland court system, the Government should be investing in extra judges in any case. There is a strong case for resolving both issues by ensuring that there are sufficient judges to administer the existing responsibilities and requirements of the judicial system in Northern Ireland, together with the on-the-runs—a matter that we shall discuss at another time—and the three-judge Diplock court system that we are proposing.

In essence, that is our case. We have given the Government some time to consider it and I hope that the Minister, on reflection, will accept that the new clause is wholly reasonable; the costs would be modest and it is very much in the interests of justice in Northern Ireland. Should the Government hold out against the new clause, it will be necessary for us to divide the House.

Mr. Laurence Robertson (Tewkesbury) (Con): We discussed this matter in Committee. The official Opposition have some sympathy with the point made by the hon. Member for Montgomeryshire (Lembit Öpik) and we have had various discussions about it.

I raised the point about unanimity in Committee although we did not discuss it much at that stage. We can see some difficulty with it. If there was a requirement for unanimity and there was a two-to-one vote in favour of the guilt of the person before the court, the majority verdict would obviously be guilty but the person would presumably be released. If there were no requirement for unanimity, I foresee further problems. If there was a two-to-one vote, there might be questions about which judge voted which way. Were they Unionist, loyalist, nationalist, Protestant or Catholic?

The initial appointment of the judges could also lead to difficulties. The number three does not divide equally, which is why it was chosen.

Lembit Öpik: That is the point.

Mr. Robertson: Indeed.

A further problem could arise: if one judge was a Protestant and the second a Catholic, how would the third appointment be made?

Mr. Donaldson: From the Alliance party.

Lembit Öpik: Although the Alliance party may require an act of faith, it is not actually a religion.

Mr. Robertson: I cannot possibly respond.

There could be an argument for considering the background of the judges, but the current system seems to be working reasonably well in practice, although I accept that trial without jury is wholly undesirable. It is acceptable—if that is the right word—only due to the difficulties in Northern Ireland, which unfortunately continue to exist.

The situation is working acceptably partly because it has as a back-stop the automatic right to appeal. Leave to appeal does not have to be sought; there is an automatic right of appeal in the present system, so although I promise the hon. Member for Montgomeryshire that the official Opposition have looked at the new clause and discussed it in great detail, we have decided on balance that we cannot support it.

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. Shaun Woodward): New clause 1 would amend the Terrorism Act 2000 to provide that Diplock courts would in future consist of three judges of the Crown court. The business of the Crown court in Northern Ireland is dealt with by judges of the Court of Appeal, High Court and county court sitting in the Crown court in accordance with directions given by the Lord Chancellor.

Lord Carlile has recommended on several occasions that a three-judge court could be a replacement for Diplock courts. However, I remind the hon. Member for Montgomeryshire (Lembit Öpik) that Lord Carlile draws no firm conclusions and has stated that the decision is one for the Government. Indeed, the proper context is the 2004 report, where he says:

"My overall conclusion is that a 3 judge, non-jury court could"—

not "would" but "could"—

"function satisfactorily even if the judges were of non-equivalent judicial status. Nevertheless the present single-judge courts continue to offer a high standard of justice: there is no evidence of any deficit in the quality of single-judge courts."

Crucially, he continues:

"Having provided those conclusions, whether there should be a change is a matter outside my direct purview. It is a matter for Ministers, and the evolving political process. Political and economic judgments at that level are founded on broader considerations than my responsibilities as reviewer permit."

Lorely Burt: In Committee, the Minister may recall saying that when considering the necessity for a successor to Diplock the three-judge option might be tried. Why does he feel that we should wait until we are considering the successor to Diplock before looking at that option?

Mr. Woodward: Because, with the respect to the hon. Lady, those matters must be more carefully thought through and not just dealt with by trial and error. Lord Carlile acknowledges that the existing system offers a "high standard of justice". Simply to work on the basis of "Perhaps it might be better" is not an entirely good way to proceed with criminal justice in Northern Ireland.

In his 2003 report, Lord Carlile also acknowledged that there would be resource and training implications if the three-judge approach were adopted. He estimated that 10 additional judges would be required. The

hon. Member for Montgomeryshire raised questions about the parallel system that we are introducing for on-the-runs, but I suppose that I should say, Mr. Deputy Speaker, that I will not crave your indulgence by talking about that measure in the context of this Bill. Nevertheless, the fact of the matter is that 10 additional judges would cost several million pounds to maintain—the Court Service has produced that cost for us. If proceeding down that route were to produce a better system of criminal justice, of course we should consider it. However, until we know the full costings and are certain that that system of justice would be better, it would be foolish to throw out something at that even Lord Carlile accepts has a high standard of justice.

2 pm

The recruitment and training of the judges would lead to significant financial costs, as would their accommodation and, quite rightly, their security. I am not clear that the proposal represents value for money, especially given that Diplock courts in their current form are due to be repealed under the security normalisation programme in about 18 months, subject to—critically—an enabling environment.

Three-judge courts could create significant problems of delay. The requirement to ensure that the three allocated judges were available for all stages of a trial might lead to delay in the criminal justice system. Unless verdicts were required to be unanimous, which would be different from the current practice in the Court of Appeal, there could be unwelcome and unhelpful speculation about the verdicts and individual views of judges involved in such cases. It is not clear to me that that would increase confidence in the system.

Mr. Dodds: Leaving aside the merits of three-judge courts for one minute, can the Minister help us on the question of costs? Will he tell us how many cases have gone through the Diplock process each year over the past few years so that we can get an idea of the size of the burden on the judicial system that would be created?

Mr. Woodward: If the hon. Gentleman will allow me, I will write to him specifically on that point. Given the analysis that we have seen, we think that the proposal of the hon. Member for Montgomeryshire would be more expensive than the existing system. However, as I said, if it were to lead to a better system of justice in Northern Ireland, it would undoubtedly be the right thing to do, but it is appropriate to consider value for money. What matters is confidence in the judicial system. The concerns are not insurmountable, and we are convinced that we could perhaps consider three-judge courts in the future.

As I said on Second Reading and in Committee, I am already committed to considering what, if any, replacement is needed for Diplock courts so that we can tackle the problems of intimidated jurors in paramilitary-style trials in the future. That is an important issue for the people of Northern Ireland. The future of certain types of criminal trial in Northern Ireland is a matter of significant public interest that merits the maximum possible scrutiny and debate. The Government would like to proceed with as much consensus as possible on any replacement arrangements for Diplock courts. Until the detailed inter-agency work that is under way on the issue has been completed, it would not be appropriate to discuss specific proposals or to commit to three-judge courts as a possible way forward.

Dr. William McCrea (South Antrim) (DUP): The Minister says that he wants to consider costs and implications. What is the time scale in which any further proposals might be brought forward?

Mr. Woodward: I might be able to answer the hon. Gentleman's question pretty much immediately. Although detailed proposals should be worked up by next summer, we would like to ensure that we are able to take on board a wide range of views, including those of the hon. Member for Montgomeryshire and representatives of other political parties, before any final decisions are taken. With that in mind, and taking forward the proposals that I made clear in Committee, this morning the Secretary of State wrote to the hon. Member for South Staffordshire (Sir Patrick Cormack), as Chairman of the Northern Ireland Affairs Committee, to make a commitment to pre-legislative scrutiny on any replacement for Diplock. Such scrutiny should facilitate the full debate that I believe the hon. Member for Montgomeryshire would like. It will allow us to take full account of all the issues involved, including costs, security and the question of majority or unanimous verdicts. We must consider those extremely important matters so that we can proceed carefully and appropriately and ensure that any arrangements that replace the present system are better than it, not worse. We look forward to hearing the views of hon. Members on the subject next summer.

Mr. Dodds: I welcome the Minister's commitment to pre-legislative scrutiny. Why is he prepared to adopt that approach on future proposals, but not prepared to accept the suggestion that the much more contentious Bill on amnesty for on-the-runs should receive such scrutiny? That matter was raised in the House by no less a person than the Chairman of the Northern Ireland Affairs Committee, but the Government seem to have set their face against that approach.

Mr. Woodward: I fear that I would be craving your indulgence, Mr. Deputy Speaker, if I started to discuss on-the-runs. However, as I have said, we believe that it would be entirely appropriate to use the Northern Ireland Affairs Committee for close examination of the proposals through pre-legislative scrutiny. For the purposes of this Bill, we think that the present system remains the right one for the next few months, so I urge the House not to accept new clause 1.

Lembit Öpik: I thank hon. Members for their contributions to the debate. May I start by emphasising the importance of being consistent with Lord Carlile's advice? We are considering the words and judgments of the man who is paid to make independent assessments, so we should think seriously about recommendations and suggestions that he puts forward, even if the Government are not inherently disposed to support them from the outset. I assure hon. Members that my dedicated belief in Lord Carlile's contributions is not

[Lembit Öpik]

based on the fact that he was the Member of Parliament for Montgomeryshire until 1997, although that is a consideration.

I understand the concern of the hon. Member for Tewkesbury (Mr. Robertson) about religious and community affiliations in a three-judge system. Nevertheless, it is fairly easy to show that we could find independent judges from across the community who would be trusted as faithful adherents to the standards and principles that we expect from the judiciary.

Mr. Woodward: Obviously, the Government have enormous respect for the work of Lord Carlile. However, when the hon. Gentleman makes his assessment of the matter, he must take Lord Carlile's 2003 report into consideration. Lord Carlile said that the fact that a three-judge court could work did not necessarily mean that it should be introduced.

Lembit Öpik: That is why this is a matter not of principle, but of judgment. The judgment of the Liberal Democrats is that it is appropriate to take the advice on board. I do not condemn the Minister, the hon. Member for Tewkesbury or others for holding a different view, but it is important to put down a marker today on where we should go.

Let me return to the question of the affiliation of judges. The hon. Member for Tewkesbury rightly pointed out that there might be some consideration of whether there were one Protestant and one Catholic judge. It was suggested that the third judge could be an Alliance party member, but perhaps one Baha'i could be the third member of the panel. The problem is not insurmountable. We faced it all the time when constituting the various organisations that have been set up in Northern Ireland in recent years and we got through it. If the system were coupled with a requirement for a unanimous verdict, we would ensure that we would get a cross-community verdict from the judges. We must also bear it in mind that Diplock courts have been frequently criticised for requiring one individual to make a judgment on an offence that would be made by a jury in normal circumstances, or in other parts of the United Kingdom, but I shall not labour that point because it has been made several times before.

As for the number of judges that we need, I am still not persuaded that we need 10 judges to make the change. I am disappointed that, in responding to a question from the Democratic Unionist party, the Minister could not tell us how many times a Diplock court has been used in the past few years, as such information would be helpful.

Mr. Woodward: As I have said, the Government fully respect Lord Carlile's advice. The hon. Gentleman regularly turns to that advice, and Lord Carlile suggested in his 2003 report that we would require

"at least ten additional judges, from whom membership for trials could be chosen".

We are therefore also relying on that evidence.

Lembit Öpik: No doubt, Lord Carlile will learn how many times he has been cited in our debate and will have his own views on the matter. I will welcome that as the debate shifts to another place. However, circumstances have changed markedly in the past two years, and he was writing about the situation in 2003, not 2005. Nevertheless, this is a moot point because of the words that the Minister used only a few moments ago. I believe that he said that if it were to lead to a better system of justice for Northern Ireland, it would undoubtedly be a worthwhile thing to do. In my judgment, it would. The Minister is more cautious, and I understand why.

Mr. Woodward: I absolutely stand by what I said to the hon. Gentleman in Committee. We are asking him to refrain from dividing the House this afternoon. We have made it perfectly clear that later next year we will introduce proposals for pre-legislative scrutiny by the Select Committee on Northern Ireland Affairs, which will have all the evidence available to make a judgment on our proposals. That is a far more sensible way of proceeding, as it fully recognises the recommendations as well as criticisms and Lord Carlile's observations. Lord Carlile clearly thinks that it would not necessarily be a better system, but it could be. As he has such confidence in the present system, simply to tinker with it for the sake of a delay of 12 months or so would be a little foolish.

Lembit Öpik: I could be wrong, but I see the look of fear in the Minister's eyes. He is afraid that he might lose the vote, but that is the cost of democracy. I encourage him to have the courage of his convictions if the House divides and lose gracefully if it comes to that.

There are two reasons why we wish to divide the House. First, it is appropriate to discuss the details of the Diplock court system, because they pertain directly to the legislation. Secondly, and more importantly, in recent years we have been assured of pre-legislative scrutiny, proper consultation, inclusivity and cross-party accord in Northern Irish matters. In the eight and a half years in which I have been Northern Ireland spokesman for the Liberal Democrats, there has been a movement away from bipartisanship and towards unilateral deals, primarily between the Government and Sinn Fein. I am concerned that the assurance of consultation that the Minister has given us today may not be carried through in future. As evidence of that, I cite the point made by the DUP not 10 minutes ago. There has been no more important piece of legislation requiring cross-party support and pre-legislative scrutiny than the on-the-runs legislation. We are not here to debate the detail of that legislation, but we can cite the failure of process that led to the debate on Second Reading as evidence of the need to be extremely cautious about any guarantees that Ministers offer us, both today and in future.

If we do not divide the House, we will fail to put in place a limited insurance policy that recognises the importance of cross-party support and pre-legislative scrutiny before further changes to the Diplock courts. I accept the Minister's views, and I welcome his offer on paper of extensive pre-legislative scrutiny of Diplock court reform. However, I do not trust the Government to follow it through, because we have been let down in the past. For that reason, I seek leave to divide the House.

Question put, That the clause be read a Second time:—

The House divided: Ayes 46, Noes 370.

Division No. 110] **[2.15 pm**

AYES

Barrett, John
Beith, rh Mr. Alan
Brake, Tom
Breed, Mr. Colin
Brooke, Annette
Browne, Mr. Jeremy
Burstow, Mr. Paul
Cable, Dr. Vincent
Carmichael, Mr. Alistair
Davey, Mr. Edward
Farron, Tim
Featherstone, Lynne
Foster, Mr. Don
Gidley, Sandra
Goldsworthy, Julia
Harris, Dr. Evan
Harvey, Nick
Heath, Mr. David
Hemming, John
Hogg, rh Mr. Douglas
Holmes, Paul
Horwood, Martin
Howarth, David
Huhne, Chris
Kennedy, rh Mr. Charles
Kramer, Susan
Laws, Mr. David
Leech, Mr. John
Llwyd, Mr. Elfyn
McDonnell, Dr. Alasdair
Moore, Mr. Michael
Öpik, Lembit
Pugh, Dr. John
Reid, Mr. Alan
Rogerson, Mr. Dan
Rowen, Paul
Russell, Bob
Stunell, Andrew
Swinson, Jo
Taylor, Dr. Richard
Thurso, John
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Willis, Mr. Phil
Willott, Jenny

Tellers for the Ayes:
Lorely Burt and
Greg Mulholland

NOES

Afriyie, Adam
Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Arbuthnot, rh Mr. James
Armstrong, rh Hilary
Atkins, Charlotte
Atkinson, Mr. Peter
Austin, Mr. Ian
Austin, John
Bacon, Mr. Richard
Bailey, Mr. Adrian
Baird, Vera
Baldry, Tony
Balls, Ed
Barker, Gregory
Barlow, Ms Celia
Baron, Mr. John
Barron, rh Mr. Kevin
Bellingham, Mr. Henry
Benton, Mr. Joe
Benyon, Mr. Richard
Bercow, John
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blair, rh Mr. Tony
Blears, rh Hazel
Blizzard, Mr. Bob
Blunt, Mr. Crispin
Bone, Mr. Peter
Borrow, Mr. David S.
Boswell, Mr. Tim
Bradshaw, Mr. Ben
Brady, Mr. Graham
Brennan, Kevin
Brokenshire, James
Brown, Lyn
Browne, rh Mr. Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, Andy
Byrne, Mr. Liam
Campbell, Mr. Gregory
Campbell, Mr. Ronnie
Carswell, Mr. Douglas
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Chope, Mr. Christopher
Clapham, Mr. Michael
Clappison, Mr. James
Clark, Greg
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Kenneth
Clarke, rh Mr. Tom
Clelland, Mr. David
Clifton-Brown, Mr. Geoffrey
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cousins, Jim
Crabb, Mr. Stephen
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curry, rh Mr. David
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Philip
Davies, Mr. Quentin
Dean, Mrs. Janet
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Djanogly, Mr. Jonathan
Dobbin, Jim
Dobson, rh Frank
Dodds, Mr. Nigel
Donaldson, Mr. Jeffrey M.
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Dowd, Jim
Drew, Mr. David
Dunwoody, Mrs. Gwyneth
Eagle, Angela
Ellwood, Mr. Tobias
Etherington, Bill
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, rh Mr. Frank
Field, Mr. Mark
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flynn, Paul
Forth, rh Mr. Eric
Foster, Mr. Michael *(Worcester)*
Francois, Mr. Mark
Gale, Mr. Roger
Gibb, Mr. Nick
Gibson, Dr. Ian
Gillan, Mrs. Cheryl
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hague, rh Mr. William
Hain, rh Mr. Peter
Hall, Patrick
Hamilton, Mr. David
Hammond, Stephen
Hands, Mr. Greg
Hanson, Mr. David
Harper, Mr. Mark
Harris, Mr. Tom
Havard, Mr. Dai
Hayes, Mr. John
Healey, John
Heathcoat-Amory, rh Mr. David
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Herbert, Nick
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hoban, Mr. Mark
Hodgson, Mrs. Sharon
Hood, Mr. Jimmy
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Hutton, rh Mr. John
Iddon, Dr. Brian
Irranca-Davies, Huw
Jackson, Glenda
Jackson, Mr. Stewart
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Mr. David
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Kawczynski, Daniel
Keeble, Ms Sally
Keeley, Barbara
Keen, Ann
Kemp, Mr. Fraser
Khan, Mr. Sadiq
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Knight, Jim
Lait, Mrs. Jacqui
Lammy, Mr. David
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laxton, Mr. Bob
Lazarowicz, Mark
Leigh, Mr. Edward
Levitt, Tom
Lewis, Mr. Ivan
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Linton, Martin
Lloyd, Tony
Loughton, Tim
Love, Mr. Andrew
Lucas, Ian
Luff, Peter
MacDougall, Mr. John
Mackay, rh Mr. Andrew
Mackinlay, Andrew
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Malins, Mr. Humfrey
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
May, rh Mrs. Theresa
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCrea, Dr. William
McDonagh, Siobhain
McDonnell, John
McFadden, Mr. Pat
McFall, rh Mr. John
McGovern, Mr. Jim
McIntosh, Miss Anne
McIsaac, Shona
McKechin, Ann
McNulty, Mr. Tony
Meacher, rh Mr. Michael

Meale, Mr. Alan
Miliband, rh Mr. David
Miliband, Edward
Miller, Andrew
Milton, Anne
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Mundell, David
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Murrison, Dr. Andrew
Naysmith, Dr. Doug
Newmark, Mr. Brooks
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Oliver, Mr. Bill
Ottaway, Richard
Owen, Albert
Palmer, Dr. Nick
Paterson, Mr. Owen
Perining, Mike
Penrose, John
Pleskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Prisk, Mr. Mark
Pritchard, Mark
Prosser, Gwyn
Purnell, James
Randall, Mr. John
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Robinson, Mr. Peter
Rosindell, Andrew
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, Joan
Sarwar, Mr. Mohammad
Scott, Mr. Lee
Seabeck, Alison
Selous, Andrew
Shapps, Grant
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Short, rh Clare
Simmonds, Mark
Simon, Mr. Siôn
Simpson, Alan
Simpson, David
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andrew
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, John
Snelgrove, Anne
Spellar, rh Mr. John
Spicer, Sir Michael
Spink, Bob
Starkey, Dr. Phyllis
Steen, Mr. Anthony
Stewart, Ian
Strang, rh Dr. Gavin
Streeter, Mr. Gary
Stringer, Graham
Stuart, Mr. Graham
Sutcliffe, Mr. Gerry
Swayne, Mr. Desmond
Syms, Mr. Robert
Tami, Mark
Taylor, Ms Dari
Taylor, David
Taylor, Mr. Ian
Thornberry, Emily
Timms, Mr. Stephen
Tipping, Paddy
Touhig, Mr. Don
Tredinnick, David
Trickett, Jon
Turner, Mr. Andrew
Turner, Mr. Neil
Twigg, Derek
Tyrie, Mr. Andrew
Ussher, Kitty
Vaz, Keith
Viggers, Peter
Villiers, Mrs. Theresa
Vis, Dr. Rudi
Walker, Mr. Charles
Walley, Joan
Waltho, Lynda
Ward, Claire
Waterson, Mr. Nigel
Watkinson, Angela
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Sir Nicholas
Winterton, Ms Rosie
Wood, Mike
Woodward, Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek
Young, rh Sir George

Tellers for the Noes:
Mr. Alan Campbell and
Mr. John Heppell

Question accordingly negatived.

Mr. Robert N. Wareing (Liverpool, West Derby) (Lab): On a point of order, Mr. Deputy Speaker. I am one person who missed that vote. The reason was the irregularity of the lift in No. 1 Parliament street. I have reason to believe that it is sometimes used by people who should not be using it during a Division. It was hovering between the mezzanine floor, the basement and the ground floor, but never reached the higher floors. I do not know whether I was the only person affected. There were other people waiting for a lift, and when we got in there were so many of us that it became overcrowded and would not operate. I would be pleased if you could get something done about that so that it does not occur again.

Mr. Deputy Speaker: I am sorry that the hon. Gentleman was inconvenienced by what happened. I can only offer the immediate consoling thought that his inability to cast his vote did not have an effect on the result. The point that he raises is a serious one. Lifts are meant to be exclusively for the use of Members during a Division. I will ask the Serjeant at Arms to have the matter investigated so that neither the hon. Gentleman nor any other hon. Member is inconvenienced in future. I am obliged to him for raising the matter.

Clause 1

Continuance in Force of Part 7 of the Terrorism Act 2000

Mr. Gregory Campbell (East Londonderry) (DUP): I beg to move amendment No. 1, in page 1, line 13, leave out '2008' and insert '2012'.

Mr. Deputy Speaker: With this it will be convenient to discuss amendment No. 2, in page 2, line 3, leave out '2008' and insert '2012'.

Mr. Campbell: I shall not stray from the subject matter, but I wish to emphasise the concern and alarm that is felt not just on the Democratic Unionist Benches but in Northern Ireland that pre-legislative scrutiny can be extended to any replacement of Diplock, but apparently not to the serious matter of on-the-runs, bearing in mind the fact that there is no need or desire for the OTR legislation to proceed at all, let alone with such haste.

2.30 pm

The amendments aim to ensure that a message goes out from the House today that it is concerned that terror continues in Northern Ireland. Fewer people are being killed as a result of terrorism today than was the case 30 years ago, which is to be widely welcomed, and we will work towards the total elimination of terrorism from the streets of Northern Ireland, but sometimes Ministers imply that the Belfast agreement or some legislative process have of themselves led to a reduction in terrorism, and that those of us who oppose certain measures are in some way opposed to the improvement on the ground and the resultant improvement in the statistics. Nothing, of course, could be further from the truth.

Having said that, terrorism does continue. Within the past few weeks we have had a number of serious incidents. An SDLP Member of the Legislative Assembly was terrorised in Strabane near the border with the Irish Republic. At the weekend in Londonderry, not one but

two devices were planted at the home of an SDLP Member of the Legislative Assembly. Yesterday, we had the spectacle of the arrest of a Sinn Fein public representative, who I understand is being questioned in relation to the very serious matter of the bombing of the village of Claudy some 33 years ago. A Member of this House who has not taken his seat, the hon. Member for Mid-Ulster (Mr. McGuinness), has admitted under oath to the Saville inquiry to being the second in command of the Provisional IRA in Londonderry at that time. But that is to digress, and I do not wish to do that.

The terrorism continues, albeit at a lower level, so there is a need for legislation to give a degree of reassurance to people in Northern Ireland that whatever length of time terror continues there will be legislation to deal with it. That is why we have added four years to the expiry date, changing it from 2008 to 2012. That of itself would be a clear message to those who engage in terror that the legislative process will counter any of their activities.

In Committee, there was some indication that the legislation would be viewed by a number of people in Northern Ireland as restrictive. It is difficult to see how that could be case—how any law-abiding person could be adversely affected by the Bill. The hon. Member for Belfast, South (Dr. McDonnell), who is not present today but was in the Committee, repeated areas of concern—arrests or the Diplock courts—that appeared to go back some 35 years and which may have been prevalent in the early 1970s but certainly could not be gauged to be prevalent today. There is simply no issue in the public domain in Northern Ireland now regarding those matters, and I hope that there will not be.

However, it is imperative that the Government assure the law-abiding sections of the two communities and others in Northern Ireland that legislation to deal with those who engage in violence, murder and terror, whether at a lower level, as it is at the moment, or at a higher level, as it was in earlier times, will be available to give them reassurance. That is the rationale behind the amendments. I hope that hon. Members on the Labour Benches would agree with the thrust of the argument that there is a need not just to reassure the law-abiding community, but to send out a message to those being held for questioning, convicted or arrested that the law will be sufficiently robust and of sufficient duration to ensure that action can be taken both through the process of arrest and the delivery of justice in the courts, albeit tempered with some of the qualifications that many in Northern Ireland have had to endure in recent years.

Lembit Öpik: I listened with interest to the hon. Member for East Londonderry (Mr. Campbell) and I agree with the intention of the amendments. My concern is that to extend the time scale is in a sense to plan for failure. At a time when the Government rightly seek to normalise the Province, surely it would be better for us to work on the assumption that by 1 August 2008 Northern Irish politics will have achieved some kind of normality. I do not oppose the amendments simply because the DUP voted against new clause 1; I do not hold such grudges. I note that other DUP Members intend to speak, so I would ask them to clarify why they feel that that extra four years is required and how they view the assertion that by extending it to 2012 one is in some sense building into the legislation the assumption that it will take another seven years for us to resolve the problems.

Mr. Donaldson: I will endeavour to address the questions that were raised by the hon. Member for Montgomeryshire (Lembit Öpik), whom I am delighted to see in his place today, and our thoughts continue to be with him.

As my hon. Friend the Member for East Londonderry (Mr. Campbell) has already said, we are not yet in a normal situation in Northern Ireland. It is not that we need politics to normalise; it is that we need society to normalise. We need to have the terrorist threat removed. No one would suggest—though at times I wonder—that we do not have a normal political system in the United Kingdom, and that this Parliament is part of that normal political process. Yet across the United Kingdom there is a threat from terrorism that has required the Government to introduce special legislation and enact special powers for the police and others to deal with that threat. So we are not talking about normalising, or the necessity to normalise, politics to remove the need for this legislation; it is about dealing with the threat from terrorism.

We have special provisions in Northern Ireland for our judicial system because it is not possible when there is a significant terrorist threat to operate a normal judicial system to deal with trials relating to terrorist activity. In the past, witnesses have been intimidated, and I am aware of many cases in which the prosecution collapsed because witnesses were intimidated by terrorist suspects and organisations. The potential remains for members of juries to be open to such intimidation, hence the need for the Diplock courts system.

If the Provisional IRA were to maintain a ceasefire, and if we were to receive evidence that it was not participating in further activity, either criminal or terrorist, it would not represent an end to terrorist activity in Northern Ireland, welcome though it would be. We have clear evidence, which is highlighted in the Independent Monitoring Commission reports, that the main loyalist paramilitary groups are engaged in ongoing terrorist activity, and the republican terrorist organisations are engaged in such activity, too.

The so-called Real IRA and the so-called Continuity IRA are both splinter groups from the Provisional IRA, and they both continue to be active. The Government's legislation dealing with the release of prisoners and the proscription of terrorist organisations specifies those organisations as being ineligible to receive the benefits of Government concessions, because, as the Government accept, they are continuing to engage in and prepare for acts of terrorism—the Government also accept that that is true of certain loyalist groups. Indeed, I recently participated in a Standing Committee that dealt with the specification of the Ulster Volunteer Force, which no longer benefits from certain Government concessions, because the Government have judged that it is continuing to engage in or prepare for acts of terrorism.

It is clear that there is a continuing threat from terrorism, and the judgment that must be made is how long we think that it might continue. At this stage, there is no evidence that the Real IRA or the Continuity IRA

[Mr. Donaldson]

have any intention of ending their campaign of violence within the next two years, because they have not made a statement indicating that that is the case. We are aware that a debate is currently taking place within the mainstream loyalist groups, the Ulster Volunteer Force and the Ulster Defence Association, and we will encourage them to move down the path to a peaceful existence and to ending their violence and crime for good, and we would like to see all armed terrorist groups in Northern Ireland do the same.

We must be prudent in planning ahead and provide for every eventuality. To borrow a phrase from the hon. Member for Montgomeryshire, we need an insurance policy, and I want an insurance policy that will not expire before a reasonable period has elapsed, which would allow real progress on ending all forms of terrorism in Northern Ireland. I have no basis for believing that that will happen within a two-year time frame, which is why my hon. Friend the Member for East Londonderry has tabled the amendment. The provisions of the Terrorism Act 2000 are still needed in Northern Ireland in the foreseeable future. Extending the period specified in the Bill by a further four years is a prudent step that will provide a reasonable time frame in which to allow developments to take place, pressure to be applied and, I hope, those terrorist organisations that continue to engage in or prepare for acts of terrorism to see sense and end—or for the security forces to bring to an end—their terrorist campaigns.

I hope that I have addressed some of the concerns expressed by the hon. Member for Montgomeryshire. I appreciate the desire to normalise society in Northern Ireland, but there is also a need to protect society and the judicial process in Northern Ireland. In recent days, we have seen that organisations that have declared that they have ended their involvement with violence still have the capacity to frustrate the judicial process. The Robert McCartney case is a clear example how the Provisional IRA has sought to frustrate the process of justice in recent times—in that case, by cleaning the murder scene and refusing to co-operate.

2.45 pm

We must bear it in mind that the main republican movement in Northern Ireland still refuses to support the police and to recognise courts of law. Even those organisations that claim to have ended their campaigns still do not recognise the judicial process in Northern Ireland, and I therefore suggest that we still have some way to go. In those circumstances, our amendment is a reasonable and prudent safeguard. If the circumstances change within the four-year time frame, the amendment would not prevent the Government from returning to this House to seek to foreshorten the time scale and introduce new proposals. I urge the Government to reflect on the matter and not to end the provisions and safeguards for the judicial system prematurely.

Dr. McCrea: I thank hon. Members for their understanding when I intervened on the Secretary of State for Northern Ireland in last week's debate.

Terrorism is an ongoing reality in Northern Ireland. It is true that we have heard certain statements; it is true that many wish to tell us that life has changed dramatically; and it is true that murders no longer take place day after day after day—we are so thankful that that is the reality. However, that does not mean that terrorism has ceased, because it has changed its form. I have never seen or heard real repentance for their terrorist acts by Sinn Fein-IRA or any of the other paramilitary groupings in Northern Irish society.

As far as my hon. Friends and I are concerned, the tag or name used by a terrorist organisation does not matter, because all acts of terrorism are totally unacceptable in any civilised, democratic society, and no act of terrorism should be overlooked. Last week, I asked the Secretary of State a question about the McCartney case and specifically drew his attention to the report that the Provisional IRA has threatened the McCartney family, who have had to move out of their home. The Secretary of State's answer was no answer because it seems that no one, but no one in Government circles is willing to name the Provisional IRA in connection with anything.

When the Provisional IRA does something, we are told that it is the work of an individual who is a bad apple. As far as terrorist organisations are concerned, individuals do not exist in Northern Ireland—such individuals could not exist within their communities without the backing of particular terrorist organisations. We who live in Northern Ireland know that different forms of terrorism such as intimidation—I have mentioned the McCartney family—have been occurring.

Mr. Dodds: My hon. Friend is right to raise the question of individual action and action by paramilitary organisations. When the Secretary of State discussed the McCartney killing last week, he blamed threats against the McCartney family on individuals rather than the IRA. Is that not a dangerous road for the Government to go down? It will not convince the people of Northern Ireland.

Dr. McCrea: I thank my hon. Friend for his timely intervention. That is the very point that the House has to face. The Government will not name the provisionals any more because they are in a sort of deal with the Provisional IRA. They are trying to tell society as a whole and the British community that the members of Sinn Fein-IRA are now democrats and that they have in some sense gone away. Let us remember that the leading lights of the Provisional IRA reminded us, "We haven't gone away, you know." They may have changed their form of terrorism, but the reality of terrorism is still within our society. I do not accept that individuals in the republican community could continue to threaten the McCartney family if the Provisional IRA were saying, "No, lay off the McCartney family." Because there has been compliance in the activity of individuals, the Provisional IRA has been able to try to cast a reflection away from itself.

We have to look even beyond the McCartney situation, however. Let us consider street violence along the interfaces. Especially in the constituency of my hon. Friend the Member for Belfast, North (Mr. Dodds) and in East Belfast, there are interface areas where rising tension and violent attacks on small Protestant and Unionist communities seem to be permitted, because

anger is not expressed by the Government, who cannot identify those responsible as active members of the Provisional IRA.

Sammy Wilson (East Antrim) (DUP): Does my hon. Friend accept that these acts of street violence and genocide along the interfaces are not only permitted, but instigated by leading members of the IRA who are now redirecting their activities towards street violence? Indeed, over the holiday period they organised many of the protests that led to violence against the police and Orangemen in Belfast and other areas.

Dr. McCrea: I thank my hon. Friend, with whom I wholeheartedly agree. It seems that those who speak for the Government are not willing to see this picture because it does not fit in with the picture that they want to paint.

Let us face reality, because unless we do so we will not achieve the normality that we want in Northern Ireland. I can tell the House without a shadow of à doubt that no one would be more delighted if normality were to return to Northern Ireland than my right hon. Friend, the leader of my party, and my hon. Friends. We need normality in our society. We long for that normality, as would Social Democratic and Labour party Members. It is not a lack of desire for normality that makes us want to extend the period to 2012 instead of working towards 2008. We would like this to happen tomorrow if it were humanly possible, but it will not be possible until we tackle the problem. We must ensure that terrorism is defeated and that the structures of terrorism are removed. The sad reality is that under the arrangement between the Government and Sinn Fein-IRA those terrorist structures are not removed and will remain.

I note, however, that other structures are to be removed. Paragraph 5 of the explanatory notes says:

"This programme includes a phased reduction in troop levels based in Northern Ireland, the removal of army observation posts and bases and the de-fortification of police stations."

In many cases, there was not a phased reduction but immediate action. On the morning after the announcement was made, observation posts in South Armagh were being taken down regardless of whether they were needed to face the challenge. Those living in isolated Unionist communities along the border in South Armagh would want to ensure that they had proper fortification, proper deployment of troops, and Army observation points or police posts to provide security—

Mr. Deputy Speaker: I must remind the hon. Gentleman that he is speaking to a very specific amendment. Although it is of course legitimate for him to make the argument as to why he believes that there should be delay, and he has done so, his other remarks are starting to get out of proportion to the specific matter of the amendment.

Dr. McCrea: Thank you for your direction, Mr. Deputy Speaker. I am happy to abide by that instruction.

We do not yet have normality. My hon. Friend the Member for East Londonderry (Mr. Campbell) mentioned the MLA in Strabane and the situation in Londonderry. What about the young man who was recently murdered in Armagh? Of course, the Provisional IRA cannot have murdered him because it does not exist any more, so we have to close our eyes to it.

The extended period proposed in the amendment is necessary because we need normality in society. For that to take place, whether in 2008 or 2012, there has to be not only a renunciation of violence by the terrorists but clear evidence for it on the ground, which is not suggested by the murders. Many of the areas in which some of us live are still under the control of an organisation that may not be named the Provisional IRA any more—it may be called Continuity IRA or Real IRA—but is still the same grouping. The terrorist weaponry has come from the Provisional IRA. That creates fear.

For normality to take place, we want to be sure that there is sufficient legislation that gives a clear message to the law-abiding community that this House will provide the adequate protection in law and on the ground that they need—as well as a clear message to terrorists that there is no room for terrorism and that they will be followed until they are brought to justice or defeat. Sad to say, some of the legislation that has recently been proposed will fail in the former regard because many of those people will not be brought to justice.

Mr. Dodds: In supporting the amendment tabled in the name of my hon. Friend the Member for East Londonderry (Mr. Campbell) I intend to be brief, because many points have been covered by my hon. Friends. I remind the Minister and the whole House of the tenor of the Second Reading debate on this important piece of legislation, during which great emphasis was placed on the need for caution as we deal with these issues affecting the people of Northern Ireland.

The hon. Member for Montgomeryshire (Lembit Öpik) asked us to look at matters optimistically. I admire his wish to do that. Certainly, we all want to be optimistic about the political situation in Northern Ireland, but we have to provide reassurance to people in the Province that important legislative provisions will not be cast aside before there is an absolute guarantee that they will not be required. It seems to me that the Bill is rushing at fences, because there is not the slightest evidence to suggest that by 31 July 2007 there will not still be a need for the provisions on Diplock courts, for instance.

I remind the House that we are talking about the provisions in part 7 of the Terrorism Act 2000 coming to an end at the end of July 2007—in some 18 months' time—unless a Minister comes to this House and seeks to renew them for a further year. I understand that on Second Reading the Secretary of State said that that would take place by way of an affirmative procedure. These provisions could come to an end within a very short time scale. My hon. Friend the Member for Lagan Valley (Mr. Donaldson) was right to point out that there is not the slightest evidence to show that, by that date, we will have seen the end of organisations such as those that he mentioned, especially dissident republicans or those on the loyalist side or, indeed, the disbandment of the Provisional IRA. That must be borne in mind.

3 pm

According to the statement that the IRA issued in July, although it may not be engaged in some of the activities that it has carried out in the past 30 or 35 years, it will continue to exist as an illegal terrorist organisation in its aims and objectives. It will not have disbanded by the date that we are considering. Nothing that the leaders of the provisional movement, Gerry Adams and Martin McGuinness, have said recently suggests that they have any intention of disbanding the organisation. We therefore need to ensure that we do not rush ahead and do away with provisions when evidence exists to show that they may still be required.

Sammy Wilson: Does my hon. Friend accept that while those organisations are in being and carry out widespread intimidation of witnesses, it will be difficult, if we do not have Diplock courts, to get people to serve on juries? Intimidation is currently directed towards witnesses, but in future it will be directed towards juries.

Mr. Dodds: My hon. Friend makes a valid point. All the evidence suggests that, leaving aside, dissident republican activity, which is aimed at the security forces and members of the Catholic community who, for example, serve on local police boards, many organisations such as the IRA and those on the loyalist side are turning increasingly to protecting their criminal empires and activities. Their members will not think twice about intimidating witnesses. If there were jury trials, they would want to influence the outcome. The Assistant Chief Constable and other leading police officers in Northern Ireland have made it clear that the evidence shows that criminality and racketeering are "institutionalised" in those organisations.

We will not get rid of such activities in a short time. It will take a long time and a great deal of effort to rid our society of criminal activities by paramilitary organisations. We give our support to—and look to the Government for adequate resources for—agencies such as the Assets Recovery Agency as well as the police in their efforts to bear down on such criminal activities.

That emphasises that it would be premature to agree with the proposition that, by July 2007, Diplock courts and other provisions should disappear completely from the statute book unless they are renewed for only one further year. That would be wrong and misguided. The Government should not so hastily do away with provisions that would be enormously useful in prosecuting the war against terror and criminality in Northern Ireland.

What difficulty or harm can there be in keeping the provisions on the statute book, even if they are not often used, as a safety net and reassurance so that, if a case arose in which there was considerable danger of interference with a jury or of its members feeling threatened, they could apply? Although we have heard comments about optimism, wanting an end date for such emergency legislation and the progress that has been made—there has been progress—we have not yet reached the end game.

We look forward to hearing the comments of the Independent Monitoring Commission in the coming months and years as its reports roll out. In that sort of time, we can make an assessment of the position. The Chief Constable and other security sources will also produce reports and we will make our assessments, and so on. It is clear to the people of Northern Ireland that we have a considerable way to go. People do not feel confident that the IRA is moving to disband its organisation or dismantle its terrorist structures.

I was interested to note that the Minister for Justice in the Irish Republic was recently quoted in *The Irish Times* as saying of the IRA that

"there are indications that the organisation's intelligence function remains active, though its focus may become more political."

That provides little reassurance to those of us who represent constituencies in Northern Ireland. The idea that we should take the IRA's moving its intelligence, focus and resources to more political matters as a sign of great progress, and that we should welcome IRA and Sinn Fein into the normal democratic fold or even government, when it continues to carry out the sort of activities that we have outlined is difficult to accept. For many people in Northern Ireland, nothing short of the disbandment of the IRA will do.

Michael McDowell, the Minister for Justice in the Irish Republic, also said that there was no room for ambiguity, ambivalence or double talk and that the IRA should be disbanded. He said that, without that, there would be no progress on the full implementation of the Good Friday agreement and, until that happened, the provisional movement excluded itself from government anywhere. The people of Northern Ireland would say a massive "Hear, hear" to that. What is good enough for the Irish Republic is good enough for Northern Ireland. We will not be treated as second-class citizens or accept a standard of democracy that others are not prepared to accept. We will move forward only on the basis of the cessation of all terrorism, the dismantling of all terrorist structures and the disbandment of all terrorist organisations.

I urge the Under-Secretary to reflect carefully on today's debate and consider whether it is wise to rid the statute book of an important provision, which is a safety net that can provide reassurance to the people of Northern Ireland. I ask him to think carefully before rushing ahead with something that is unnecessary at this stage.

Lorely Burt: I have a great deal of sympathy with many of the points that Democratic Unionist party colleagues have made. However, the amendments would change the date on which the legislation ultimately falls to 1 August 2012—six-and-a-half years from now rather than the maximum two-and-a-half years for which the Bill provides.

My hon. Friend the Member for Montgomeryshire (Lembit Öpik) said in Committee that we are considering special provisions to deal with terrorism in Northern Ireland that do not extend to the rest of the United Kingdom. It is right that the Government should keep the matter under review and return to the House in a short time with primary legislation. We do not believe that the Government should be able to retain such powers on the statute book simply by virtue of an Aye vote on a statutory instrument.

The whole House should be able to return to considering and scrutinising terrorism legislation regularly. That is why we believe that the short timetable

for which the Bill provides is right. The Government should be required to come back to the House with primary legislation if they want to retain the provisions beyond the beginning of August 2008 at the latest.

Dr. Alasdair McDonnell (Belfast, South) (SDLP): I want to put on record some of comments that I made in Committee. My party believes that the legislation should have been allowed to lapse rather than being extended even to 2008. It should certainly not be extended to 2012.

We are normalising in Northern Ireland. We have made significant progress and we want to move on. We welcome the progress that has been made, and the removal of the Army observation posts and all the other outdated or unnecessary military equipment. We thank the Government and the Prime Minister for the progress that has been made on that front, because it brings a sense normality to ordinary people. It is impossible to conjure up a sense of normality while major military installations are being retained.

Increasingly, the normal laws and legal processes will be able to deal with any potential terrorist activity that might emerge. While I understand and respect the views of my hon. Friends in the Democratic Unionist party, I disagree fundamentally with their attitude. We can concentrate on the substantial progress that we have made, or we can seek problems that barely exist, or exist only on a small scale, and exaggerate them. We are concerned, however, about the mixed messages that are being sent out by the legislation. We welcome the effort to move on, and we hope that the provisions will terminate in 2008—we had hoped that they would terminate in 2007.

Mr. Gregory Campbell: The hon. Gentleman has outlined the progress that he sees Northern Ireland as making, and he has done so in the past. In what way will any of the progress, as he sees it, of recent years be inhibited, restricted or prevented from moving further on by the implementation of the Bill?

Dr. McDonnell: I refer the hon. Gentleman to my earlier comments about the military observation posts and the paraphernalia of a war situation. The very fact that such installations exist, that the police stations are fortified, and that we existed for years in a situation that was bristling with guns, prevented people from accepting a normality. There is an acceptance, even among my hon. Friends in the DUP, that we have made progress. I would argue that we have made substantial progress, and we should do nothing that will delay, obstruct or blemish that progress in any way.

Sammy Wilson: Does the hon. Gentleman accept that there is nothing in the Bill that proposes the removal of watchtowers or military installations, or changes to police stations? It deals with the legal processes used to deal with terrorist cases. Perhaps he will address the question put to him by my hon. Friend the Member for East Londonderry (Mr. Campbell): what in the Bill will stop the process that he has described?

Madam Deputy Speaker (Sylvia Heal): Order. Perhaps I should point out to the hon. Member for Belfast, South (Dr. McDonnell) that if he were to reply to the hon. Gentleman's question, he would be straying far wide of the amendment under discussion.

Dr. McDonnell: I entirely agree with you, Madam Deputy Speaker. I was merely responding to comments made earlier across the Chamber which had drifted very wide of the mark. I felt that something should be said to refute them.

One could argue, technically, if one wanted to be perfectly legalistic, that nothing in any Bill prevents anything from happening. The reality is, however, that I want to see normality restored, and I want that normality to be reflected in our laws. I want to get us to a point at which we do not need Diplock courts. They are used very rarely today, and we are moving towards a situation in which we shall not need them at all. Our view is that we should reach that stage by 2007. We can just about tolerate the measures being in place until 2008, but retaining them until 2012 would almost result in our going back into a war situation in which we had to keep war legislation on the statute book.

Mr. Laurence Robertson: We discussed this matter in Committee; it was probably the longest discussion that we had. Indeed, I tabled a similar amendment to this one at that stage. While I have every respect for the points made by the hon. Members for Belfast, South (Dr. McDonnell), for Montgomeryshire (Lembit Öpik) and for Solihull (Lorely Burt), the official Opposition probably have a little more sympathy with the points made by DUP Members.

As we shall probably discuss more on Third Reading, we want to see a return to a normal society in Northern Ireland. I do not want to add to what has already been said, but I want to express my concern about the fact that the provisions will end in 2008 at the latest, and possibly even in 2007. There is a theory about the 2007–08 deadline. Given the possible retirement of the Prime Minister before the next general election in 2009 or 2010—a matter that we discussed at Prime Minister's questions—the Conservatives are worried that he might want to rush certain things forward. The Northern Ireland (Offences) Bill has been introduced, further Assembly elections could take place in Northern Ireland in 2007, and the provisions in this Bill could come to an end in 2007 or 2008. Everything would fall together rather too neatly. If that is okay, if it is right that everything should fall together neatly in 2007 or 2008, I will be the first to welcome that. However, I am not persuaded that we are anywhere near that situation yet. For that reason, if the amendment is pressed to a vote, the official Opposition will support it.

3.15 pm

Mr. Woodward: This has been a good debate, and it has ranged widely across the Government's proposals. Observations that the Government are being too soft have been made by the hon. Members for East Londonderry (Mr. Campbell), for Belfast, North (Mr. Dodds), for South Antrim (Dr. McCrea), and for Lagan Valley (Mr. Donaldson). The hon. Member for Belfast, South (Dr. McDonnell) felt that we were being too hard, and would like to see us get rid of the provisions right now, while the hon. Member for Solihull (Lorely Burt), a bit like one of the three bears,

[Mr. Woodward]

judged the measures to be just right. It is always a pleasure to have the support of the Liberal Democrats. It might be helpful if I try to deal with the points that have been raised, and to reassure hon. Members that we have judged it right on this occasion. I am sorry that, if the amendment is pressed to a vote, we shall not have the support of the hon. Member for Tewkesbury (Mr. Robertson), as I believe that, by and large, he agrees with the principles that we are trying to pursue.

In his two amendments, the hon. Member for East Londonderry puts forward proposals, the effect of which would be to allow the Secretary of State to make an order continuing the provisions in part 7 currently in force for a period ending before 1 August 2012. We do not accept his proposals, and I suggest that the choice of 2012 is rather arbitrary. Why not choose 2013 or 2011?

Mr. Dodds: Why choose 2008?

Mr. Woodward: I shall come to that in a moment.

The amendments would undermine the valuable process of scrutiny and debate that Parliament provides. The provisions would be continued in force until 2012 without the need for Parliament to consider the need for them each year or to approve their continued use. The abandonment of such reviews would be a retrograde step. Annual debate on part 7 provisions and their predecessors has been one of the key safeguards underlying part 7, and we would resist the amendments on that basis alone, as we believe that the annual review is extremely important.

I want to go further than that in my observations, however. The hon. Member for East Londonderry is concerned about the pace of security normalisation and the continuing need for these provisions. In that regard, I want to comment on the remarks made by the hon. Member for Lagan Valley. We agree that we are not yet in a normal situation in Northern Ireland, and we agree that we need the terrorist threat to be removed. That is precisely why we believe that these special provisions need to be renewed in February next year, but we shall do that in the context of trying to preserve a careful balance with the objective of creating a normalised society. That is why we are creating an enabling environment. That goal is extremely important, but we equally accept that we have not reached it yet, which brings me back to my observation that it is essential to renew the provisions. This is about judgment, and, in our judgment, it is right to retain the provisions, in parallel with a belief that the future for Northern Ireland is, and should be, an optimistic one.

Mr. Donaldson: I share the Minister's optimism but I am a realist. Does the hon. Gentleman accept that some of the organisations that are continuing to engage in acts of terrorism are not involved in the peace process at all? Does he accept also that their stated objective is to use terrorism and violence to overthrow the state and create a united Ireland? If we are to create an enabling environment to bring those organisations on board and to end their violence, what will we do to enable that to happen, short of giving such organisations a united Ireland? We cannot create an enabling environment that is for one set of terrorists and not recognise that there continues to be a threat from another set of terrorists. That is why we argue that the date should be extended beyond that which the Minister envisages.

Mr. Woodward: I recognise that the hon. Gentleman is a realist. Indeed, everyone who has participated in the debate is being realistic about their assumptions.

A judgment will be made in a few years' time. My right hon. Friend the Secretary of State and his Ministers will not take risks with the security situation of the people of Northern Ireland. As we have again and again made absolutely and categorically clear, while it is our intention that the Bill will expire, it could be renewed with the safety net of 12 months. However, if at the end of that time the judgment of the Secretary of State, based on the advice of his security Ministers, the Chief Constable of the Police Service of Northern Ireland and others, is that other provisions need to be brought in, they would be. That, at the moment, is not our judgment in terms of how we forecast the future. However, we reserve the right to proceed on that basis.

It is important, as the hon. Gentleman says, to be realistic. It is important, therefore, to examine the real facts. If we compare this year to a date at the height of the troubles in 1972, the difference and the reality is extremely stark. We are talking about five deaths compared to 470 in that one year. There were 86 bombings compared to 1,853 and there were 144 shooting incidents—144 too many—compared with more than 10,500.

The hon. Gentleman should rightly say that he will take no lectures from anyone in the House about understanding the reality of the situation in Northern Ireland. I respect that, as all hon. Members respect those who represent Northern Ireland in this place.

As for the remarks of the hon. Member for South Antrim, I was moved by the observations that he made in an intervention last week, which commanded the respect of every Member of the House. Despite the huge respect that I am sure every Member, including myself, has for him, we may not agree with some of the analysis. However, I respect the basis on which the hon. Gentleman makes the comments that he does.

Mr. Laurence Robertson: The Minister is attempting to explain the reason for the 2008 deadline. I shall quote from the last IMC report. It is right that the numbers of certain crimes have fallen, and we welcome that, but the report says:

"We have concluded that because of this paramilitary involvement, organised crime is the biggest long-term threat to the rule of law in Northern Ireland."

The words "long term" perhaps explain why Opposition Members are concerned with the 2008 deadline.

Mr. Woodward: Organised crime is a serious threat, and we do not need a report to tell us that. I think that everybody in the House recognises that it is a long-term threat. We believe that we have the necessary measures outside these special provisions to be able to deal with that.

Mr. Dodds: The Minister says that there are measures to deal with the situation. How do we deal with a situation where someone is before a court and is linked to a paramilitary organisation and involved in

criminality and organised crime? Is there not a real danger that a jury, in such circumstances, would be frightened to convict? What is the rationale for doing away with the provision that would allow, in such cases, a Diplock court to continue?

Mr. Woodward: Without wishing to be drawn back to the discussion on Diplock courts, which we had in the previous debate, it is our judgment that the timetable that we have set out in the Bill is a realistic one with which to proceed. However, we have put the caveats in place. There can be an extension of a further period of 12 months. At the end of that, should the forecast not be met—we believe that it should be—we would then be able to review the security situation and put forward appropriate measures. It must stand firmly and clearly in the minds of all right hon. and hon. Members that we will protect the security of the people of Northern Ireland at all costs.

Although my right hon. Friend the Secretary of State and I have committed to a programme of security normalisation that culminates in the repeal of the provisions that we are discussing, we have continued to say that we do not take the environment for granted. The Bill contains provisions to extend the life of part 7 for a further year after 2007. It will be used if the enabling environment is not sustained and security normalisation is not possible within that time frame. I am sure that all hon. Members want to see a robust system in place. We believe that the Bill will ensure for the foreseeable future that the special measures necessary to safeguard the security of people in Northern Ireland are robust and are in place, but that there is realisation that there are causes for optimism for the future.

Counter-terrorist legislation, including the part 7 provisions, is an exceptional measure, and it must be appropriate to the security situation. Coming back would give Parliament the opportunity to debate in detail what provision would be necessary and most appropriate at that time. We feel that this is the right approach. Therefore, we urge the House to resist the amendments.

Mr. Gregory Campbell: I hoped that the Minister would indicate in what way the implementation of the amendments standing in my name, and supported by my colleagues, would inhibit the progress that he has outlined. I failed to hear that. The House is faced with an option. We can see progress made over the next few years and have legislation that withers on the vine because it is no longer required, or the situation in Northern Ireland—continuing terrorism, which either increases or continues to decrease—continues and we require legislation. That is the choice. My colleagues and I are firmly convinced that it would be better to have legislation in place for a specified period beyond 2008, up to and including 2012, to give an assurance to peace-loving and law-abiding people in Northern Ireland that the law will be there.

Mr. Woodward: We do give the assurance to people in Northern Ireland that we will safeguard the security situation. In our judgment, however, we will have reached the point by 2007 whereby the special provisions in the Bill need no longer be in place, giving ourselves the safety net, if it is necessary, to extend them by another 12 months. We are saying to the hon. Gentleman, his hon. Friends and the people of Northern Ireland this afternoon that should we judge in 2007–08 that the security situation does not allow for those special measures to be repealed, we will have no hesitation in making the right moves to protect the special nature of the people of Northern Ireland should that be required.

Mr. Campbell: The Minister answers one side of the argument, but not the other. What would be negative or nugatory about extending the provisions to 2012, even if we find that there was no essential requirement for that legislation to be in place? If it was in place but was not required because the situation had improved substantially, what on earth would we lose as a community and a society by having the belt-and-braces approach? Neither I nor my colleagues have received an answer from the Minister.

3.30 pm

Mr. Laurence Robertson: Does the hon. Gentleman share my concern, as I alluded to the 2007–08 deadline, that because of the introduction of the other Bill, which we are considering in Committee next week, an awful lot of people who were previously involved in terrorism might be living back in Northern Ireland by that time? Does not that make the situation in 2007–08 potentially worse, not better?

Mr. Campbell: I thank the hon. Gentleman for that timely intervention, and that is exactly the case. In a previous debate within the past few weeks, it was concluded across the Chamber that, in relation to terrorism in Northern Ireland and moves forward, caution ought to be the watchword. A cautious approach would be to implement the amendments that extend the life of the Bill to 2012, ensuring that both law-abiding people and criminals and terrorists get the message that this Government will ensure that whatever legislation is required will be in place to meet the threat of terror, whether in the next 18 months or four or five years beyond that. For that reason, we will press the amendment to a vote.

Question put, That the amendment be made:—

The House divided: Ayes 134, Noes 325.

Division No. 111] **[3.31 pm**

AYES

Ainsworth, Mr. Peter	Chope, Mr. Christopher
Amess, Mr. David	Clappison, Mr. James
Arbuthnot, rh Mr. James	Clark, Greg
Bacon, Mr. Richard	Clarke, rh Mr. Kenneth
Baldry, Tony	Clifton-Brown, Mr. Geoffrey
Barker, Gregory	Crabb, Mr. Stephen
Baron, Mr. John	Davies, Philip
Bellingham, Mr. Henry	Davies, Mr. Quentin
Benyon, Mr. Richard	Djanogly, Mr. Jonathan
Bercow, John	Dodds, Mr. Nigel
Binley, Mr. Brian	Dorrell, rh Mr. Stephen
Blunt, Mr. Crispin	Dorries, Mrs. Nadine
Bone, Mr. Peter	Duncan Smith, rh Mr. Iain
Boswell, Mr. Tim	Ellwood, Mr. Tobias
Brady, Mr. Graham	Evennett, Mr. David
Brazier, Mr. Julian	Fabricant, Michael
Brokenshire, James	Fallon, Mr. Michael
Browning, Angela	Field, Mr. Mark
Burns, Mr. Simon	Forth, rh Mr. Eric
Burrowes, Mr. David	Francois, Mr. Mark
Campbell, Mr. Gregory	Gale, Mr. Roger
Carswell, Mr. Douglas	Gauke, Mr. David

Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodwill, Mr. Robert
Gove, Michael
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Johnson, Mr. Boris
Jones, Mr. David
Kawczynski, Daniel
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leigh, Mr. Edward
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
O'Brien, Mr. Stephen
Osborne, Mr. George
Ottaway, Richard
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Robinson, Mr. Peter
Rosindell, Andrew
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Spicer, Sir Michael
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Waterson, Mr. Nigel
Watkinson, Angela
Widdecombe, rh Miss Ann
Wiggin, Bill
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Sir Nicholas
Young, rh Sir George

Tellers for the Ayes:
Mr. Jeffrey M. Donaldson
and
Mr. Peter Atkinson

NOES

Angell, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, Ed
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Beith, rh Mr. Alan
Bell, Sir Stuart
Benton, Mr. Joe
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brake, Tom
Breed, Mr. Colin
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Mr. Des
Browne, Mr. Jeremy
Bruce, Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, Andy
Burstow, Mr. Paul
Burt, Lorely
Byrne, Mr. Liam
Cable, Dr. Vincent
Cairns, David
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clegg, Mr. Nick
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
Davey, Mr. Edward
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Dunwoody, Mrs. Gwyneth
Eagle, Angela
Efford, Clive
Ellman, Mrs. Louise
Etherington, Bill
Farron, Tim
Featherstone, Lynne
Field, rh Mr. Frank
Fisher, Mark
Flello, Mr. Robert
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Gardiner, Barry
Gibson, Dr. Ian
Gidley, Sandra
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Patrick
Hamilton, Mr. David
Hanson, Mr. David
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Healey, John
Heath, Mr. David
Hemming, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Holmes, Paul
Hood, Mr. Jimmy
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horwood, Martin
Howarth, David
Howarth, rh Mr. George
Hughes, Simon
Huhne, Chris
Iddon, Dr. Brian
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Mr. Charles
Kennedy, rh Jane
Khabra, Mr. Piara S.
Khan, Mr. Sadiq
Knight, Jim
Kramer, Susan
Kumar, Dr. Ashok
Lammy, Mr. David
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
MacDougall, Mr. John
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McDonnell, John
McFadden, Mr. Pat
McFall, rh Mr. John

McGovern, Mr. Jim
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Miliband, rh Mr. David
Miliband, Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, Mr. Elliot
Mudie, Mr. George
Mulholland, Greg
Mullin, Mr. Chris
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Opik, Lembit
Owen, Albert
Palmer, Dr. Nick
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purnell, James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Reid, rh John
Riordan, Mrs. Linda
Robinson, Mr. Geoffrey
Rogerson, Mr. Dan
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, Joan
Sarwar, Mr. Mohammad
Seabeck, Alison
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Short, rh Clare
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andrew
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, John
Smith, Sir Robert
Snelgrove, Anne
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stringer, Graham
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Tami, Mark
Taylor, David
Thornberry, Emily
Thurso, John
Timms, Mr. Stephen
Tipping, Paddy
Touhig, Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Ward, Claire
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Winnick, Mr. David
Winterton, Ms Rosie
Wood, Mike
Woodward, Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Mr. Alan Campbell and
Mr. John Heppell

Question accordingly negatived.

Clause 2

Repeal of Provisions of Part 7

Lorely Burt: I beg to move amendment No. 3, in page 2, line 28, at end insert—

'(fa) section 108 (evidence)'.

Madam Deputy Speaker: With this it will be convenient to discuss amendment No. 4, in page 5, line 13 [Schedule], at end insert—' Section 108'.

3.45 pm

Lorely Burt: These amendments would repeal section 108 of the Terrorism Act 2000. This issue was raised and discussed at some length in Committee and I have no desire to rehearse those arguments now, but I do want to discuss one or two of the points that the Minister made in Committee on the use of hearsay evidence. Section 108 has not been used in the seven years in which it has been available to the authorities in Northern Ireland. In responding to an amendment tabled in Committee, the Minister said that five potential cases were in the pipeline, but that we would not know whether section 108 was effective in that regard until it had been tried out. Seven years down the line, and given that we are seeking to repeal as much terrorism legislation as is safe to repeal, I wonder whether we should be trying to implement more such legislation. We have managed without section 108 for seven years.

I remind the Minister that he said in Committee that

"our decision is based on the advice of those who have to deal with terrorists . . . the Chief Constable and those who wish to put away the terrorists and prevent them from carrying out the atrocities that they would otherwise carry out. This provision, like the 90-day provision, is to protect the general public."—[*Official Report, Standing Committee E*, 8 November 2005; c. 21.]

I certainly agree that it is good to take advice from our police and security services, but our job is to strike a balance between convicting terrorists and protecting the basic freedoms that we enjoy elsewhere in the United Kingdom. Of course, the Minister made those comments before the 90-day proposal was voted down. I respectfully suggest to this House that section 108 should be dealt with in a similar way.

Mr. Woodward: These amendments seek permanently to repeal section 108 of the Terrorism Act 2000. I entirely understand Lord Carlile's views on this provision and I have carefully considered whether it should be retained in part 7 of the 2000 Act. Obviously, this is a question of judgment, and judgment is based on weighing evidence and advice, including that of the Chief Constable and Lord Carlile.

The hon. Member for Solihull (Lorely Burt) referred to what I said in Committee about the 90-day provision. It is interesting to note that earlier today the Liberal Democrats drew on the advice of Lord Carlile, who did not entirely agree with them about the 90-day provision. There again, the Liberal Democrat policy of pick and mix is one that we well understand.

I am mindful that section 108 has yet to be used in a case. However, it is an exceptional provision and it was never envisaged that it would be used regularly. I am sure that the hon. Member for Solihull is aware of that, but I remind her of the very special circumstances that caused section 108 to be introduced. They still obtain and are the subject of continued investigation, and we must be very aware of them. The hon. Lady has demonstrated this afternoon her real concern to identify with what people feel about OTRs, but we must do the same in respect of the people of Omagh and accept the advice from the security advisers to my right hon. Friend the Secretary of State. Lord Carlile has often given excellent advice, but we judge that, on balance, section 108 should be retained.

Mr. Dodds: Is not the Minister guilty of adopting a somewhat contradictory approach? In the previous debate, he said that we should have an early deadline because progress was being made and we should be optimistic. However, he now says that we should disregard Lord Carlile's advice and retain section 108 on the ground that it may be needed at some point, even though it has never been used in the past seven years. Moreover, he said in Committee that it was important to retain the option as paramilitary activities overlap further with acquisitive crime. That is exactly the argument put forward by hon. Members on these Benches in the previous debate, and the Minister argued against it. Is there not a clear contradiction in that?

Lembit Öpik: Absolutely.

Mr. Woodward: Absolutely not. Despite the sedentary intervention from the hon. Member for Montgomeryshire—and I thank him for his encouragement—I shall try and explain why my approach is not contradictory.

First, it is worth bearing in mind that one reason why the section has not been used is that cases have collapsed. Secondly, I am not contradicting what I said earlier about the expiry of the special provisions. Section 108 will expire if the enabling climate allows—if it does not so allow, the provision will not expire. It is as simple as that.

We believe that it is right to retain section 108. It is worth noting that a largely similar provision has operated successfully in the Republic of Ireland since 1972. That provision is set out in section 3(2) of the Offences Against the State (Amendment) Act 1972. The basic principle underlying it is essentially the same as that underlying section 108, namely, that it allows for the opinion of a senior police officer to be admissible in evidence in a trial on membership charges. The provision has been successfully used in the Republic to secure convictions for membership of illegal organisations for over 30 years. Only last year, for example, Liam Campbell was convicted of membership of the Real IRA. Although that case is from a different jurisdiction, it offers clear evidence that such a provision can and does work.

I know that the security advice to which I have referred contradicts Lord Carlile's recommendation, but it maintains that section 108 remains a useful provision for the PSNI to have. We understand from the PSNI that there are a number of cases in the criminal justice system in Northern Ireland in which section 108 could be used. The individuals involved have been charged with membership of an organisation that is specified, and the police are willing to make a section 108 statement.

Finally, I urge the hon. Member for Solihull to think about the conditions that led to section 108 and about the people in Omagh. The amendment could undermine a prosecution case. When deciding about pressing the amendment to a Division, she should think carefully about the consequences if it were to succeed. What would be the effect on possible prosecutions? Would it help us to achieve normalisation? Would it allow the enabling environment that I mentioned earlier to come about? This is a very serious issue—it is not just about following up a recommendation in a report. It is genuinely about whether or not cases that could come to court could be jeopardised by the hon. Lady's proposal.

If those prosecutions were assisted by section 108 and resulted in convictions for membership of a proscribed organisation, there will be clear evidence of its usefulness. It remains the case that because it has not yet been tested, we do not know. However, the risk of accepting the amendment is huge. We have concluded, therefore, bearing in mind the ongoing cases, that section 108 remains potentially useful, and we do not wish to handicap the police or those investigating the cases. However, as I have stated, like all part 7 provisions, section 108 is an exceptional provision, targeted at the specific terrorist threat that exists in Northern Ireland. Thus we are committed to its ultimate repeal, as with all part 7 measures, when the security situation allows. That assumes an enabling environment that we may see by the end of July 2007, but if we do not the Bill allows us to continue the provisions for another year. In the event that the security situation then, as judged by the Secretary of State, is not one that would allow the Bill to disappear, we would be able to consider what appropriate steps may need to be taken. However, it is still our belief that by that time the general provisions of counter-terrorist legislation for the whole of the UK will suffice for Northern Ireland as well.

On that basis, and bearing in mind the specific cases of which I have spoken, and thinking of the people in Omagh, the hon. Lady should think again about whether she wishes to divide the House. If she chooses to do so, I urge the House to resist the amendment.

Lorely Burt: I am grateful to the Minister for his comments, but I intend to press the amendment to a Division because it is an even more important point of principle than new clause 1.

Mr. Woodward: Does the hon. Lady accept that in the unlikely event that the amendment were to be accepted, she could prejudice the cases that I mentioned? What would she propose as an alternative to enable those individuals to be brought before the courts?

Lorely Burt: I was just about to come to that subject. The Minister is keen on bringing Lord Carlile into the debate, so I shall remind the House of what he said about section 108. He said:

> "I am totally unpersuaded by the arguments for its retention . . . Section 108 could be repealed without any measurable disadvantage to the cause of public protection from terrorism. It is a provision that lies uncomfortably in the broader context of normalisation and the Good Friday Agreement."

Mr. Woodward: I accept Lord Carlile's observations and I agree that section 108 lies uncomfortably with normalisation, but we are having to renew this legislation because we have not yet reached normalisation. I repeat my question. If the hon. Lady were to succeed in amending the Bill, what would she use to bring those individual cases that I have mentioned to court?

4 pm

Lorely Burt: The Minister has referred several times to the people of Omagh and the incidents in 1998—the principal cause of the introduction of the legislation. However, that was seven years ago and we are now trying to move towards normalisation.

Mr. Woodward: I have just explained to the hon. Lady that we have been advised by the police that the

provision could be useful in ongoing cases in allowing people to be brought to court. Omagh may have been seven years ago, but it has taken a long time to collect the evidence. If the consequence of the hon. Lady's Division is to prevent those from individuals going to court, is she prepared to accept responsibility for that?

Lorely Burt: I have already told the Minister that we are defending a principle.

Lembit Öpik: Does my hon. Friend agree that the Government are trying to pass responsibility for judgments about justice to the Liberal Democrats? The mistake the Minister makes is to assume that the police are responsible for forming legislation, when actually politicians must be responsible for ensuring that justice prevails. That is why Lord Carlile must be taken seriously on this matter. I am sure that that is exactly what my hon. Friend was about to say.

Lorely Burt: I am grateful to my hon. Friend, who took the words right out of my mouth. His comments summed up what I wanted to say.

'Question put, That the amendment be made:—

The House divided: Ayes 50, Noes 390.

Division No. 112] **[4.01 pm**

AYES

Alexander, Danny
Barrett, John
Beith, rh Mr. Alan
Brake, Tom
Breed, Mr. Colin
Brooke, Annette
Browne, Mr. Jeremy
Bruce, Malcolm
Burstow, Mr. Paul
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Clegg, Mr. Nick
Davey, Mr. Edward
Farron, Tim
Featherstone, Lynne
Foster, Mr. Don
Gidley, Sandra
Goldsworthy, Julia
Harris, Dr. Evan
Harvey, Nick
Heath, Mr. David
Hemming, John
Holmes, Paul
Horwood, Martin
Howarth, David
Huhne, Chris
Kennedy, rh Mr. Charles
Kramer, Susan
Laws, Mr. David
Leech, Mr. John
Llwyd, Mr. Elfyn
McDonnell, Dr. Alasdair
Moore, Mr. Michael
Mulholland, Greg
Öpik, Lembit
Pugh, Dr. John
Reid, Mr. Alan
Rogerson, Mr. Dan
Rowen, Paul
Russell, Bob
Smith, Sir Robert
Stunell, Andrew
Swinson, Jo
Taylor, Matthew
Webb, Steve
Williams, Hywel
Williams, Mark
Williams, Stephen
Willis, Mr. Phil

Tellers for the Ayes:
Mr. Roger Williams and
Lorely Burt

NOES

Abbott, Ms Diane
Afriyie, Adam
Ainger, Nick
Ainsworth, rh Mr. Bob
Ainsworth, Mr. Peter
Allen, Mr. Graham
Amess, Mr. David
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Atkinson, Mr. Peter
Austin, John
Bacon, Mr. Richard
Bailey, Mr. Adrian
Baird, Vera
Baldry, Tony
Balls, Ed
Banks, Gordon
Barker, Gregory
Barlow, Ms Celia
Baron, Mr. John
Barron, rh Mr. Kevin
Battle, rh John
Bellingham, Mr. Henry
Benton, Mr. Joe
Benyon, Mr. Richard
Bercow, John
Betts, Mr. Clive
Binley, Mr. Brian
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Blunt, Mr. Crispin
Borrow, Mr. David S.
Boswell, Mr. Tim
Bradshaw, Mr. Ben
Brady, Mr. Graham
Brazier, Mr. Julian
Brennan, Kevin
Brokenshire, James
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Mr. Des
Browning, Angela
Bryant, Chris
Burden, Richard
Burgon, Colin
Burnham, Andy
Burns, Mr. Simon
Burrowes, Mr. David
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Gregory
Campbell, Mr. Ronnie
Carswell, Mr. Douglas
Cash, Mr. William
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Chope, Mr. Christopher
Clapham, Mr. Michael
Clappison, Mr. James
Clark, Greg
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clelland, Mr. David
Clifton-Brown, Mr. Geoffrey
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Corbyn, Jeremy
Cousins, Jim
Crabb, Mr. Stephen
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Philip
Davies, Mr. Quentin
Dean, Mrs. Janet
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Djanogly, Mr. Jonathan
Dobbin, Jim
Dodds, Mr. Nigel
Donaldson, Mr. Jeffrey M.
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dorrell, rh Mr. Stephen
Dowd, Jim
Drew, Mr. David
Duncan, Mr. Alan
Duncan Smith, rh Mr. Iain
Dunwoody, Mrs. Gwyneth
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellwood, Mr. Tobias
Etherington, Bill
Evennett, Mr. David
Fallon, Mr. Michael
Field, rh Mr. Frank
Field, Mr. Mark
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, Caroline
Flynn, Paul
Follett, Barbara
Forth, rh Mr. Eric
Foster, Mr. Michael *(Worcester)*
Francois, Mr. Mark
Gale, Mr. Roger
Gardiner, Barry
Gauke, Mr. David
Gibb, Mr. Nick
Gibson, Dr. Ian
Gillan, Mrs. Cheryl
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Goodwill, Mr. Robert
Gove, Michael
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Patrick
Hamilton, Mr. David
Hands, Mr. Greg
Hanson, Mr. David
Harper, Mr. Mark
Harris, Mr. Tom
Havard, Mr. Dai
Hayes, Mr. John
Healey, John
Heathcoat-Amory, rh Mr. David
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hendry, Charles
Hepburn, Mr. Stephen
Heppell, Mr. John
Herbert, Nick
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hoban, Mr. Mark
Hodgson, Mrs. Sharon
Hollobone, Mr. Philip
Holloway, Mr. Adam
Hood, Mr. Jimmy
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George

Hunt, Mr. Jeremy
Hurd, Mr. Nick
Iddon, Dr. Brian
Irranca-Davies, Huw
Jackson, Glenda
Jackson, Mr. Stewart
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Mr. Boris
Johnson, Ms Diana R.
Jones, Mr. David
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Kawczynski, Daniel
Keeble, Ms Sally
Keeley, Barbara
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khabra, Mr. Piara S.
Khan, Mr. Sadiq
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Knight, Jim
Kumar, Dr. Ashok
Lammy, Mr. David
Lancaster, Mr. Mark
Laxton, Mr. Bob
Lazarowicz, Mark
Leigh, Mr. Edward
Levitt, Tom
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Linton, Martin
Lloyd, Tony
Loughton, Tim
Love, Mr. Andrew
Lucas, Ian
Luff, Peter
MacDougall, Mr. John
Mackay, rh Mr. Andrew
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCrea, Dr. William
McDonagh, Siobhain
McDonnell, John
McFadden, Mr. Pat
McFall, rh Mr. John
McGovern, Mr. Jim
McIntosh, Miss Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McLoughlin, rh Mr. Patrick
McNulty, Mr. Tony
Meacher, rh Mr. Michael
Mercer, Patrick
Merron, Gillian
Miliband, rh Mr. David
Miliband, Edward
Miller, Andrew
Milton, Anne
Mitchell, Mr. Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, Mr. Elliot
Moss, Mr. Malcolm
Mudie, Mr. George
Mullin, Mr. Chris
Mundell, David
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Murrison, Dr. Andrew
Naysmith, Dr. Doug
Newmark, Mr. Brooks
Norris, Dan
O'Brien, Mr. Mike
O'Brien, Mr. Stephen
O'Hara, Mr. Edward
Oliver, Mr. Bill
Ottaway, Richard
Owen, Albert
Palmer, Dr. Nick
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Prichard, Mark
Prosser, Gwyn
Purnell, James
Randall, Mr. John
Raynsford, rh Mr. Nick
Redwood, rh Mr. John
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, Mr. Geoffrey
Robinson, Mrs. Iris
Robinson, Mr. Peter
Rosindell, Andrew
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, Joan
Sarwar, Mr. Mohammad
Scott, Mr. Lee
Seabeck, Alison
Selous, Andrew
Shapps, Grant
Shaw, Jonathan
Sheerman, Mr. Barry
Shepherd, Mr. Richard
Sheridan, Jim
Short, rh Clare
Simon, Mr. Siôn
Simpson, Alan
Simpson, David
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andrew
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, John
Snelgrove, Anne
Spellar, rh Mr. John
Spicer, Sir Michael
Starkey, Dr. Phyllis
Steen, Mr. Anthony
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Streeter, Mr. Gary
Stringer, Graham
Stuart, Mr. Graham
Sutcliffe, Mr. Gerry
Swayne, Mr. Desmond
Syms, Mr. Robert
Tami, Mark
Tapsell, Sir Peter
Thornberry, Emily
Tipping, Paddy
Touhig, Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Tyrie, Mr. Andrew
Ussher, Kitty
Viggers, Peter
Villiers, Mrs. Theresa
Vis, Dr. Rudi
Walker, Mr. Charles
Walley, Joan
Waltho, Lynda
Ward, Claire
Wareing, Mr. Robert N.
Waterson, Mr. Nigel
Watkinson, Angela
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, rh Mr. Alan
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Sir Nicholas
Winterton, Ms Rosie
Wood, Mike
Woodward, Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek
Young, rh Sir George

Tellers for the Noes:
Mr. Ian Cawsey and
Mr. Frank Roy

Question accordingly negatived.

Order for Third Reading read.

4.14 pm

Mr. Woodward: I beg to move, That the Bill be now read the Third time.

The purpose of the Bill is simple. It will continue in force the vast majority of part 7 provisions until July 2007. The counter-terrorism provisions are targeted at the particular threat that still, regrettably, arises in Northern Ireland. Without the Bill they would expire in February next year. There have been significant developments in the past few months that give us confidence that security normalisation can be achieved within two years. However, we are not at that point yet, and it is therefore right that we extend these provisions until the end of the normalisation programme.

Mr. Peter Robinson (Belfast, East) (DUP): It might be possible for the Minister to argue, although I would not accept his case, that there have been noises from the Provisional IRA, but on what basis does he argue that there is any indication among the Ulster Volunteer Force, the Ulster Defence Association, the Ulster Freedom Fighters, the Real IRA or the Continuity IRA that they are bringing their so-called war to an end?

Mr. Woodward: Let us not be pejorative or trivialise the historic statement made on 28 July. Let us remember that that was not just noises. It was an extremely important moment—I accept that it was a moment—in the difficulties of Northern Ireland, and the act of decommissioning that subsequently took place was highly significant. Whatever may be said about anything else, we would all be making a mistake if we did not recognise the historic significance and described it as "noises".

The hon. Gentleman is right to suggest that he should take no lectures from anyone who was not elected in Northern Ireland. I understand that, but, with the responsibility that we have, we judge that there have been significant improvements in the security situation in Northern Ireland, and on that basis we have reached the judgment that it is appropriate to renew the provisions, but only until July 2007. We recognise that the situation by then may not allow them to expire, so the safety net of a further 12 months is required.

Let us not forget the assurance that the Secretary of State and his Ministers have given in the House and elsewhere that if the extension for a further 12 months is required, and if in the summer of 2008 the security situation does not allow for the provisions to cease to have effect, the Secretary of State will review the situation again in order to provide reassurance to people in Northern Ireland.

The counter-terrorism provisions are targeted at the particular threat that continues to arise in Northern Ireland. There have been significant developments, but we think it is right to extend the provisions until the end of the normalisation programme. Many members have stressed the need for caution in our approach, and the Government entirely agree with those who urge caution. That is why we are not dispensing with the powers in February, and why the Bill includes a power to extend the provisions for a further year, should that be required.

I return for a moment to Lord Carlile, that touchstone of debate this afternoon. He agrees with us that

"the duration of the powers proposed in the Bill is justified on the merits and proportional".

The House should be in no doubt that the first priority for the Government is and always will be the safety and security of the citizens of Northern Ireland. We will ensure that the police and other agencies that have provided and continue to provide protection to the people of Northern Ireland have the tools necessary to do the job. That includes, for the foreseeable future, section 108. As a matter of principle, we believe that if the police want that as a tool for prosecutions, it should be available to them, as it is in the Republic. It is important to note that they will continue to have at their disposal the permanent provisions of the Terrorism Act 2000 and other legislation. This framework collectively gives the UK the strongest and most effective counter-terrorism legislation in the world.

Before closing, I would like to express my thanks to all those involved in proceedings on the Bill. I thank those who have joined the debate in the Chamber and I pay credit to the constructive manner in which it has been conducted. I am grateful to all hon. Members who served on the Committee for the manner in which they made their contributions. The Committee considered the Bill quite rapidly, and that is testament to the almost universal support in the House for its primary purpose, which is to continue in force the provisions beyond February 2006.

We have also managed to explore and discuss some important issues of detail about the legislation, not least what ought to replace Diplock courts in the future. I am extremely pleased that the Northern Ireland Affairs Committee will consider that later next year in a pre-legislative scrutiny exercise, as set out by the Secretary of State this morning in his letter to the Chairman of the Committee. Despite the comments of the hon. Member for Montgomeryshire (Lembit Öpik), he should take it on trust that this Secretary of State will ensure that the Select Committee scrutinises those powers.

Lembit Öpik: I am grateful for the Minister's reassurance, but I and other hon. Members are on to our fifth Secretary of State for Northern Ireland, so is he giving us an assurance that whoever may hold that office is committed, ex officio, to ensuring that that pre-legislative scrutiny occurs?

Mr. Woodward: Absolutely; there is no question about that. It is important to consider the context. The Secretary of State wants us to achieve bipartisan support. Peace in Northern Ireland will be achieved only by consensus, and it is in that context that the Secretary of State wrote to the Chairman of the Select Committee today.

The Government recognise that a serious risk of jury intimidation remains in a small number of cases. I can assure the House that we will put in place whatever arrangements are necessary to ensure the continuing effectiveness of the criminal justice system. The only question in our minds will be whether it can be done better. The standard by which everyone should approach the pre-legislative scrutiny of Diplock courts next year is whether the system can be bettered.

Finally, I should like to express our gratitude to the independent reviewer of the Terrorism Act. He considered the Bill in a letter submitted to me that was placed in the Library of the House. His letter and his reports on the operation of the Act have played an invaluable role in informing our debates on the Bill.

The Bill reflects both the confidence that the Government have in the normalisation process and the prudence that is required when dealing with the safety and security of the people of Northern Ireland. I commend it to the House.

4.22 pm

Mr. Laurence Robertson: I begin by returning my thanks to the Minister for the way in which he has dealt with the Bill. I raised a couple of issues in Committee, which by their detailed nature required him to write to me, and he duly did, explaining the situation fully. As a result, I did not pursue the matters further.

I think that I can speak for a number of hon. Members when I say that there is some confusion about how the Government assess the situation in Northern Ireland. On the one hand, we have the on-the-runs legislation, which suggests that the bad situation that we have had in Northern Ireland for so very long is coming to an end. On the other hand, we have Bills such as this, which by their very introduction would suggest that the situation in Northern Ireland is not as it should be.

The Opposition regret the need to introduce the Bill. We wish that we had normality in the Province. On every occasion I have visited the Province over many years, it has been made clear that one of the very things that people want is to be treated normally, both

[Mr. Laurence Robertson]

politically and with regard to the security situation. However, we accept that it is not possible at the moment to move towards that.

As a number of hon. Members have said, particularly those from the DUP, there is great concern at the fact that the violence continues. The nature of the violence has changed, but the violence continues. I quoted the recent IMC report in Committee, and I shall quote it again:

"The involvement of paramilitaries in organised crime goes deep."

That is a great concern. The report continues:

"We have concluded that because of this paramilitary involvement organised crime is the biggest long term threat to the rule of law in Northern Ireland . . . The criminals are flexible and resilient."

Those words are sufficient to chill most people. Such comments are very worrying, and I think that they persuaded DUP Members to press their amendment, which suggested that the provisions of the Terrorism Act should be extended not only to 2008, but to 2012.

Mr. Henry Bellingham (North-West Norfolk) (Con): I am grateful to my hon. Friend for giving way in his excellent summing up of the Bill's progress. The organisations involved in racketeering, protection rackets and intimidation include not only off-limits paramilitary groups such as the Continuity IRA and the Real IRA, but some of the mainstream terrorist groups. Does he agree that it is particularly depressing when the Government make massive concessions to such groups, as they are under the Northern Ireland (Offences) Bill?

Mr. Robertson: My hon. Friend is right that the situation involves violence of all kinds and criminality on all sides. A week or two ago, the UVF was specified by statutory instrument, which is not the sort of progress that we want. My hon. Friend is also right to mention the involvement of the mainstream—if that is the right word—paramilitary groups.

Conservative Members accept that in some ways the situation in Northern Ireland is greatly improved. We welcomed the first IRA statement and the statement suggesting that all IRA arms have been put beyond use. As I said last week, however, we are worried about a number of aspects of the process. We are worried because we are yet to hear whether the proceeds of the Northern bank raid have been put beyond use. What has happened to that money? It is my understanding, which I think that the Secretary of State confirmed from a sedentary position last week, that the Government continue to hold the IRA responsible for the Northern bank raid. I think that the Minister is nodding—it is very gentle, but I think that he is nodding. I understand that the Irish Government and the police in Northern Ireland still hold the IRA responsible for that bank raid. Although the IRA's present arms may have been put beyond use—I have been assured that a substantial quantity of arms has been put beyond use—where has the money gone from the Northern bank robbery? Is it not possible that further arms will be bought?

Madam Deputy Speaker: Order. I hope that the hon. Gentleman will now relate his comments to the Third Reading of the Bill.

Mr. Robertson: I thought that I was doing so, but I accept your guidance, Madam Deputy Speaker.

I agree with the Government on the case for the Bill, because the situation in Northern Ireland is not normal or even close to normal. I would have liked the Bill to be extended to 2012, as has been proposed. I have already mentioned the fact that some Conservative Members have a theory about the 2007 or 2008 deadline—in my notes, "deadline" is in inverted commas, because it is not an official term—because a number of things could culminate in 2007 or 2008. If the Northern Ireland (Offences) Bill were to get through Parliament—in its present state, I am not convinced that it will and hope that it does not—people who were previously involved in terrorism and who may not be within the jurisdiction of the United Kingdom would return to the streets of Belfast and wider areas of Northern Ireland. The emergency measures that we are discussing could end in 2007 or 2008. Although it is not for me to speculate, the Prime Minister could be planning to retire then, having wrapped up the whole issue of Northern Ireland in terms of special measures.

If this proves to be appropriate because it reflects the improved situation in Northern Ireland by that time, I will be as pleased as anybody, but that may not be the case. I hope that it will, but I am not persuaded. I would have preferred the Government to accept the facility to extend the legislation proposed in amendment No. 1. The amendment that I tabled in Committee would have extended the legislation on an annual basis, but the Government were not prepared to accept that either. I wish that they had, because we would have felt more secure that the special provisions would remain in place.

The Minister said that if the Government judge in 2007 or 2008 that the situation in Northern Ireland is not normal, they will take action. Given the other things that will be happening in 2007 and 2008, including new Assembly elections, I am not sure whether they would introduce the necessary legislation at that point, but I do not want to drive the nails out of sight on that matter.

Conservative Members deeply regret that the situation in Northern Ireland is not such that this Bill can be done away with, but we accept that it is necessary. That is why we have supported the Government on Second Reading, in Committee and here today.

4.31 pm

Lembit Öpik: First, I want to thank right hon. and hon. Members for their continuing kindness and support, and their empathic approach, following the death of my brother. I recognise that while this is a personal tragedy for me, what we are really debating today is a whole raft of personal tragedies that have taken place in Northern Ireland as a result not of destiny or nature, but of the deeds of men and women who resorted to terrorism. I should like us to remember that despite the formal and objective way in which we must

debate these matters, we are really dealing with matters of the heart and trying to ensure security and closure for individuals who have suffered through no fault of their own. That is why the legislation is so important and why I am grateful to the Minister for having taken a serious and responsible approach in responding to the points that we have made, even if he may have sometimes disagreed.

I congratulate the Minister on his erudite and entertaining approach, even though we have sometimes had to endure the slings and arrows of bitter words. Only this afternoon, he accused the Liberal Democrats of being a pick-and-mix party in terms of our policies. Were I a vicious man, I would point out that at least I am not pick-and-mix in my party affiliations. Nevertheless, I salute the hon. Gentleman for his prudent judgment through the years, which has propelled him to a position of power. As I look forward to the Liberal Democrats sweeping to power in 2009, I assure him that his experience will be valued and that we can talk about that in confidence.

The main issues were debated again on Report. Those that vexed us most were hearsay evidence and Diplock courts. My colleagues and I remain unpersuaded of the Under-Secretary's case in defence of maintaining the power. His strongest argument related to the Omagh victims and the potential for five cases in the pipeline to require the use of hearsay evidence. As my hon. Friend the Member for Solihull (Lorely Burt) pointed out, that is not strong enough.

Lord Carlile, who has no interest in compromising the progress towards prosecution of those responsible for the Omagh bombing or any other terrorist activity in Northern Ireland, could not have been clearer about hearsay evidence. His comments have been quoted already, but the words are so clear that it is worth repeating them. Lord Carlile stated:

> "I am totally unpersuaded by the arguments for its retention . . . Section 108 could be repealed without any measurable disadvantage to the cause of public protection from terrorism. It is a provision that lies uncomfortably in the broader context of normalisation and the Good Friday Agreement."

That is as clear as any independent arbiter could be that the requirement is not effective.

In response to the Under-Secretary's reasonable question about who would take responsibility if hearsay evidence were not allowed and the progress of justice were thus thwarted, I would say that it is the wrong question. We will not get a prosecution on the basis of hearsay evidence—that is Lord Carlile's point. The question is counter-productive—in other words, it is not neutral. The inclusion of hearsay evidence risks the far greater danger of creating martyrs, resentment and false prosecutions. I do not want to put words into Lord Carlile's mouth, but I would present those explanations to people who challenge me about why I resist the use of hearsay evidence.

The evidence of history supports my point. If hearsay evidence were so important, it would have been used at least once in the past seven years. Furthermore, the Under-Secretary argued against new clause 1, which proposed three judges instead of one in Diplock courts, on the basis that existing procedures were effective. He cannot use that argument in that instance while simultaneously rejecting it when I say that the existing procedures have been effective without hearsay evidence. There is a contradiction in the Government's case for hearsay evidence.

In essence, I believe that including the provisions for hearsay evidence may protect the general public against individuals by banging them up, but they do not protect the general public against injustice. That is at the heart of our concerns about the provision.

The Under-Secretary asked us to identify with the plight of the Omagh victims. I met Michael Gallagher and his colleagues yesterday at four hours' notice. It took the Prime Minister five years—half a decade—to meet the representatives of the Omagh victims. He therefore needs to be careful when he accuses Opposition politicians of not taking the plight of the Omagh victims seriously.

We had an extensive debate on the case for three-judge courts. The Liberal Democrats did not get what we wanted but we got something significant, for which I am grateful to the Under-Secretary. We now have a specific commitment to pre-legislative scrutiny and, I assume, true bipartisan debate about what should replace Diplock courts. The problem with the word "bipartisan" is that it implies two parties. Recent history suggests that, when two parties are involved, they are the Labour Government and Sinn Fein. I hope that, when the Under-Secretary talks about bipartisanship with regard to replacing the Diplock courts, he will ensure genuine cross-party debate, involving the Democratic Unionist party, the Ulster Unionists, the Alliance party, the Social Democratic and Labour party and, of course, Sinn Fein.

The Government often make the mistake of believing that some consultation with one party means that they do not have to engage in full consultation with all parties. I will bank what the Minister has said, but we really want to see the evidence of cross-party consultation taking place before we will be comfortable.

The Minister has also given us an explicit commitment that the measures on pre-legislative scrutiny will not share the expiry date of the existing Ministers in the Northern Ireland Office. I obviously hope that the Ministers will not move on—the Minister before us today is a very likeable chap if you meet him socially, and he does a pretty good job in the House as well. It is a long and painful process to educate successive Ministers in the Northern Ireland Office. Each time that process comes to a conclusion, the Minister is up to speed on the intricacies of what has gone on over the past eight years, only to be moved on. So we have to start again, the same mistakes are made by the new Ministers, and we all have to go back into a mentoring role to ensure that the Ministers have the basis of information that they need for such a specific technically and historically loaded subject.

The Minister before us today has given us something very important. He has given us an assurance that the pre-legislative scrutiny with regard to Diplock courts will not be dependent on those in ministerial positions in the Northern Ireland Office at the moment, but that the responsibility for that pre-legislative scrutiny will be carried ex officio by the Ministers there. I am grateful for that; it is an important assurance. There is no loss, cost or defeat for the Government in having made that

[Lembit Öpik]

commitment, and I look forward to the inclusion of a process of scrutiny that was lamentably absent from the on-the-runs legislation.

Mr. Bellingham: Does the hon. Gentleman agree that the Government said that there was a huge urgency about the on-the-runs legislation? If they are offering the concession of pre-legislative scrutiny on the Diplock courts, why on earth could they not do the same for the on-the-runs provisions? It makes no sense whatever that they did not; frankly, it is downright inconsistent.

Lembit Öpik: The hon. Gentleman is absolutely correct. I believe that all Opposition Members publicly—and perhaps Labour Members privately—recognise that a deal was done unilaterally between the Prime Minister and Sinn Fein, and we are all trying to pick up the pieces. If I am honest, I do not blame the Minister or the Secretary of State for Northern Ireland for the difficulty with the on-the-runs, but the lesson for this Bill is that if the Government are going to make promises of cross-community, cross-party scrutiny of legislation before its publication, those promises must be kept; otherwise, the Government will reap the kind of resentment, bitterness and resistance that resulted from the on-the-runs legislation. To the credit of the Minister, he has given us assurances, in a sober and measured way, that go a little bit further than what I have heard before to reassure me that those commitments will be kept.

I want to finish on the matter with which we began our Second Reading debate. It is the contradiction between how the Government choose to approach terrorism in Northern Ireland and terrorism on an international basis. I support the Bill in its present form—with the reservations that I have highlighted—sufficiently to vote for it, should there be a Division tonight, but I find it extraordinary that there is no joined-up thinking between the Government's attempts to normalise life in Northern Ireland and what they are seeking to do to normalise life in the post-9/11 world in which we find ourselves. It is perhaps a vain hope that we can educate the Government to see those contradictions, however, because I believe that they would secretly admit that there is an utter contradiction in providing concessions to and negotiating, sometimes directly, with the paramilitary organisations in the Province, while thinking that suppressing the opportunity to terrorise is the answer to the problem in the rest of the United Kingdom and the world.

The Minister is an educated man and he is experienced in these matters. He has steered this legislation effectively, if not always in the way that I would like. Is there nothing that he can do to educate those in the Home Office and the Foreign Office so that they understand that the lessons from Northern Ireland provide a more powerful and effective solution to undermining the motives of terrorism than any effort to suppress the opportunities to terrorise ever did?

I think that we have ended up with a flawed but usable piece of legislation. My great regret is that the lessons of Northern Ireland and the many hundreds of hours that each of us has spent debating them are not transferred to the wider debate about terrorism. We can win the peace in Northern Ireland, but there is every risk that we will lose the war on terrorism elsewhere.

4.45 pm

Mr. Donaldson: My party supports the principle as set out in the Bill. We did not divide the House on Second Reading for that reason. Nevertheless, we are disappointed that the Government have not accepted the amendments that we tabled, particularly in relation to the duration of this legislation. I outlined earlier, as did my hon. Friends, why we felt that the lifetime of the legislation should be extended beyond 2007–08.

There is no doubt—I think that this is accepted by the Government—that there is a continuing terrorist threat in Northern Ireland—hence the need for this legislation. Undoubtedly, we will continue to differ over the extent to which that should influence the continued provision of special measures to deal with the terrorist threat. I understand that the Government are pursuing a policy, which is about trying to create a normal society in Northern Ireland. We want to see that normal society because it affects our constituents, the way in which they live their lives and the way in which they do their business. We have made some significant progress, but we must not remove the safeguards that are necessary to ensure that society in Northern Ireland is protected. For as long as the threat remains, the need for the protection provided by this legislation remains.

As I understand it, the Minister did not go as far as to say that there was an acceptable level of violence in Northern Ireland. He quoted figures from 1972 and everyone knows that, because of the carnage that occurred in that year, it was the worst year of what has become known as the troubles. To advance his argument, no doubt the Minister will take the worst of Northern Ireland and seek to measure that against where we are today. There is no doubt that there is a major difference, but that does not mean that we have reached a level where the need for this legislation has been removed. Where is that level?

If by 2007–08 there has been further progress, and perhaps some of the other paramilitary terrorist groups have moved to decommission weapons or declare an end to their criminal and violent activity, which would be welcome, it is highly likely that there will remain organisations such as the Continuity IRA, the Real IRA and perhaps some of the loyalist paramilitary organisations that have not reached the stage of declaring an end to their violence and criminality, or decommissioned their weapons. That is the reality.

What will be the position in 2007 if the Government extend the legislation for a further 12 months and then it ceases to exist? There will then be pre-legislative scrutiny and we will consider what measures may still be required. Why go to the trouble of bringing forward new legislation when we already have adequate legislation? We want to take on board the safeguard of extending the life of the legislation and building in periodic reviews. We feel that that would have been a more prudent way to approach the issue. I regret that the Government have not taken that line. The Government need to address the issue. Do they have in their mind a level at which the legislation will be repealed or cease to exist, and yet there is a continuing terrorist threat? We have seen that those

organisations that continue to engage in or prepare for acts of violence are just as capable of threatening witnesses and juries and interfering with and seeking to undermine the judicial process as the organisations that perhaps are progressing towards a more democratic and peaceful situation.

We are still dealing, however, with the legacy of the violence of those organisations. Arrests took place just yesterday, as my hon. Friend the Member for East Londonderry (Mr. Campbell) mentioned, in relation to the village of Claudy. We commend the PSNI for its ongoing investigative work to find and bring to justice those responsible for the atrocity in Claudy. We note, however, that the arrests yesterday included one of Sinn Fein's Assembly Members, Francis Brolly. We are therefore still dealing with the legacy of republican involvement in violence and acts of terrorism, and that will continue to have an impact.

Sinn Fein does not support the police, and does not recognise the legitimacy of British justice in Northern Ireland. Let me quote what was said by Martin McGuinness, the Member of Parliament for Mid-Ulster, who still does not take his seat in this House, after the arrest of Francis Brolly:

"This is a blatant example of political policing and we will be taking it up with both governments."

I hope that the Government will resist any pressure that is brought to bear by Sinn Fein-IRA to interfere in any way with the judicial process or the police investigation into the matter. Even with the progress made and what the Minister described as the historic statement made in July by the IRA, Sinn Fein still does not support the police or accept the rule of law in Northern Ireland—

Madam Deputy Speaker: Order. Would the hon. Gentleman now confine his remarks to the Bill? I can see some relation, and I have given some latitude, but I would now like him to address the Third Reading.

Mr. Donaldson: I accept your direction, Madam Deputy Speaker. My point is that the need for this legislation relates to the environment in which we are operating. We do not accept the Minister's argument that we are likely to have an enabling environment in two years' time that will mean that the legislation can be repealed. Part of that enabling environment is whether or not people support the police and the rule of law. If they do not support the police and the rule of law, their predisposition to interfere with the judicial process, threaten, bully, cajole and perhaps engage in acts of violence against jurors and witnesses in legal proceedings is still there. The safeguards of the legislation therefore ought to remain extant. The Government ought to take that on board.

I do not know what progress we are likely to make over the next two years. Certainly, I hope that Sinn Fein will finally accept the police and the rule of law in Northern Ireland, but we are not there yet. I do not therefore share the Minister's confidence that by 2008 at the latest we will have an enabling environment whereby the provisions of the legislation will no longer be necessary.

The hon. Member for Montgomeryshire (Lembit Öpik) mentioned the visit to London yesterday by the victims of the Omagh bombing. We welcome the fact that the Prime Minister has at long last met those people. They are entitled to a hearing and have real concerns, which we understand, and I hope that the Prime Minister will consider carefully the points made by that delegation yesterday.

One of the things that struck me about that delegation was that its members seemed to welcome the fact that those who had been convicted, or might be convicted in future, of involvement in the Omagh bombing would not be subject to the Northern Ireland (Offences) Bill, and would therefore not be able to bypass the judicial process. I believe that we are creating two standards of justice in Northern Ireland, based on an arbitrary line in the sand that was drawn on 10 April 1998. That will cause enormous problems for public confidence in the administration of justice. I hope that, even at this stage, the Government will reflect on the Northern Ireland (Offences) Bill, and will withdraw from what I consider to be a potentially disastrous measure that will have a very detrimental effect on the judicial system in the part of the United Kingdom that I have the privilege to represent.

I alluded earlier to the victims of violence. It is important for them to have confidence in the judicial process. The Bill makes special provision to ensure that justice is done and is seen to be done, which is important, but let me also mention one of the omissions from it. The Minister said that the police must have the necessary tools to take on and defeat terrorism, but one of the most important tools that they desire—

Madam Deputy Speaker: Order. I remind the hon. Gentleman that on Third Reading we can discuss only what is in the Bill, not what has been left out.

Mr. Donaldson: Thank you, Madam Deputy Speaker. Let me simply make the general point that it would have strengthened the Bill had provision been made for the admissibility of phone-tap evidence in judicial proceedings in Northern Ireland against terrorist suspects. That could transform the potential for the police to secure further convictions in cases involving acts of terrorism. I regret that, to date, the Government have not acceded to that reasonable request, which has come from the police throughout the United Kingdom. Nevertheless, I accept your direction, Madam Deputy Speaker. I shall leave the issue for another day.

As for the future, we hope that there will come a day when there will be no need for legislation of this kind. That is our desire. We believe, however, that that day will come only when people can feel confident that the threat from terrorism has been removed once and for all. Confidence is necessary for the judicial process to operate properly and effectively. We are not there yet, and I am not convinced that we shall be there in 2007 or 2008, which is why we sought to extend the lifetime of this legislation.

The hon. Member for Montgomeryshire made a valid point, albeit in a slightly different context. The Government cannot continue to operate double standards in terms of how they take on the threat of terrorism. They cannot continue to believe that that is the right approach, and that it sends out the right signal to terrorist organisations not just in Northern Ireland but all over the world. When al-Qaeda and its affiliates

[Mr. Donaldson]

see the way in which the Government deal with terrorism in Northern Ireland, they see weaknesses that they will try to exploit in the future. When enacting legislation—not just for Northern Ireland, but for the United Kingdom as a whole—the Government must be careful not to fall into the trap of the double standard.

Lembit Öpik: Does the hon. Gentleman agree that there will unquestionably be unintended consequences from the legislation that we enact in Northern Ireland, which will inevitably filter into the mainstream? Neither we nor the Government have seen those consequences, which is one reason why taking two parallel and contradictory approaches is so dangerous to the Government in the context of international terrorism versus Northern Ireland terrorism.

Mr. Donaldson: The hon. Gentleman is absolutely right, and I have to say that, on the same day as the First Reading of the Northern Ireland (Offences) Bill, the Government were asking the House to support a measure that sought to extend the period of detention to 90 days—a clear example of the double standards operated by the Government. One cannot adopt double standards in dealing with terrorism—*[Interruption.]*

Madam Deputy Speaker: Order. I remind the hon. Gentleman that we are debating a particular Bill.

Mr. Donaldson: Thank you, Madam Deputy Speaker. I was merely responding to an intervention, but I accept your guidance.

Lembit Öpik: On a point of order, Madam Deputy Speaker. I take full responsibility for leading the hon. Member for Lagan Valley (Mr. Donaldson) off message and up the garden path, and I apologise for doing so.

Madam Deputy Speaker: That is accepted.

Mr. Donaldson: I assure the hon. Member for Montgomeryshire that, despite all his efforts to lead me astray on this issue, I am not following.

To conclude, it is important that the legislation remains on the statute book for as long as it is necessary to afford the people of Northern Ireland the protection that they need from terrorism and the threat of terrorism.

5.1 pm

Mr. Bellingham: It is always a privilege to follow the hon. Member for Lagan Valley (Mr. Donaldson), who speaks with a huge amount of passion, experience and conviction. I also want to say to the hon. Member for Montgomeryshire (Lembit Öpik) that the words that we expressed on his tragic family loss were genuine, and it is touching that he thanked us for them. There has been a considerable amount of Northern Ireland business over recent days and it struck us that it was courageous of him to make his contributions.

I heard what the hon. Member for Montgomeryshire said about the Minister, and I would also like to thank the Minister for his contribution to the debate. Sometimes junior Northern Ireland Ministers are young high flyers on their way up and at other times it can be a dumping ground for Ministers who are going nowhere. This Minister has demonstrated that he is almost certainly in the former category because he has shown a great deal of interest in the Bill and demonstrated his expertise in guiding it forward. I have not always seen eye to eye with him and we have crossed swords a few times on general issues, but I believe that we can put our differences behind us. As the Opposition, we want to work with the Government to find positive ways of helping the people of Northern Ireland.

I regret the fact that the legislation is necessary, but necessary it most certainly is. If we reflect on the activities of Sinn Fein-IRA and of other mainstream terrorist and paramilitary organisations, there is obviously historic significance in what has been achieved. As the hon. Member for Lagan Valley pointed out, there has been a move towards normalisation, but I remain concerned that the infrastructure of those organisations is still in place. They have also been involved in various activities involving criminal gangs, racketeering, protection rackets, fraud, smuggling—cross-border smuggling, in particular—drugs and so forth. We all know that many of the terrorist bosses who indulged in the most repugnant forms of terrorism and killing have now taken to making serious money through those rackets. Some of them are very rich and are building an enviable lifestyle on the back of such racketeering.

Michael Fabricant (Lichfield) (Con): Is my hon. Friend aware that many of the people who wanted the Army observation post taken down, particularly in south Armagh, are terrorists involved in smuggling across the border?

Mr. Bellingham: My hon. Friend makes an extremely good point.

When I was involved in the Northern Ireland Affairs Committee at the start of the last Parliament, I had the opportunity and privilege of visiting the Province on several occasions. We were also able to look at the cross-border observation towers, the argument in favour of which was security and the prevention of terrorist activities. Of course, they fulfilled another role—the prevention of cross-border smuggling, a hugely profitable business on which the Select Committee produced a report. *[Interruption.]* I note that the Clerk is suggesting, Mr. Deputy Speaker, that I might be going a tiny bit off piste; I shall endeavour to stick to the subject. However, the context of this Bill is the prevention of terrorism, so how these terrorists are financed is, in my judgment, of paramount importance.

What about the other terrorist organisations that were mentioned a moment ago, such as the Real IRA, Continuity IRA and fringe organisations on the loyalist side? They have given no indication whatsoever that they want to end their terrorist activities. There are still a number of very dangerous organisations in the Province and they could strike at any time. I shall deal with the expiry argument in a moment, but I want to point out that I am worried about withdrawing our forces from Northern Ireland and scaling down the military presence there. To do so is understandable at a time

when the British Army is so stretched, but surely now is not the time to disband the two Territorial battalions of the Royal Irish Regiment; that is absolutely crazy.

The normalisation argument, about which the hon. Member for Lagan Valley made some very good points, is an important one, but a price has been paid and concessions have been made. I find utterly repugnant the concession made in the form of the Northern Ireland (Offences) Bill. At a time when the Government are saying that we need legislation to put in place the framework for combating terrorism, they are also introducing a unique Bill that gives terrorists an extraordinary set of amnesties.

Mr. Deputy Speaker (Sir Michael Lord): Order. The hon. Gentleman has been here for a while, so he will have heard the previous ruling by Madam Deputy Speaker. The Bill is narrowly drawn—I shall not read out its title, but it is brief and very tightly drawn—and I ask the hon. Gentleman to stick to the content of it.

Mr. Bellingham: I am very grateful, Mr. Deputy Speaker, for those slight strictures, but I do feel passionate about this issue. We are talking about terrorism and the essence of this Bill, which is indeed terrorism in Northern Ireland.

Mr. Deputy Speaker: Order. I understand the feelings and emotions involved in such debates, but I am afraid that there can be no "buts". This is a Third Reading debate and we will stick to it.

Mr. Bellingham: I obviously accept that rap across the knuckles, Mr. Deputy Speaker, and I shall now move on to the question of expiry, which is an integral part of our discussion.

We supported the amendment tabled by the Democratic Unionist party for a very simple reason. The Government were being over-optimistic and over-ambitious and the deadline in that amendment was much more realistic. Given that this legislation is before us now, it surely makes a great deal of sense to use this opportunity to provide extra security into the future. If former on-the-run terrorists are to return to Northern Ireland, they will be coming back at exactly the time when this legislation could well expire. That is very worrying indeed. The Government tell us that they have a fully joined-up approach to dealing with terrorism, but they are introducing this Bill, which says one thing, and another Bill that says something completely different hot on the heels of this one. That is why we supported the DUP amendment, and we hope that the Government will think again, particularly when this Bill goes to another place.

The Diplock courts are an important part of the fight against terrorism in Northern Ireland. Many of us have reservations about such courts and we have had a good debate about them, although what was said by Liberal Democrat Members did not make any sense. The Minister said that he would need compelling evidence about whether the system was working and could be improved—but, if it cannot be improved, he should stick with the status quo.

The hon. Members for Montgomeryshire and for Solihull (Lorely Burt) proposed a system in new clause 1 that would involve three judges rather than one. However, I believe that pressure would be brought to bear to ensure that two of the judges came from the different parts of the community, with the result that the third would have to try and hold the ring. Although the Northern Ireland judiciary is supremely professional, that would put the judges in a very tricky position, and that is why we were right to vote against the new clause.

Lembit Öpik: If that is logical, why does the hon. Gentleman not believe that the single judge in a trial would be put under similar, if not greater, pressure?

Mr. Bellingham: In some ways, that is a fair point, but I do not want to get into a long debate about it as I see that the Clerk is again casting a few glances in your direction, Mr. Deputy Speaker. I do not want to be told off for a third time—if I got another yellow card, I fear you would ask me to shut up once and for all.

This Bill is about the victims of violence, and its potential victims. We must think about their plight, and about how so many families in the Province and on the mainland have been destroyed by terrorism. However, there is an extraordinary contradiction in the Government's approach. They say that they need this Bill and we support them wholeheartedly, even though we feel that the expiry period is too short, yet they have also introduced the Northern Ireland (Offences) Bill, which makes concessions that many people across the UK find extraordinary.

The Government admit that we are some way from normality, but the debate has exposed the lack of joined-up thinking on their part. Their approach to combating terrorism in the UK lacks consistency. This Bill applies to Northern Ireland, but other measures are proposed for the mainland that are draconian in the extreme and that will impinge heavily on civil liberties.

The right hon. Member for Birkenhead (Mr. Field) has compared the differing approaches being adopted in Northern Ireland and on the mainland in a very succinct and eloquent way. There is hope in the Province that life is returning to some form of normality, but the terrorist organisations have a great deal of financial muscle as a result of the proceeds of illegal activity. For example, the proceeds from last year's bank raid have never been accounted for, but that money is ready to pay for more arms if need be.

My hope for the future is coloured by my fear of those organisations' financial muscle. My hope is also coloured by my fear and my knowledge that there are organisations out there that are not part of this so-called peace process. My hope is also tinged with revulsion, dismay and disappointment at the Government's double standards and lack of consistency in their approach to terrorism, in Northern Ireland and on the mainland.

I wish that the Bill was not necessary, but it is and we must ensure that it is passed tonight. I would also like to see the changes that I have mentioned, if at all possible.

5.15 pm

Sammy Wilson: I wish to continue where my hon. Friend the Member for Lagan Valley (Mr. Donaldson) left off. In looking at the double standards in the Bill, I will try not to wander from the path, as he did, or be led

[Sammy Wilson]

astray by the hon. Member for Montgomeryshire (Lembit Öpik). I shall resist interventions from the hon. Gentleman, because I am so easily led astray.

The Bill illustrates the schizophrenic approach of the Government to terrorism. The Minister called the Liberal Democrats the pick and mix party, but what we have seen in the past couple of weeks from the Government—and this Bill is part of it—is a pick and mix policy on terrorism. One week, it is jelly babies, the next week it is fudge, and then we get cloven-tongued rock. Last week, the jelly babies were handed out, with the Northern Ireland (Offences) Bill. This Bill is a fudge in its approach to terrorism, and yesterday the Prime Minister offered some rock to the victims of Omagh by saying, "We will never give an amnesty to the people who carried out the Omagh bombing." We have heard similar hard words before about Provisional IRA terrorists, but unfortunately those promises have not been kept.

The Government's approach has had an effect on Northern Ireland, because it has sent out the wrong signals to the terrorists and led to continuing terrorism in Northern Ireland. Terrorists need hope, and I believe that the Bill gives them that hope. On several occasions, the Minister mentioned the normalisation process. In the next breath, he spoke of the continuing threat of terrorism. We cannot have normalisation if we have a continuing threat. That is what the Bill is all about. In a couple of years' time, we are supposed to ease the regulations and restrictions, and change the way in which we deal with terrorism.

As a member of Belfast city council, I saw the effect of such an approach on terrorist representatives. I remember a Conservative Minister coming to address the council and being told by one of the Sinn Fein members, "You'll go home in a box, like soldiers have gone home in boxes." Of course, the Minister asked for the meeting to be stopped and the member to be put out, but his parting words were, "You'll talk to us someday." It is ambivalence that gives hope to terrorists and that is what this Bill will do. It gives terrorists hope that they will be listened to. It gives them hope that they will be able to escape justice.

The prospect that in a couple of years time Diplock courts may go and we may revert to jury trials also gives hope to terrorists who escape justice by intimidating witnesses. Their hope is that at some time in the future they will also be able to intimidate jurors. Rather than dealing with terrorism and leading towards normalisation, as the Minister hopes, the measure will ensure that Northern Ireland is condemned to more years of terrorism and continues to need such legislation because of the continued terrorist threat.

As other DUP Members have said, we do not want to wallow in self-pity about how bad Northern Ireland is. The accusation sometimes thrown at Unionists is that we do not want things to change. I want things to change. I want a vibrant economy in Northern Ireland. Unlike the Secretary of State for Northern Ireland, I believe that Northern Ireland can stand on its own two feet and that it is viable. I want to be able to give that positive message to investors from Northern Ireland or outside, but when there is a continuing terrorist threat we cannot be sure that the necessary stability will prevail. If the picture for Northern Ireland is to be positive, an unrelenting message must be sent to terrorists: we will introduce legislation that will ensure that they are crushed and dealt with and that does not offer the hope that the Bill gives them.

As a member of the Policing Board, I know of the continued terrorist threat. We receive reports from the Chief Constable every month. Some Members have mentioned the changing nature of terrorism. We may no longer experience headline terrorist incidents—the massive bombs in shopping centres or the shooting of policemen and Army personnel—but there is constant low-level violence. It may not make the second or even third page of the newspaper, yet it corrupts, contaminates and destroys society: the inter-faith violence organised by terrorist groups, the criminality perpetrated by terrorist groups, the intimidation of witnesses carried out by terrorist groups and the control of local areas by terrorist groups are ongoing. That is why we continue to need legislation.

Those charged by the Government with monitoring terrorism have indicated that they see violence continuing in the long term, yet the Bill offers the prospect of normalisation within a short period. It will be music to terrorist ears that there is a weakening and a willingness to take a route that enables them to achieve their aims and escape justice.

The amendments proposed by my hon. Friend the Member for East Londonderry (Mr. Campbell) are essential, not because I want special legislation to have to apply to Northern Ireland for a long time, but because I believe it is necessary. The terms of the Bill are a mistake. They will give hope to those who continue to engage in terrorist acts. In a year or two, this measure, along with the Northern Ireland (Offences) Bill and others that have been mentioned—I promised that I would not wander—which have been introduced as an incentive and a reward to terrorists, will not have achieved normalisation. The pick and mix, jelly baby approach that the Bill and other legislation represent will unfortunately condemn Northern Ireland to a longer period of terrorism rather than bringing normalisation.

5.24 pm

Mr. Peter Robinson (Belfast, East) (DUP): I intend to touch on only one key aspect of the Bill. First, however, I say that I hope that the Minister is right and that the Government's judgment is right. It is in the interest of all hon. Members, especially those on these Benches, that Northern Ireland sees normality and that we reach that stage by August 2007. I am sure that Social Democratic and Labour Members, one of whom has been with us for part of the debate, would agree with me. If the hon. Member for North Down (Lady Hermon) had been in the Chamber for any of this important terrorism debate, I am sure that she would have agreed with me, too. When she comes back—at some stage—perhaps she will confirm that.

I have heard several accolades directed towards the Minister, all of which were worthy, I am sure. However, I honestly believe that the elected representatives of the people of Northern Ireland could do a better job than him. They are the people who should be dealing with Northern Ireland issues, not because they are wiser,

more erudite or more sagacious than the Minister, but simply because they have a knowledge that he can never have as he is not part of that community. I thus hope that his judgment is right.

I can do nothing but agree with the Government about extending the special provisions. It would be rash if they did not maintain the powers in the Terrorism Act 2000, so it is right for them to do so. However, I was unconvinced by the Minister's attempt to indicate the rationale behind choosing the date of August 2007. He was unable to tell the House what was in the words, behaviour or record of the organisations that I have listed—both republican and loyalist—that gave him hope that in a few years we might be on the road towards, if not at, normality.

My hon. Friend the Member for East Antrim (Sammy Wilson) made a valuable speech because he is well placed to know the circumstances of the terrorist threat in Northern Ireland. As he indicated, he is a member of the Northern Ireland Policing Board. He regularly receives briefings from the person who is best placed of all to know what the terrorist threat is. The existing threat in the community is clear to not only people at that level, but those of us on the ground.

On top of that, my hon. Friend rightly pointed out that the Government set up an independent body to assess the extent of the threat of terrorism in Northern Ireland. They charged that body with the responsibility of assessing the behaviour of every paramilitary organisation in Northern Ireland. I have read the last report of the Independent Monitoring Commission. Nothing in the report indicates that the IMC expects that by 2007 we will have reached the stage that the Minister judges we will reach.

As a constituency Member who is aware of what happens on the ground in his constituency, I have to say that the paramilitary organisations are still maintaining territorial control in their areas—that is a fact. There is no indication that they will release that control; indeed, there is every indication that the Government are even assisting them to maintain it. They may have attempted to change their authority in the community but, whatever their guise, as paramilitary organisations they maintain control, whether through the Government proposals on community restorative justice or through proposals on community associations. They intend to keep stretching their tentacles into the community. Nothing in the behaviour of those organisations leads me to share the Minister's hope.

I have seen the problems created at interfaces when paramilitary organisations are in control. Nothing in their criminal activities suggests that they are about to give up paramilitary control, not only of the area but of the community as a whole. If all the signs on the ground and the views expressed to the Policing Board by the Chief Constable of the Police Service of Northern Ireland are mistaken, and if the IMC, which has the same sources as the Minister in the intelligence services and in the police, both in Northern Ireland and the Republic of Ireland, has got it wrong, I hope that the Minister will tell us and show us additional evidence to demonstrate that the date that has been picked is a proper one. I do not believe that it is, but let us look at the consequences.

The Minister suggested that there is no need to worry—if the Government have got it wrong they will not leave the people of Northern Ireland undefended. They will introduce legislation and take whatever steps are necessary to provide security. I do not doubt that the Minister and the Government would do so in those circumstances. However, their action could have unintended consequences. The Minister is sending out a message at a time when it is dangerous to do so. Paramilitary organisations, particularly the Provisional IRA, have always attempted to test the Government to see how much they can get away with before the Government take a stand against them. They are testing the Government at present. My colleagues and I require an end to paramilitary and criminal activity—that is an essential component in progress towards the devolution of powers in Northern Ireland. Those paramilitary organisations want to test what level of criminal and paramilitary activity the Government expect, but if there is anything other than zero tolerance the Minister will let the community down badly. The Bill gives paramilitary organisations the message that what they are doing is all right. It says, "We are content with it, and we are even establishing legislation in the expectation that you will maintain this situation in Northern Ireland."

It is not all right, but the criminality of paramilitary organisations continues every day in Northern Ireland. It does so not just at the lesser level, such as threatening the local grocery store if the owner does not make his weekly donation, but in the structured efforts of the Provisional IRA and other paramilitary organisations to exert their authority on any building proposals in their area. It is evident, too, in drug dealing and the sale of counterfeit goods in their area. All those things are still going on in those communities, but the Minister has introduced legislation that suggests that the Government are comfortable and happy about the way things are going. They are so happy, in fact, that they are content to include a stop date of 2007 because things are going in the right direction.

That is the wrong message for the Government to send out. They should hold out until they have complete cessation of all paramilitary and criminal activity. That comes back to the issue that my colleagues and I have fought since 1998. We believe that the Ulster Unionist party was wrong to accept the IRA's bona fides, and should have held out to achieve a complete end to all its activities. The Ulster Unionists let the IRA in and hoped that they would toe the line. Those are the same tactics as the Government are using now—"bring them along with you". Our view is that the Government should hold out until the IRA has met the standard. That is the only criterion that those people will understand. I hope the Minister will recognise that he needs to send out a clear message that no level of violence or criminality will be acceptable, and if any level of it exists, the legislation will be continued.

5.35 pm

Mr. Gregory Campbell: I join in thanking the Minister for the way in which the debate has been conducted, even if at times during consideration of the amendments we have been at odds. I also pay tribute to all the other Members who took part in debate. It was highly

[Mr. Gregory Campbell]

productive and constructive that two of the three Northern Ireland parties were present for and took part in the debate. For that we should all be grateful.

The need for the legislation is undoubtedly considerable. I could liken the legislative process to the position of house owners or tenants. If we felt that we were under threat or there was evidence of threat to our property, we would put up defensive mechanisms. We might not like to put up fencing or take other protective measures to ensure that our properties were secure, but we would know that those measures were essential. The Bill may be viewed in a similar light. None of us looks forward to renewing the legislation, but we know that it is essential.

We welcome the Minister's assurance that pre-legislative scrutiny on the Diplock courts will be granted to the Northern Ireland Affairs Committee, but, as several hon. Members have pointed out, it is unfortunate that the Secretary of State has not said that there should be pre-legislative scrutiny of the even more important Northern Ireland (Offences) Bill. Similarly, the Minister made an impassioned plea for the retention of section 108.

Lembit Öpik: Does the hon. Gentleman accept that even if there is pre-legislative scrutiny, there is no guarantee that the Government will take the outcome on board? I cite the fact that we have been told in Wales that the four police forces are to be merged into one, but that there will be consultation. To date, we have been given no indication whatever that the Government intend to take the consultation as useful feedback and alter their plans. One thing the Minister could do is give us an assurance that the pre-legislative scrutiny will be taken seriously by the Government and has some chance of altering the legislation.

Mr. Campbell: I thank the hon. Gentleman for that intervention. Yes, when the Government indicate that pre-legislative scrutiny should take place on that or other issues in order to test the waters and find out whether there is a consensus, having established that a consensus exists, they disregard it. We remain to be convinced on the matter of Diplock. We will see then whether there is a consensus and what the Government do in response to that.

I draw attention to the apparent double standard. I listened to the Minister trying to explain his version of the absence of double standards with regard to section 108, and his impassioned defence of its retention on the ground of caution. He said that the Government were wary and did not want to be perceived as anything other than strong against terrorism. Their attitude to our amendment was, on the ground of caution and to be strong against terrorism, that the life of the legislation should be extended for a further four years. I am afraid that the Minister failed in any respect to square that circle.

There is an undoubted need for this Bill, despite its faults and with the caveats that we have pencilled in on numerous occasions. The Northern Ireland Affairs Committee was in Northern Ireland on Monday and Tuesday, and its members from all parties were able to see the continuing need for this legislation. Only yesterday, the Committee went to an interface and I was able to point out to some members the tangible, brutal realities of continuing attacks on properties. They are not simply a product of 1973, 1983 or even 2003, but they are the tangible reality of 2005, and, unfortunately, may well be the tangible reality in 2007, when the Minister seems to believe or hope, as we would all hope, that we will have reached the point where this legislation will not be required.

I wish to conclude on the issue of the level of expectation. Unfortunately, I get the distinct impression from the Minister that while he hopes that there will not be the need for this legislation to be renewed 18 months hence, that may be the case. All of us, without exception, hope that it will not need to be renewed. I would hope that we would not need this legislation tomorrow. But the issue in Northern Ireland is where we are likely to be in the foreseeable future. If the Government and the Minister believe that in 18 months the legislation will not need to be renewed, and at that point it has to be renewed, I and my hon. Friends would contend that that would do more to deflate people and to indicate that there is yet more negativity in store for them than if the legislation were renewed and was found subsequently not to be needed because the expected and hoped-for normality had emerged.

5.42 pm

Mr. Dodds: It is a pleasure to follow my hon. Friend the Member for East Londonderry (Mr. Campbell), and I join him and others in thanking the Minister for his contribution to this debate and other hon. Members for the way in which the debate has proceeded. It has been very useful in drawing out some important issues.

I want briefly to put on record that we should be grateful that we are not faced with the prospect of debating the immediate end of the emergency provisions in part 7 of the Bill. Certainly the Government's approach on other issues has been one of reckless disregard for caution and the facts on the ground, and they have proceeded prematurely to take a number of decisions on normalisation, disbandment of the RIR and other issues that I will not pursue in this debate, whereas on this Bill they have taken the view that it should continue in place for at least 18 months, with the possibility of renewal thereafter for a year. Nevertheless, we still believe that the Government should reconsider that. I have not heard any really convincing argument today or previously that would have prevented the Government from allowing the legislation to remain in place, or even taking on board the Opposition's proposal for annual renewal of the legislation, rather than arbitrarily putting in place a fixed deadline, which means that the legislation comes to an end at a fixed date without any real evidence that by that stage any of the paramilitary organisations that have been referred to in the debate will have gone out of business. Earlier in the debate, the Minister said that the paramilitary and terrorist situation had improved greatly in terms of bombings, killings and shootings in Northern Ireland, for which we are, of course, grateful.

The Minister needs to be reminded of the most recent IMC report: the seventh report, which was issued on 19 October 2005, stated that many of the paramilitary organisations remained armed and dangerous and that

many of them are involved in internal power struggles and crimes unrelated to terrorism. The IMC found that the Provisional IRA was still engaged in organised crime and violence after the announcement on 28 July 2005. It found that the LVF was still deeply involved in organised crime, especially drugs, and that it remains a deeply criminal organisation. It found that the UDA was still involved in violent and other serious crime and that it remained an active threat to the rule of law in Northern Ireland. On the UVF and the Red Hand Commando, the IMC found that the UVF was an active, violent and ruthless organisation and that it would continue to use violence where it thinks that that would be in its interests.

The most recent IMC report, which was published in October, formed the basis for much optimism on the part of the Government. However, it serves to remind us of the continuing threat posed by all those organisations, not least the Provisional IRA. Given the nature of those organisations and their continuing activities, in our view it is premature to include an end date of 31 July 2007 in the Bill.

My hon. Friends the Members for Belfast, East (Mr. Robinson) and for East Antrim (Sammy Wilson) have referred to the continuing violence, agitation and disturbances at the interfaces in Belfast, Londonderry and elsewhere. Those of us who represent constituencies that contain interfaces—my constituency probably contains more of them than any other in the Province—are only too well aware of the role played by people in the provisional republican movement and other paramilitaries in continuing to keep tensions extremely high, in exacerbating violence, in stirring sectarian fears and in exploiting and manipulating situations on the ground.

Many people on this side of the Irish sea may regard those activities as trivial by comparison with the violence over the past three decades in Northern Ireland. However, the people who live in communities that contain interfaces—in my constituency, Tigers Bay, Glenbryn, the White City, Twaddell avenue and other areas that I could mention—are suffering continually because of the ongoing violence, threats and attacks against them. Yes, such attacks are not one-sided, but their weight is directed against the Protestant and Unionist community. One has only to visit those areas to see vacant houses and dereliction because Protestant and Unionist families have been forced out as a result of the activities of republicans and paramilitary organisations from that side. We therefore believe that the legislation should be extended beyond the deadline that the Minister suggests.

The other reason for doing so is that these organisations are deeply involved in criminality, as well as terrorist activities at a number of levels. I will not rehearse all the various examples of that criminality, but one need only look at the report by the Northern Ireland Affairs Committee which cited the involvement of paramilitaries in drug dealing, fuel laundering and so on. The extent of that involvement in criminality means that it will not be got rid of quickly or easily. It beggars belief that anyone could think that it will all have disappeared in 18 months' time. It will not, and that is very clear even from the standpoint of today.

We have seen the strenuous efforts that have gone into tracking down those involved in the Northern bank robbery that took place last December. The IRA was clearly involved—that is the settled view of the Chief Constable and authorities on both sides of the border. Imagine what would happen if, after the legislation has left the statute book, the police are able to gather evidence and bring people to court to face charges. Is the Minister seriously telling us that a trial in the case of the Northern bank robbery, for instance, could be run before a judge and jury in the normal way without any fear of intimidation or harassment of jurors? That does not square with the facts. The McCartney family are currently the subjects of intimidation, with witnesses being threatened and the family having to move out of Short Strand because of intimidation and threats. Last week, a friend of the family said that they had been threatened by the Provisional IRA. At some point in the future, charges may be brought against individuals for their involvement in that crime or for covering it up. Is the Minister seriously telling us if that happens after July 2007 such a case could be run in a normal court with a judge and jury? Intimidation is already taking place and threats are being issued. The Minister suggests that that would not happen in the context of a jury trial, but of course it would. That is why we find it hard to understand why he and the Government are so set on a cut-off date that has no basis in logic or fact and is wildly optimistic.

The Minister tells us that we should be reassured by the fact that if we reach that point in time and it is felt that the legislation is still necessary, the Government would have no hesitation in coming to the House to propose that it should continue. He would presumably base that on the recommendation of the Chief Constable, primarily, and on other security advice. Having listened to what the Minister said about that, I am not reassured by one iota. Our belief in the Government's willingness to take on board the Chief Constable's security advice was gravely undermined over the summer by the atrocious behaviour of the Secretary of State, who was prepared to re-imprison one Sean Kelly on the basis of the Chief Constable's recommendation that he was involved in terrorism and acts of violence, and yet released him six weeks later, against the Chief Constable's explicit advice, because Sinn Fein was demanding it as the price of its statement the very next day.

What confidence does it give the people whom I represent and the people of Northern Ireland generally if the Under-Secretary claims that he will take police advice and listen to the Chief Constable, when evidence from the summer shows a clear decision by the Government to reject the Chief Constable's advice when it came to a choice between protecting the people in my constituency and appeasing Sinn Fein? For those hon. Members who do not know, Sean Kelly is a mass murderer—a child killer who murdered nine people on the Shankill road in 1992.

Apart from the atrocious Bill to allow an amnesty for IRA terrorists, one reason for the grave lack of confidence in the Unionist community is the feeling that everything is done to make concessions to the Sinn Fein-IRA movement and that normal processes are put to one side. That is clearly shown by the case of Sean Kelly and one of the reasons why we can take no assurance from the Under-Secretary's comments today.

[Mr. Dodds]

I conclude by reinforcing the point that has already been made about the contradictions in the Government's approach. The hon. Member for Montgomeryshire (Lembit Öpik) spoke about the difference between the approach to terrorism in Northern Ireland and that to terrorism internationally. Whatever the merits of that argument, there has been a different approach to different terrorists even within Northern Ireland. Some terrorist organisations and groups are regarded as the good terrorists and others are regarded as the bad terrorists. Ministers hailed and praised those who signed up to the Belfast agreement as unsung heroes of the peace process, only for them to be rearrested and flung back into jail a couple of month later for being up to their necks in violence and all sorts of terrorist activities. The Government have applied a clear double standard to terrorism even within Northern Ireland.

However, as several hon. Members have pointed out, the most glaring contradiction in the Government's approach is shown by their caution towards the Bill and insistence on retaining the provisions for 18 months because they are not convinced that the time is right to remove them, and their introduction last week of the most appalling Bill that has been presented to the House in recent years. The latter measure will give an amnesty to IRA terrorists and others. The Government also want to reinstate allowances and money for Sinn Fein-IRA and other groups.

Mr. Deputy Speaker: Order. I know that the hon. Gentleman is conscious that he is straying a little. I think that he said that he was about to conclude his remarks.

Mr. Dodds: The point has been made and the Under-Secretary will note what I have said. In his response, I hope that he will take on board my point about the Chief Constable and the fact that people are not convinced by the Government's claim that they will follow what he says on the matter.

5.58 pm

Dr. McCrea: I join my hon. Friends and other hon. Members in commending the Minister for the gracious manner in which he has treated the debate. Although we do not agree with his summary of the facts, we have exchanged our opinions. We trust that, even yet, we may get further helpful statements from him in the closing moments of the debate.

The debate was helpful because something remarkable occurred. In the middle of it, the hon. Member for Montgomeryshire (Lembit Öpik) confessed to having sought to lead my hon. Friend the Member for Lagan Valley (Mr. Donaldson) astray. The hon. Gentleman stood up and acknowledged what he had done. For years in Northern Ireland, we have been trying to get those who have committed vile atrocities and done wrong to the people of Northern Ireland to admit to what they have done. We have been trying to get them to confess their actions, repent of their deeds and crimes and take responsibility for them. But of course, that is the very opposite of what the Government are demanding of people.

We have seen this happening over the years. For years, members of Sinn Fein-IRA have been responsible for some of the most vile deeds against humanity, yet they will not acknowledge those deeds; they will not confess or repent, or take the democratic path in the fullest possible sense.

Lembit Öpik: While I certainly took full responsibility for attempting to lead the hon. Member for Lagan Valley (Mr. Donaldson) astray, I did not say that I was sorry for trying.

Dr. McCrea: The first stage of repentance is acknowledgement. It is a step in the right direction if someone at least admits that they have done wrong. We can then lead them further down that road.

The Bill is an acknowledgement that there is a terrorist problem: it is called the Terrorism (Northern Ireland) Bill. We are acknowledging the fact that there is still terrorism in Northern Ireland. Many hon. Members have recognised the wisdom of exercising caution, prudence and due care when considering the situation in Northern Ireland, but there is confusion in the Government's position. They try to emphasise the normality—which, of course, they say originated in the Belfast agreement—and the fact that we have moved forward.

The Minister tried to illustrate that normality by noting the vast difference between the 1972 statistics and those of today. Those of us who lived through 1972, 1973 and beyond know that there is a difference, but I would say to the Minister that, when we consider the impact of a terrorist act on any family, even one incident is an incident too many. We must never acknowledge that there is an "acceptable level of violence", to use a phrase coined by a Member of Parliament many years ago. I do not believe that there is an acceptable level of terrorism in a democracy. We are far from normality in Northern Ireland. I tried to outline earlier just how far from normality we were. We do not have as many shootings now, but there is still intimidation, and terrorist activities take place day after day.

The Minister acknowledged that section 108 would be needed for the foreseeable future and must be kept. He tried to corner the Liberal Democrats on that point, using Omagh as an illustration. I have to say to him that it is very dangerous to use Omagh in that way. I represented that constituency at that time, as the former Member for Mid-Ulster. Omagh was in the old Mid-Ulster constituency. The Minister must remember that Enniskillen was equally as important as Omagh. Teebane and La Mon were equally as tragic as Omagh. So let us not choose one terrorist activity as an example because it happened to be outside the Provisional IRA's activity. Let us remember that all those other deeds were carried out by the Provisional IRA. I remember well how Gerry Adams and Martin McGuinness had the audacity to come out and condemn the Omagh atrocity, when they and their colleagues were up to their necks in blood from Teebane, La Mon, Enniskillen and many other atrocities over the past 30 years. We must be careful when we try to corner some Members in trying to identify one incident and not looking at the overall picture.

The Minister said that he would give an affirmative to a future Secretary of State having pre-legislative scrutiny in the Northern Ireland Committee over

Diplock-type courts. I am not sure whether the Minister has the power to commit any Secretary of State to that. Surely Secretaries of State will make the decision. We know how they can change and how their minds can change. For example, I remember previous Secretaries of State telling us that no stone would be left unturned in following the terrorists who murdered the people of Enniskillen. I can remember them coming to the House and saying that the terrorists would be hounded down until they were found and that there would be no safe haven for them. We were told that they would face the full rigours of the law. Last week, however, the Secretary of State told us how those very same persons would escape justice and the full rigour of the law. The Minister should be extremely careful about what he tries to tie another Secretary of State to. I suggest that he does not have the necessary power. We hope, however, that he is able to do so, but I am not so sure whether that is a reality. It may sound good if he is trying to suggest that he will be the next Secretary of State for Northern Ireland, and wants to tie himself to such a commitment.

Mr. Bellingham: My hon. Friend speaks with a huge amount of understanding on these issues. Does he agree with me that what he has just said illustrates the complete and total illogicality of saying that one lot of terrorism is somehow all right, but that if it happens after a certain date, it is wicked, evil and terrible as it has killed people and destroyed lives, and therefore we must condemn it? If that terrorism takes place before that date, should other rules apply to it?

Dr. McCrea: Terrorism is terrorism is terrorism. There can be no justification for seeing someone now as a good terrorist. There are those who try to put members of Sinn Fein-IRA into that category, as well as other evil terrorists. Terrorism is an evil upon society and must be condemned.

The Minister must be careful in over-emphasising the statement from the Provisional IRA. We have heard and lived with such statements. New dawns have been heralded, and they can be over-played. I acknowledge that there was a major act of decommissioning. However, I do not believe that all of the terrorist weapons of the Provisional IRA have been decommissioned. There are two different situations. No Member of this place could put their hand on their heart and say that they know beyond a shadow of a doubt that all the Provisional IRA's weapons have been decommissioned. The Minister should be careful not to over-play the statement that has been made. We have heard the same statement for years.

Do not expect any member of the Democratic Unionist party to praise any statement emanating from Sinn Fein-IRA because they have stopped murdering people or because they say that they have stopped killing people. They should never have started in the first place. We need to be careful. The Bill is dealing with ongoing terrorism. There is an acknowledgement that it is necessary to continue the legislation until 2008, and the Government will not accept the amendment tabled by my hon. Friend the Member for East Londonderry (Mr. Campbell) to extend that period to 2012. The Minister, however, is not accepting the reality. The IRA is still a well oiled paramilitary organisation, which is up to the neck in criminal activity. Let us remember that such criminal activity, whether oil smuggling along the border or bank robberies, involves the use and threat of the gun, and it is still going on. Let us not give the impression that the Provisional IRA has somehow never shown the gun since the day that that statement was made by P. O'Neill, because it is not true. It is far from the truth, and it is not the reality.

The explanatory notes mention the taking down of border posts. Along the border, there are many isolated unionist families who are very concerned and worried that they have been left at the mercy of the Provisional IRA and of those who intimidate them. Let us remember that there was a policy of genocide along the border. In the Castlederg area of the Mid-Ulster constituency, there has certainly been a policy of genocide, whereby the only sons of Protestant farming families have been killed, which has moved the border back in reality because there is no son to carry on such farms. When farms come up for sale, the republicans are able to move into more territory, which was their intention. There is therefore a feeling of constant threat, so we need a continuation of the Bill beyond the date suggested by the Minister.

Criminality is engrained in republicanism. Republicans have been engaging in it for years, and it seems that in some family circles it has been going on for centuries. It is endemic within the republican community, which has not given it up. I assure the Minister that the police will find it very difficult to get republicans to move away from that criminality.

My final appeal to the Minister is to think carefully about a closure date for this legislation. When there is peace, true stability and true reconciliation in Northern Ireland, with no more threat of violence from terrorist groups, we will not need this legislation. We long for that day and we hope that it will be soon, but I believe that the Minister's thinking is premature.

6.12 pm

David Simpson (Upper Bann) (DUP): I have listened to many points raised today by my hon. Friends. I think that I can safely say that no one would like to see normality in Northern Ireland more than I would.

Four members of my family were murdered at the hands of terrorism. The first one who was murdered was a police officer—he was shot outside Coalisland barracks, and he was in the Royal hospital in Belfast and South Tyrone hospital for 22 years. My other family member was shot outside Coalisland as he made his way to work one Sunday afternoon. We received a phone call at 4 o'clock on the afternoon of his funeral to tell us that another family member had been shot outside the village of Moy in County Tyrone. Some time after that, I got another phone call to tell me that a family member of 40 years of age, to whom I was very close, had been shot in Irish street in Dungannon. He was seven years out of the security forces. I was in the hospital when he bled to death.

No one would want to see normality more than I would, but I must say to the Minister today that we are a long, long way off that. I could not convince my family members that Sinn Fein-IRA had gone away. We have heard today that Martin McGuinness has said that the structures of the Provisional IRA will not be taken down. What message does that send to the law-abiding

[David Simpson]

citizens of Northern Ireland in both sections of the community who want to move on? It sends a very, very negative message.

I have received several security briefings recently. I received one only last Friday. Perhaps the Minister will confirm what it said—that there has been a dramatic recruitment drive by the Continuity IRA and, to a lesser extent, the Real IRA throughout Northern Ireland. There has certainly been a dramatic increase in my constituency, targeting those aged between 18 and 20. If the Government are so confident that by 2007 we shall all be linking arms and running around with daisy chains around our necks, singing all the peace songs that were sung in the '60s, I am very confused. If the Provisional IRA and all the sister organisations of the republican movement are going into peace mode, why are they recruiting and why are they still targeting the security forces?

As I have said in the House before, numerous members of the Prison Service, the PSNI and the Royal Irish Regiment have been with me in my office, confirming that they have been and are being targeted by the republican movement and want to be moved from their homes. In view of the confidence boost that the Government have somehow obtained, can the Minister please explain why the republican movement is still recruiting? There have been four attempted bombings in my constituency alone over the past few months.

The Minister may already know the facts that I have revealed about recruitment by the republican movement. Will he please tell us whether what I have said is fact or fiction?

6.17 pm

Mr. Woodward: By leave of the House, Mr Deputy Speaker, I wish to respond to a number of points during what I think we would all agree has been a powerful debate that deserves a response from the Government.

I thank all Members for their constructive approach in both amendments and speeches. I am grateful to the hon. Member for Montgomeryshire (Lembit Öpik) for his enthusiastic support for the Secretary of State's offer of pre-legislative scrutiny by the Northern Ireland Affairs Committee of our proposals for dealing with the Diplock issues. I entirely agree with the hon. Member for Tewkesbury (Mr. Robertson) that organised crime is now probably the most significant long-term threat. There are a number of measures to deal with it, many—indeed, most—of which are not in this Bill but in other legislation. There are also the powers vested in other bodies, such as the Assets Recovery Agency.

I thank the hon. Member for North-West Norfolk (Mr. Bellingham) for his generous remarks. I understand his concerns about the on-the-runs legislation. Although I think that they need a response, I am conscious that were I to respond I should be guilty of preying on your tolerance, Mr. Deputy Speaker. As you have already handed out one or two yellow cards to the hon. Gentleman this afternoon, I have no wish to incur a third. Suffice it to say that I believe that the hon. Gentleman has raised significant points that need to be discussed. There will be an opportunity to debate them, and I will certainly discuss them with the Secretary of State, who may wish to write to reassure the hon. Gentleman on certain issues that he raised this afternoon.

The hon. Member for East Antrim (Sammy Wilson) took us through a veritable sweet shop of fudge, jelly babies and other things. He nevertheless raised some very important points about normalisation, as did the hon. Member for Lagan Valley (Mr. Donaldson). Normalisation is a goal. We do not believe that we have arrived at normalisation at the moment. It is a goal that will be achieved through an enabling environment and we believe that legislation is part of that environment, but we are introducing the Bill because we have not yet arrived at a state of normalisation. We are still very much in the transitionary period of creating an enabling environment. It is precisely because of the continuing threat—albeit one that is, I believe, significantly lower—that we none the less have to review and renew the legislative provisions. There is evidence to believe that the threat is declining. That is why it is realistic to work towards a deadline of 2007, but the Bill contains provisions to push us on to 2008.

The hon. Member for Belfast, East (Mr. Robinson) rightly said—I agree with him—that those elected in Northern Ireland should be taking the decisions. I think that everyone in the House would agree with him and we look forward to him taking up his position in a power-sharing Executive to take those decisions. Then, he will be able to carry those responsibilities forward. We look forward to that moment, but I think that he would agree that it has not yet arrived. Decisions need to be taken and that is why we are taking them this afternoon.

The hon. Member for Belfast, East also raised the issue of unintended consequences. We firmly require an end to paramilitary activity and criminality and my right hon. Friend the Secretary of State has said unequivocally that there will be zero tolerance of that. However, the Bill must be viewed as part of a process.

Lembit Öpik: Does that mean that any breach of legal behaviour or any indication of organised crime would constitute a breach of the ceasefire? Surely that is the only way in which zero tolerance can be applied.

Mr. Woodward: Zero tolerance means zero tolerance, but as the hon. Gentleman would acknowledge, if we want to make progress these things have to be looked at in the round.

Lembit Öpik *rose—*

Mr. Woodward: I will give way in a few moments.

We do not believe that being optimistic, which is based on evidence, is incompatible with being cautious. That is why we are renewing the legislation. We think that we should hold out until the standards are reached—and the standard is based, and will be based, on security advice given to the Secretary of State by his security officials, including the Chief Constable.

Lembit Öpik: I am slightly confused. The Minister says that the Government intend to enforce zero tolerance of criminal behaviour. Then, under pressure, he says that it must be taken account of in the round,

which does not sound like zero tolerance to me. The irony is that I can see a case for not enforcing zero tolerance, but once again the Government seem to be saying two different things—they say zero tolerance in the Chamber, but they say nothing of the sort in Northern Ireland.

Mr. Woodward: I am sorry that the hon. Gentleman is confused, but I disagree with him entirely. The Secretary of State has made it absolutely clear that there will be zero tolerance of paramilitary activity and criminality, which requires an end to them.

The hon. Member for East Londonderry (Mr. Campbell) was right to recognise that no one is happy about introducing the Bill. There is no happiness in having to introduce any prevention of terrorism legislation because of the obvious reason for having to do so. The hon. Gentleman was also right to recognise that it is nevertheless necessary to do so—and the Government firmly believe that it is.

The hon. Member for Belfast, North (Mr. Dodds) echoed that point. There is no disagreement over whether a threat still exists—we believe that there is still a threat—the disagreement is over our degree of optimism that normalisation can be achieved by 2007. We of course empathise with the threats still experienced by Northern Ireland Members and their constituents. Again, our difference is not in understanding them, but in the degree to which, and the cautious speed with which, we believe it is now possible to make progress on security issues.

I am pleased that the hon. Member for East Antrim took us back to section 108. He is absolutely right to expand the frame of reference beyond Omagh, and I entirely agree with him. He is also absolutely right to underline the fact—as I did earlier—that a single incident of terrorism is one too many, and that there should never be acceptance or tolerance of terrorism, wherever it takes place.

That takes me back to the need for this Bill and its provisions. It is about judgment, just as section 108 is about judgment. Perhaps section 108 will never be used. We know that it was enacted against the tragic background of Omagh, and that those dealing with the cases currently under review may wish to use it, even though those cases are not directly related to Omagh. That was the simple point that I explained to the hon. Member for Solihull (Lorely Burt). At the moment, we are being asked to keep section 108 by those who may use it, and we respect that. However, when this legislation can fall—as I hope it can—because we have achieved normalisation through the enabling environment, it will go. That will be a good moment, if it is the right moment.

I hear what was said about pre-legislative scrutiny, the Secretary of State and the binding of future Secretaries of State, but I remind Members with a little humility that the letter written today by the Secretary of State to the Chairman of the Select Committee was concerned with examining proposals in the coming months of next year. The Secretary of State believes, with reasonable justification, that he will still be in post when that moment comes.

Everybody will have yet again been moved by the speech made by the hon. Member for Upper Bann (David Simpson). The personal stories that he told are unimaginable for those of us who have not lived personally through those tragedies and that history. Of course, because of his experience all Members should take on board his caution. All will appreciate his desire for normalisation precisely because of those four awful, tragic and appalling stories. It is not appropriate, however, for me to comment on the security and intelligence reports on the Continuity IRA, except to say this—I want to reassure the hon. Gentleman, his colleagues and all Members that the security of the people of Northern Ireland is absolutely first on our list and we will not play fast and loose with it. That is why we are introducing these proposals today. We do so not because we want to, but because we recognise that the threat is still there. For the very foreseeable future, we still feel the need to have this legislation in place.

People in Northern Ireland have made huge progress in the past few years. There is more to make and, regrettably, not enough has been made to dispense with this legislation. However, enough has been made to hope, in passing this Bill today, that it will be possible for us to say by 2007 that we no longer need special provisions to deal with terrorism in Northern Ireland.

Question put and agreed to.

Bill accordingly read the Third time, and passed.

PETITION

IsItFair Campaign

6.29 pm

Mr. David Heath (Somerton and Frome) (LD): I wish to present a petition in the name of my constituent, Mr. Yates of Rodden road, Frome, and many other constituents. It is couched in terms that are familiar to the House, as similar petitions have been raised in other constituencies. I entirely concur with the terms of the petition, which talks about the iniquities and unfairness of the council tax, especially for people on fixed incomes, and for pensioners in particular. It also mentions the upward pressure on council tax bills caused by the policies of central Government, rather than local government. It says that there is a need to scrap council tax and replace it with a fair tax based on the ability to pay.

The petition states:

The Petition of the IsItFair Council Tax protest campaign

Declares that the year-on-year, inflation-busting increases in Council Tax are causing hardship to many and take no account of ability to pay: further that the proposed property revaluation and rebanding exercise will make an already flawed system even worse.

The Petitioners therefore request that the House of Commons votes to replace Council Tax with a fair and equitable tax that, without recourse to any supplementary benefit, takes into account ability to pay from disposable income, such tax to be based on a system that is free from any geographically or politically motivated discrimination, and that clearly identifies the fiscal and managerial responsibilities of all involved parties.

And the Petitioners remain, etc.

I concur, and I am very happy to present the petition to the House.

To lie upon the Table.

Television Reception (Wales)

Motion made, and Question proposed, That this House do now adjourn.—*[Tony Cunningham]*

6.31 pm

Mark Williams (Ceredigion) (LD): Thank you, Mr Speaker, for allowing me the opportunity to raise on the Floor of the House the important matter of television reception in Wales.

There is no doubt that broadcasting is going through a revolution that is allowing more people to access more information and offering more choices. Arguably, the most important of all is the digital revolution in radio and television that is already well under way. Wales will be one of the first to switch off its analogue transmitters in 2009, and by 2012 the UK as a whole will be one of Europe's leading modern broadcasting nations.

This debate, however, is not about the benefits of digitalisation, but about how those benefits can be accessed by all. The success of any nation calling itself modern can be measured only by how it can help those in society who need assistance. More than 30 years ago, the Government commissioned a report into broadcasting coverage in the UK. The Crawford report's findings in 1974 still resonate, 30 years on. It stated that

"the numbers of people unable to receive public service broadcasting are by no means negligible".

Today, 1.5 per cent of the UK population, or just under a million people, do not have television reception of acceptable quality, or even any reception at all. In Wales, that amounts to some 36,000 households. We must be clear about the matter: if the topography of Wales and its hilly landscapes prevent 36,000 households from getting TV reception, those same conditions also prevent 36,000 people from getting the mobile phone, radio or broadband signals on which so many of us rely to stay in touch with each other and the world around us. That is particularly important, given the recent general election and the forthcoming National Assembly elections. The electoral process involves people accessing information, and more people depend on television to follow politics than on any other medium. There is a public service obligation, but many people are unable to access the information they need.

My question to the Minister is: why are we not using the unique opportunity of digital switchover to secure universal coverage, in Wales and further afield? The dispiriting fact so far is that the expectation of digitalisation is merely to achieve parity of cover with analogue.

Digital switchover has opened up a debate that successive Governments have ignored for over 30 years—how we can ensure that everyone in the country gets adequate television reception. The Minister will not need reminding of the Labour manifesto commitment to

"achieve digital switchover between 2008 and 2012, ensuring universal access to high-quality"—

and this debate is concerned with the quality of transmission—

"free-to-view and subscription digital TV."

Universal access is non-negotiable and the Government have an obligation to honour their manifesto commitment. I look forward to hearing from the Minister what targets he suggests setting to tackle the problem of the outstanding 1.5 per cent. or 36,000 people in Wales who do not get adequate television reception—or any reception at all.

There is considerable unease. One constituent of mine, a Mr. Loftus of Taliesin in the north of Ceredigion, is currently unable to access Freeview, and asks whether his local transmitter will be upgraded in time for analogue switch-off in 2009. Another constituent, Mr. Shaftoe, is concerned at the lack of public information. The 2009 date is engraved on our minds, but what is the immediate timetable? The Minister will not need reminding that switchover is only four years away.

Mr. Philip Hollobone (Kettering) (Con): Will the hon. Gentleman give way?

Mark Williams: The hon. Gentleman displays a keen interest in Welsh affairs and I am happy to give way.

Mr. Hollobone: I congratulate the hon. Gentleman on securing this debate. I represent a constituency in Northamptonshire that will be in one of the last tranches for digital switchover. Does he think that it is a good thing or a bad thing for Wales to be in the initial tranche?

Mark Williams: It is certainly unusual for Wales to be in the first tranche and, in that sense, I welcome it. However, as I will say later, we need the reassurance that the mechanisms are in place for digitalisation. If he will forgive me, I will not delve into the details of his constituency, but stay on the right side of Offa's dyke.

I appreciate the work that Digital UK has undertaken, especially its work with retailers, providing the information and staff training necessary to reassure customers. However, Digital UK is only six months old, and there is much to do. Without being alarmist, we surely need to be upping the stakes in terms of public education on the switchover.

In the past, the excuses have included lack of funding, and there are two community-funded transmitters in my constituency. Local communities had to find the £50,000 to have the transmitters in Ystumtuen and Bronnant in Ceredigion. More recent excuses have been that the technology did not exist to solve the problems of television reception, but that is not a valid excuse today. Although satellite television is by no means a panacea, it will enable most people who do not have reception today because of Welsh topography to get reception. Since the welcome announcement of a BBC and ITV Freesat in September this year, it will be much easier for the Government to avoid the sort of competition issues that promoting a Sky satellite package as the solution would have raised.

Hywel Williams (Caernarfon) (PC): Does the hon. Gentleman share my concern that lack of access to television signals coincides geographically with low wages in rural and deep rural communities and the most Welsh-speaking areas? Should not that concern the Government?

Mark Williams: As the Member of Parliament for a constituency in which the majority of people speak

Welsh as their first language, that is an issue of concern. I shall come to the issue of low incomes later in my speech, but the ability of constituents to access such services means that the Minister should look carefully at Welsh language provision.

Mr. Roger Williams (Brecon and Radnorshire) (LD): Like my hon. Friend, I represent a constituency in which people have difficulty with television reception, and some communities have banded together to enhance the signal. However, when some people take advantage of satellite reception, the community spirit breaks down because they no longer want to be involved. It is therefore the poorest people in the community who suffer because they cannot afford satellite equipment.

Mark Williams: I thank my hon. Friend, who makes a valid point. I shall return to the issue of low income and some of the financial implications later.

If nothing has yet been done about TV reception, it has nothing to do with technology; it may be more to do with a lack of will. Over and above anything else, I seek from the Minister today a firm commitment that something will be done to remedy the inadequacies of the past three decades. If technology is not the problem, perhaps the Minister will allow me to share my thoughts—perhaps naïve ones—about how the difficulties could be tackled.

Ofcom's report published in August 2004, "Vulnerable Consumers in Switchover—Who Are They And Where Do They Live?", recognised that people living in low population density areas were less likely to receive TV reception and earmarked them as vulnerable groups. That may address the point made by the hon. Member for Caernarfon (Hywel Williams). Will the Government take Ofcom's recommendations on board and broaden the eligibility criteria, to ensure that people living in rural areas who might just miss the criteria for low income, and the elderly and disabled, have the chance to access that new technology, perhaps involving some form of modulation in proportion to their income?

I applaud the support scheme that the Government have announced, as far as it goes, and its provision for helping with installation of equipment and for follow-up support for people with significant disabilities, and people aged 75 years and older—an important issue that relates to the point made by the hon. Member for Caernarfon about the Welsh language. In a written answer of 22 November to the hon. Member for Monmouth (David T.C. Davies), the Minister mentioned such a support scheme. When will the details be forthcoming? Definite details would reassure many people and meet many of the anxieties they are experiencing.

Through what mechanisms do the Government envisage support being made available to the elderly and disabled, and those on low incomes? Will they make use of existing structures to assess those in need and to dispense help? There is already a network of Ofcom engineers—albeit not many—who travel the length and breadth of Wales investigating interference problems with TV reception. It would take only a slight broadening of the remit of Ofcom's current powers to enable its expert engineers to hold the deciding vote over whether a satellite was the only way to proceed in a reception blackspot. Ofcom would of course require additional funding to meet that extra function. In some ways, its engineers are already performing that duty, as the interference problems with which they have to deal are due to topography. Armed with an official Ofcom certificate, the individual could take a claim to the local authority and access practical financial aid to upgrade the satellite.

We are still in the dark about how and when the Government will dispense the help they have promised to the elderly, the disabled and those on low incomes, but it is obviously not too late to make plans to help those who are media poor. We know that the BBC will have to contribute £400 million to aid the most vulnerable to make the leap to digital, but what estimates has the Department for Culture, Media and Sport made of how much it would cost to solve the problem faced by the 36,000 households I mentioned—1.5 million UK-wide? Our estimates, using Government figures, suggest that it would cost the DCMS between £720,000 and £7 million to get those 36,000 households in Wales connected once and for all.

I look forward to hearing what the Minister has to say. He has shown much interest in the matter in the past. He met a delegation that included my hon. Friend the Member for Brecon and Radnorshire (Mr. Williams), the hon. Member for Caernarfon and me and was receptive to our message. Like others, I feel strongly that small percentages should not disguise the fact that for many people, particularly those clustered in rural areas, things that the rest of us take for granted are not readily available. It is on their behalf that I ask the Minister to respond positively.

6.44 pm

Lembit Öpik (Montgomeryshire) (LD): I congratulate my hon. Friend the Member for Ceredigion (Mark Williams) on securing the debate. I also thank the Minister for allowing me to make a short contribution.

The crucial point for a place such as Montgomeryshire, which neighbours Ceredigion, is that although we may be living in the sticks, we should not be rubbing sticks together when it comes to technology. Our idea of a good night in is not Sian using the old spinning mill, me chopping wood in the back yard, and talking about the good old days. Sometimes we would actually like to watch television. Television is not only for entertainment, because it increasingly provides a range of other important facilities without which one is effectively excluded from important cultural and information-based elements of modern life.

People from the beautiful town of Machynlleth have an extraordinary ability to win pub quizzes. When I asked them why they did so well, they said, "Well, it's basically because the television reception is so poor that we've got nothing else to do than read." One could argue that that is a benefit, but it also means that they are excluded from certain media outlets, as my hon. Friend said. On a practical point, they are reduced to receiving the programming that happens to make its way into the valley. For example, they might not be able to receive Welsh regional television coverage and instead have to depend on the midlands' programmes. Such a situation necessarily causes a serious problem in Wales.

[Lembit Öpik]

I would like to watch the programmes that it is possible to watch in the midlands and larger towns. I would like to watch Sian Lloyd doing the excellent weather forecasts on ITV or "I'm a Celebrity Get Me Out of Here!"—I declare an interest of a most personal nature. However, thanks to the hills, every time I watch her weather forecasts, they are full of snow. When analogue is switched off, it is likely that a proportion of my constituents will lose access to some of those programmes completely.

As my hon. Friend pointed out, modern technology can solve all those problems, but we need initiative from the Government. Television is about more than entertainment—it is about information. It is about not only soap operas, but ensuring that parts of Wales are not unclassified roads compared with the information super-highway, which dominates much of modern business and culture.

The Minister has been receptive to our points and positive about the problems that have been highlighted. Nevertheless, I hope that he can give us some specifics about what the Government can do to resolve the situation. We are asking not for tomorrow's world, but simply that Wales is not left out. As things stand, however, a proportion of residents in Wales, through no fault of their own, will continue to regard the television reception problem as the weakest link.

6.48 pm

Mr. Roger Williams (Brecon and Radnorshire) (LD): With the Minister's permission, I will make a short contribution. I thank him for receiving the delegation of my hon. Friend the Member for Ceredigion (Mark Williams) and the hon. Member for Caernarfon (Hywel Williams). However, the problem does not go away and our constituents refer to it regularly.

I sometimes believe that people who live in large towns and cities think that everyone throughout the country has the same facilities and services, but that is certainly not the case. For example, in the Nedd valley in my constituency, four families will now be receiving mains electricity for the first time. That is costing each family £20,000, so they are not getting something for nothing. One of the main reasons why they have decided to make that investment is so that they can use computer equipment, which they could not do before because they did not have the assurance of a continuous electricity supply. However, people look to the Government, as well as investing themselves, so that they can receive the facilities that the rest of the country takes for granted.

Like my hon. Friend the Member for Montgomeryshire (Lembit Öpik), I am worried about people who live on the border of England and Wales and get their television programmes not from Wales, but from the midlands. It is not surprising that in elections, such as those for the Assembly, it is much more difficult for those people to become aware of the issues. It is also a question of language—just because someone lives on the border between England and Wales does not mean that they want to receive all their entertainment in the medium of English. Many people in that area speak Welsh as their family language and as their first language, and they would like to receive information and entertainment in Welsh. We look forward to hearing the Minister reaffirm the commitment that he made when we met him earlier this year, when he said he would do what he can to ensure that we secure equality of service throughout the country.

6.50 pm

The Parliamentary Under-Secretary of State for Culture, Media and Sport (James Purnell): May I begin by congratulating the hon. Member for Ceredigion (Mark Williams) on securing this debate, and on the cogent way in which he made his case? I welcome the support from everyone who spoke in our debate for the commitment to switchover, which was universally welcomed. Rather than express opposition to the concept itself, Members were concerned that digital access will not extend far enough. The fact that Wales is one of the first two regions to go down that route was welcomed. Wales leads the world in the amount of digital TV that it receives, as 70 per cent. of households have digital TV sets—no other nation has such a high a percentage. There is therefore a genuine opportunity for Wales and the border region, when they go first in 2008, to secure leading-edge advantages for the local economy. I encourage hon. Members to work with the regional development agency, local authorities and the Welsh Assembly to make sure that Wales capitalises on that economic opportunity.

My right hon. Friend the Secretary of State announced the digital switchover in September this year. As the hon. Member for Ceredigion said, that announcement confirmed that HTV Wales would be switched off in 2009. We decided that Wales should be one of the first to switch over because 43 per cent. of homes in Wales—nearly double the national average of 25 per cent.—cannot gain access to digital terrestrial television. We receive hundreds of letters every month from the constituents of right hon. and hon. Members on both sides of the House complaining about the fact that they cannot gain access to digital terrestrial television. Without the digital switchover we could not respond to those concerns, because we would be unable to extend digital coverage.

Of course, many people prefer to receive their digital TV via satellite, cable or, in some areas, via broadband. In Wales, many viewers have already opted for satellite services. Some have done so specifically to resolve longstanding reception difficulties, including the lack of availability of Channel 4 on analogue in Wales, and to receive new digital services. For many other people, however, digital TV through an aerial is still the cheapest and most convenient option, which is why we are committed to extending the service.

Extending digital terrestrial in Wales is particularly challenging. Terrestrial reception requires a line of sight to a transmitter, but the hills and valleys in much of Wales make that difficult to achieve with ground-based transmitters. The solution adopted during the 1960s and 1970s was to build a network of relay transmitters to boost coverage, and there are more than 200 relay transmitters in Wales—a far higher number than in any other TV region. It would be fantastic to extend digital TV coverage without switching off analogue, but we are unable to do so. Only by removing analogue from the equation can we enable the digital network to be replanned and allow digital transmissions to use

frequencies that are cleared internationally for high-powered use. That will be a huge amount of work. Removing analogue will create space for the network of 1,154 transmitters, including those small relay stations, to be upgraded.

This means that at switchover the same proportion of homes as can currently receive analogue services—that is, 98.5 per cent. of homes—will be able to receive channels on the three public service multiplexes. We have been clear that that is our commitment to universal coverage ever since Chris Smith laid down those criteria when he announced the Government's commitment in principle to digital switchover.

We recognise that for the 1.5 per cent. of homes that have no access to services, the figure of 98.5 per cent. offers no comfort. Even if it is a small number of households relative to the whole country, it is still extremely frustrating for people who do not have reception. Being able to play pub quizzes may be a compensating advantage, but it does not make up for being unable to receive television in Machynlleth or anywhere else.

In Wales digital terrestrial coverage will increase from around 57 per cent. to match current analogue coverage, which in Wales will be 97.4 per cent. It will be slightly lower than in the rest of the country because that is the current percentage. I recognise the point that the hon. Member for Ceredigion makes. We are seized of the need to see what can be done to help the remaining 1.5 per cent. Clearly, a number of them can currently receive satellite television, but we are working with Ofcom to conduct further research to find other ways of extending digital TV to those households.

Many homes are considering installing a taller or higher spec aerial or booster. Self-help schemes have sprung up around much of the country, allowing small communities to install their own community relays at their own expense to extend analogue TV into their locations. However, over recent months some of those schemes have started to fold as more and more people tip over into getting satellite TV. That can make self-help schemes unsustainable. Nevertheless, we will continue to work with Ofcom to see what can be done through self-help schemes and other technological solutions to expand coverage to that 1.5 per cent. We are confident that the eventual coverage will be even higher than the current rate for analogue television.

The hon. Gentleman asked why we are not extending the digital terrestrial transmitter network even further. It is a matter of cost effectiveness. We have already been criticised for our plans to extend digital terrestrial coverage to the 98.5 per cent. There were representations to the Culture, Media and Sport Committee recently, to the effect that instead of expanding digital terrestrial, we should rely on satellite for the last 10 or 20 per cent. The hon. Gentleman would probably agree that that would be of little comfort to his constituents, particularly those who are unable to receive satellite television because of proximate hills or buildings. Because of that concern, we have committed to go to 98.5 per cent., but to go further would, we believe—and Ofcom shares that belief—mean investing in transmission facilities which could not be justified on cost-effective grounds. That is why we are exploring other solutions such as satellite and self-help schemes, and even piloting the use of electricity wires to distribute television.

On the point made by the hon. Member for Brecon and Radnorshire (Mr. Williams), we discussed that during the session on the issue. Of course it is frustrating for people who want to access Welsh services if they can get only English-language services. It is a difficult issue to resolve, as the mountains in the area shield those households from the Welsh transmitters. The Welsh services are available on satellite, which, as the hon. Member for Ceredigion rightly says, can already be accessed free from Sky, and the BBC and ITV are planning a freesat service, which we hope will help.

We will continue to look into the matter, and I am happy to write to the hon. Gentleman to see whether there have been any new developments. That is the answer that I can give him with regard to the 1.5 per cent.—the important minority of people who cannot get access to analogue television. We are confident that we will be able to provide access to more people. I cannot guarantee that we will be able to provide digital terrestrial access to everybody, but we are working with Ofcom and we will be happy to continue to work with the hon. Gentleman and his colleagues on seeing what we can do to provide further coverage.

It being Seven o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Motion made, and Question proposed, That this House do now adjourn.—*[Tony Cunningham.]*

James Purnell: The hon. Gentleman is right to say that preparations for digital switchover are extremely important and, like him, we have great confidence in the work that Digital UK is doing to ensure that there is full awareness of the switchover process. He will be happy to know that Digital UK has already started to advertise, both regionally and nationally. It is being very competently led by Ford Ennals and his team, and we have great confidence in their ability to carry out that task. He may be interested to know that Digital UK is planning to start its regional campaign in Wales in the first half of 2006, so that is imminent and I hope that that will reassure him that we are focusing on trying to ensure that his constituents are aware of the switchover date.

The hon. Gentleman also referred to the targeted help schemes. We had to make some trade-offs when we were making the decision about whom to include within the help scheme. It is important to understand that our starting point for that is not one of affordability. Based on the evidence and the research that we had, we thought that with the price of set-top boxes already falling and available for about £25, affordability would not be the key barrier to people going over to digital. We thought that the key barrier—again this was backed up by our research in Llansteffan and Ferryside—was technical understanding and people being able to obtain the new equipment, have it fitted and learn how to use it. That is why we focused on the people who our research highlighted as having the greatest technical barriers to being able to make the switch.

Mark Williams: Does the Minister also appreciate that, as the hon. Member for Caernarfon (Hywel Williams) mentioned, language is an important barrier

[Mark Williams]

that needs to be overcome as well? The Welsh language therefore needs to be heavily borne in mind in any support that can be given to those groups.

James Purnell: That is an important point and the hon. Gentleman will be pleased to know that Digital UK is already well seized of it. I believe that it is developing a Welsh language scheme. It is certainly committed to providing bilingual advertising material and services, and that will apply to its phone lines as well as to its other services. Thus we are ensuring from the start that we are building bilingual services into the plans for Wales. If there are any issues where he or his colleagues feel that that is not being done sufficiently, we would obviously be happy to look into the matter.

Assistance through the targeted help scheme is focused on people who will have technical issues in making the switch to digital, and that is why we focused on people over 75 and people with severe disabilities. We are still researching the precise way in which that scheme will work. We have a trial in Bolton that is looking at the technical and logistical issues around giving people advice, making home visits, and a range of such issues that we need to resolve before we can make a robust estimate of the costs. We will be publishing those next year once we have a proper understanding of the matter. It would be inappropriate to make a forecast without enough data on which to base it.

The hon. Gentleman also referred to people who live in rural communities, and Digital UK will look at the role that local communities can play in reaching those people. We do not believe that it would be appropriate to make them a category in their own right, because we believe that a strong proportion of those people will be able to make the switch without any extra help. However, we are clear that we will not be turning anybody away. The basic level of services that Digital UK will be offering will be available to people whether they are in those two vulnerable groups or not.

Digital switchover is an extremely important policy for the future of UK television. British television is among the best in the world and that has been achieved because we have always been at the forefront of technology, whether it was the creation of the BBC, the pioneering of commercial television through ITV, the invention of Channel 4, or, more recently, satellite and cable television, or the development of mobile telephony. Our media industries have succeeded partly because instead of following technology we have decided to lead from the front and ensure that we were the first to develop new services. We believe that that will be good for consumers, for industry and for Britain, and we look forward to working with hon. Members on both sides of the House on that important project.

Question put and agreed to.

Adjourned accordingly at five minutes past Seven o'clock.

House of Commons

Thursday 1 December 2005

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

TRADE AND INDUSTRY

The Secretary of State was asked—

Microgeneration

1. **Mrs. Theresa Villiers** (Chipping Barnet) (Con): If he will make a statement on his Department's policy on encouraging the use of microgeneration in UK households. [33373]

2. **Colin Challen** (Morley and Rothwell) (Lab): Whether he expects there to be a surplus or shortfall of funding at the end of the clear skies programme. [33375]

The Secretary of State for Trade and Industry (Alan Johnson): The Government already encourage microgeneration in a variety of ways. For example, there is a 5 per cent. VAT level on most microgeneration technologies. We have provided £41 million of support for solar photovoltaic projects through the major PV demonstration programme and support for field trials. There is £12.5 million of support for household and community renewable energy schemes through the clear skies initiative; and £30 million of funding for a new low carbon buildings programme. We have also amended the renewables obligation to make it easier for microgenerators to claim renewables obligations certificates.

My Department is leading the development of a cross-Government strategy for the promotion of microgeneration. This strategy will be published by next April, in accordance with our commitment under the Energy Act 2004.

In relation to clear skies, I expect that all funding will be allocated by the time the programme ends in March 2006, but projects will have a further 12 months to be completed and actually to spend the money.

Mrs. Villiers: Despite the warm words of the Secretary of State, it is still clear that the take-up of microgeneration is minimal and that the market for it is still very underdeveloped. Will the right hon. Gentleman consider, in assessing the upcoming energy review, how, if the Government decide to go down the nuclear route, they will ensure that the nuclear industry does not effectively crowd out microgeneration and make it more difficult for investment in it? In particular, if the right hon. Gentleman decides to go—

Mr. Speaker: Order. Perhaps this is a matter for an Adjournment Debate. That would seem to be appropriate.

Alan Johnson: I agree with the hon. Lady's assessment that microgeneration is underdeveloped. Some of the reasons for that will be dealt with in our strategy, which we will publish next April. Much of it is about public awareness, some of it is about problems with planning and some of it is about connection with the grid.

As for the hon. Lady's question about nuclear energy, if the energy review went down that path, I do not think that it would have any impact on the need to develop this particular area of microgeneration. Microgeneration is important in its own right, whatever we do in the rest of the energy mix.

Colin Challen: This being the season of good will and festive cheer, as well as reviews, will my right hon. Friend review the amount of money put into the low carbon building initiative, which year on year is quite a bit less than what was put into the programmes that it replaces? If my right hon. Friend is looking for somewhere to get the money, may I suggest that he dips into his Department's nuclear fusion research money, which is considerably more than that being given to the low carbon buildings initiative?

Alan Johnson: I suppose that as it is 1 December we can officially say that it is the season of good will, but it is not the season of distorting our figures—*[Interruption]*—as every other season of the year. My hon. Friend is wrong about this. I understand how passionately he feels about the matter, particularly photovoltaics. On average, under the low carbon buildings programme we shall be spending £9.5 million a year compared with £9.2 million average yearly spend since 2000 under the previous project. We have not diluted the amount of money that we are making available, although the use of grants is not the total picture in terms of how we can encourage greater use of microgeneration.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): From the Secretary of State's earlier responses it is obvious that he has recognised the true potential of micro-combined heat and power generation. Has he seen the recent report of the Society of British Gas Industries, which clearly shows that micro-CHP could, by 2015, generate enough power to reduce carbon dioxide emissions by 1.1 million tonnes per annum? Will the right hon. Gentleman take urgent action to ensure that the right regulatory framework is in place to enable that to happen?

Alan Johnson: I have seen that report, which is an important contribution to our strategy review. That strategy review, to which we made a commitment in the Energy Act 2004, was designed specifically to address these issues. I mentioned planning as a problem earlier. The report is an important contribution to the debate, and it is an area of legitimate concern on both sides of

the House. We will try to ensure that planning regulations do not inhibit the growth of combined heat and power.

Dr. Alan Whitehead (Southampton, Test) (Lab): I congratulate my right hon. Friend on his Department's strong support for two private Members' Bills seeking to enhance the use of microgeneration to an enormous extent, one of which was unfortunately blocked by a maverick climate change denier on the Opposition Benches. If that block continues, is it my right hon. Friend's intention to find Government time to complete those Bills and place them on the statute book?

Alan Johnson: I reaffirm our support for the private Member's Bill tabled by my hon. Friend the Member for Edinburgh, North and Leith (Mark Lazarowicz). As for how we could get around any blockage, that is a subject for others, such as the usual channels.

I see that my hon. Friend the Member for Edinburgh, North and Leith is present. His Bill contains important principles, and I am sure that it will be supported by Members in all parts of the House. I hope that the person responsible for blocking its passage will remove the blockage; if he does not, we shall have to consider other ways of dealing with it.

Mr. Bernard Jenkin (North Essex) (Con): The hon. Member for Southampton, Test (Dr. Whitehead) asked a pertinent question. It is in the Government's power to continue to pursue that Bill. Let us see whether they do so, or whether what we are hearing is just rhetoric. I do not support the action of my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) in blocking the Bill.

I agree with my hon. Friend the Member for Chipping Barnet (Mrs. Villiers). We have had stop-go policies for the clear skies programme, and the Office of the Deputy Prime Minister has been very obstructive in regard to constructive building regulations for microgeneration and micro-CHP, although we know that those processes have enormous potential for reducing carbon dioxide emissions. Why are the Government being so half-hearted about those programmes and that potential? Does their attitude not underline the fact that their entire energy policy is in a mess—which, of course, is why the Secretary of State has to have a review?

Alan Johnson: That is nonsense on stilts. On clear skies, we have a go-go policy. There is no gap. There used to be a gap of about four months between money going out and the receiving of, and responses to, bids. In this case there will be a five-month interval—so if there can be said to be a gap, it is a gap of only a month—between the end of the clear skies programme and the start of the new programme.

The hon. Gentleman should give some advice to his right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth). We shall be able to proceed with that private Member's Bill if it is not blocked by Conservative Members. I was pleased to hear what the hon. Gentleman said. Why should we delay and lose time? Why should the Government have to rethink the whole programme and go through the usual channels when a quiet word in the right hon. Gentleman's ear might allow us to proceed?

WTO Meeting

3. **Hugh Bayley** (City of York) (Lab): If he will make a statement on the World Trade Organisation ministerial meeting in Hong Kong. [33377]

The Secretary of State for Trade and Industry (Alan Johnson): Her Majesty's Government remain committed to achieving an ambitious, pro-development outcome at the Hong Kong ministerial conference, which will allow conclusion of the Doha development agenda by the end of 2006. The draft text for the Hong Kong meeting was issued on 26 November by Pascal Lamy, the director general of the World Trade Organisation. He will consult Members further before the General Council meeting on 1 and 2 December. After that meeting, the text will be submitted for discussion by Ministers in Hong Kong.

Hugh Bayley: Despite the best efforts of Commissioner Mandelson, the European Union seems to have forgotten that this was meant to be a development round. Will our Government continue to press for overall cuts in European agriculture subsidies under the common agricultural policy?

Is my right hon. Friend aware of the World Bank's estimate that, if only 2 per cent. of tariff lines were protected as especially sensitive products, Europeans would be able to protect virtually every product that poor countries want to export to us? Yet under the EU's predatory policy, 8 per cent. fall into that category. Will the Secretary of State ask the EU to reconsider?

Alan Johnson: My hon. Friend has raised an important point. It is difficult not to be pessimistic about our chances of making the progress that we would like to make in Hong Kong. We should have been in a far better position.

As my hon. Friend knows, there are now 149 countries in the WTO since the recent accession of Saudi Arabia. Each country has a vote and a veto. Our role as President of the European Union is to ensure that the European Union has a coherent voice that Commissioner Mandelson can use during the negotiations. It is a difficult task, but we know where we are in the United Kingdom. I believe that there is all-party support for making this truly a development round.

My hon. Friend made a crucial point about the percentage of sensitive products. Virtually any tariff can be imposed on such products, because they are sensitive to the countries involved. It is not just the World Bank but the United Kingdom, in our trade and development White Paper last year, that said that those should be limited to 2 per cent. The American offer is 1 per cent. and the European Union offer is 7 per cent.—but, to be fair to the Commissioner, I must add that one member state was vociferously arguing for 15 per cent. Those are problems, but we have to come through them. It is no good our lecturing other member states; we have to persuade them to go down that route, so that we can achieve a proper outcome to the Doha development round.

Norman Lamb (North Norfolk) (LD): The Secretary of State has just highlighted the downplaying of expectations for Hong Kong, yet he will recall that the commitment at the G8 was for Hong Kong to be a success, not some later ministerial meeting next year, and for Hong Kong to set a date for ending subsidies and dumping. Having just returned from a Christian Aid funded visit to Ghana, I can say that the Government there are desperate to ensure that we end the scandal of dumping subsidised agricultural goods, which destroys their local markets. What precisely are the Government doing to achieve a decisive breakthrough in Europe, and to make the European process more transparent?

Alan Johnson: I am not accusing the hon. Gentleman of making political points, but let us put all the politicising to one side now. We have tried very hard, with all-party support, to use our presidency of the G8 and the EU to create some momentum leading up to Hong Kong. I cannot think of any initiative that we could have taken that we have not taken to try to get to that position. The G7 Finance Ministers are meeting this weekend, and at the instigation of the UK, Brazil and India will be there, so that the Finance Ministers can try to reach some solution. We were also at the Commonwealth conference last week. No stone has been left unturned as we try to get somewhere.

As for where we are now, and the important point that the hon. Gentleman raised about how we can make more progress, we have been instrumental in the production by the Commission of a development package. By and large, the G90 countries—the poorer countries—have not heard anything about their problems yet, because the negotiations have been stuck in an agricultural silo. The idea of a development package is to pick out an issue, such as cotton, or the least developed countries' right to export to all developed countries' markets free of tariffs, which already applies to the EU, but not to the United States and other developed countries. It is also to examine the issue of aid for trade, which is a subset of the WTO discussions, so that there is at least a discussion of the developing countries' agenda, rather than the continual and rather depressing concentration purely on agricultural issues.

Ann McKechin (Glasgow, North) (Lab): In that context, does my right hon. Friend agree that we also need to think about the NAMA—non-agricultural market access—side of the negotiations, and that we need to allow sufficient flexibility in any solution to those negotiations to allow the least developed countries to develop their own industrial bases?

Alan Johnson: I agree with my hon. Friend. The Commission says that if it is to have any chance of bringing the EU to a different position, not fixated on agriculture, it needs countries such as Brazil and India to start to move on industry. This is about agriculture, industry and services, but so far we have concentrated on agriculture alone. There is now a need for countries to start turning over cards—with conditional offers; they do not have to say that that is their final position—just to show European Union countries that there are huge advantages to be had. Everyone will gain from a successful conclusion; this is win, win. On industry and services there are huge gains to be made, not between developing and developed countries but among developed countries, if we open markets. My hon. Friend has raised an important point, which is crucial to the successful outcome of the round.

Mr. Laurence Robertson (Tewkesbury) (Con): Only last week we heard about another food crisis in Africa, this time in the republic of Niger. I support emergency aid and debt relief, but we have to move things on with reforms of tariff barriers and export subsidies. Will the Secretary of State ask his friends in the EU this: as the common agricultural policy has driven our farmers to near bankruptcy, made the British housewife pay more for food than she needs to and is damaging the third world, exactly who is it helping?

Alan Johnson: It would not be all that fruitful if I asked that question. The argument used in the EU is that common agricultural policy reform, in so far as it has already happened—it was a dramatic reform compared with the previous position—should be a bargaining chip at Doha. The rest of the world tends to say, "You would have done that anyway, so how can you argue for the virtue of such reform? You need to go further." I have to say that the vast majority of EU member states believe that we have gone far enough, and that it is now time for the industry to make a move; I am merely reflecting the views that we pick up on in our EU presidency role. One day there will have to be reform. My right hon. Friend the Secretary of State for Environment, Food and Rural Affairs achieved the breakthrough—at last—of a 36 per cent. cut in sugar subsidies, which have not been reformed for 40 years. So some movement has been secured there, at least, which will help us in Hong Kong.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): Will my right hon. Friend consider getting on to the WTO agenda a worldwide asbestos ban? He may be aware that two or three years ago, the United Nations interim chemical review committee, which is part of the environmental programme, recommended that all asbestos be restricted because of dangers to health. However, we seem not to have made progress on this issue, and the way to do so is to get it on to the WTO agenda.

Alan Johnson: I certainly will give consideration to the important issue that my hon. Friend has raised. There is an environmental dimension to this trade round—we have got nowhere near talking about it yet—just as there is a trade facilitation aspect. Because we have got bogged down in considering a particular pillar of agriculture, we have not got on to these important issues, but I will turn my mind to how we can ensure that progress has been made on asbestos by the end of this round.

Mr. David Willetts (Havant) (Con): Does the Secretary of State accept that the European Union's agricultural tariffs are economic nonsense and morally indefensible? Is that not the starting-point that we should adopt as we go into the next round of the trade negotiations? I was very disappointed to discover that

he is so pessimistic about the outcome. Why do we not enter into the negotiations in two weeks' time committed to removing the EU's agricultural tariffs? That is the single most positive thing that we could do to help the third world. Surely our presidency of the EU should not be about neutrality and chairmanship, but leadership.

Alan Johnson: On the first question, I agree entirely with the hon. Gentleman; indeed, my predecessor made that point in last year's White Paper on trade and development. We pointed out the hypocrisy of developed countries lecturing developing countries on removing their trade barriers, when we still hide behind protectionism, so we are sending out a very strong message. Developed countries have to dismantle protectionist policies and set a date—we think that it should be 2010—for the parallel elimination of all forms of export subsidy in agriculture.

On the question of negotiating a settlement, the gung-ho part of the hon. Gentleman's Havant constituency seems to have come to the fore; usually, he takes a thoughtful and reflective approach to these issues. Conservative Members will know, because their party held the EU presidency when in government, that the worst mistake that countries can make when holding the presidency is to push their own position from the presidential chair. If they do, nobody will follow them. Instead, they have to try to persuade other member states to their point of view. Lecturing the rest of Europe from the presidential chair and repeatedly telling them about the UK's position would be a disaster.

On the question of my being pessimistic, we will move mountains, as the Prime Minister said in his recent Guildhall speech. However, as I said in my first answer, the text has just been released—it should have been released last July—and it would be misleading, going into the Hong Kong meeting, to say that we are wildly optimistic. Of course, that does not mean that we should not complete this round successfully by the end of 2006. What it does mean is that we have to make a sober appraisal of where we are, and plan to ensure that this round is brought to a successful conclusion.

Mr. Willetts: May I press the Secretary of State on this matter? Since enlargement, a blocking minority of free-trade countries has existed in the EU. That is how the world has changed. I do not know why the EU still does things like imposing tariffs on Chinese textiles, when it should be organising the free traders. The Trade Commissioner will play a crucial role, so will the right hon. Gentleman have a word in his ear? Has the Secretary of State learned to love the commissioner yet? Will he tell him that Opposition Members could find a tiny place in our hearts for him if he went to Hong Kong committed to free trade?

Alan Johnson: There is love abounding in my heart for the Trade Commissioner, and there always has been. When it comes to his role, he must not be seen as a UK Commissioner. That is part of the problem: people who are a little paranoid about these matters see that the UK position is one of liberalisation, that the UK holds the presidency and that a UK national is Trade Commissioner. We—and the commissioner more than anyone else—must ensure that everyone has faith in our ability to operate within the EU mandate. We are committed to changing that mandate in respect of the CAP over the coming months and years. I think that it is inevitable that that regime will change, and that we have enough support to achieve that gradually. We do not have enough support to achieve it in time for Hong Kong, but I believe that we can bring the matter to a successful conclusion by the end of 2006.

Unscrupulous Lenders

4. **John Robertson** (Glasgow, North-West) (Lab): What steps he is taking to protect the most vulnerable and poorest members of society from unscrupulous lenders. [33378]

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. Gerry Sutcliffe): The Consumer Credit Bill, which is currently before the other place, will improve the regulation and monitoring of consumer credit businesses and extend protections, rights and means of redress for consumers against unscrupulous lenders. Furthermore, the Government are funding two pilot schemes aimed at tackling loan sharks in Birmingham and Glasgow. That will enable trading standards officers to prosecute illegal lenders in those areas and gain a clearer understanding of the scope, extent and impact of illegal money lending.

John Robertson: I thank my hon. Friend for that answer. Will he join me in welcoming the results of the pilot scheme in Glasgow, where prosecutions have been brought? However, he will be aware that the approach of Christmas makes the pressure on families even stronger than normal. Does he agree that credit unions can help people in need? Will he do something to lessen the amount of red tape that credit unions have to deal with?

Mr. Sutcliffe: First, may I acknowledge my hon. Friend's thanks to the loan shark pilot team in Glasgow? It is working very well, and has managed to get individuals put behind bars for the way that they treat vulnerable people. Credit unions are very important, and I am talking to Treasury colleagues about ways to reduce the administrative burdens that they face. Their work, and the new Consumer Credit Bill, will alleviate the problem and usher in a period of responsible lending and borrowing, with people at the bottom end of the scale, who have the most problems, getting the support that they need.

Dr. William McCrea (South Antrim) (DUP): Given that unscrupulous lenders are spread across the UK, will the Minister speak to his ministerial colleagues in the Northern Ireland Office to ensure that those rogues are dealt with effectively in Northern Ireland as well?

Mr. Sutcliffe: It is important that we look at what is happening all over the UK, including Northern Ireland. We are acquiring much evidence and gaining new skills about how to tackle the loan shark problem. Loan sharks prey in the most horrible way on vulnerable people. We have made sure that people are able to get

advice and support. Through the Office of Fair Trading licensing scheme, we are ensuring that people who lend money are reputable.

Mr. John McFall (West Dunbartonshire) (Lab/Co-op): The Minister knows that financial inclusion is one way for people to get out of the hands of unscrupulous lenders, and that the Treasury Select Committee has set up an inquiry into financial exclusion to which he will be invited in the new year. However, there is poor co-ordination between Government Departments on this matter. For instance, research information about postcodes for financial inclusion is available to the Treasury and the DTI, but not to the Select Committee. Will he work with his colleagues in the Treasury to ensure that we get that information before the inquiry begins, so that a map can be made of the areas of financial exclusion? That will enable us to tackle the problem in a more co-ordinated way.

Mr. Sutcliffe: I acknowledge the work done on this issue over a number of years by the Select Committee, of which my right hon. Friend is Chairman. I shall be happy to appear before his Committee again, as I was the last time that I did so, but I shall make sure that the information that he requires will be made available before then.

Charles Hendry (Wealden) (Con): Even at this late stage, will the Minister reconsider his refusal to include more detail in the Consumer Credit Bill about what would constitute an unfair relationship? Is he not aware that both lenders and consumer groups are calling for greater clarity? Their concern is that as the Bill stands, it will harm the interests of borrowers. Without greater detail, lenders will become more cautious in their lending, driving those on the fringe to borrow from unscrupulous lenders or loan sharks at excessive rates of interest. Is not it wholly unreasonable to expect such issues to be resolved through the courts, requiring some unfortunate borrower to take on the legal might of the financial institutions to establish what is fair and what is not?

Mr. Sutcliffe: This is an issue that the hon. Gentleman and I have discussed throughout the stages of the Consumer Credit Bill, and I am not minded to change my mind on the unfairness test. That test replaces the extortionate credit test, which did not work for consumers. The unfairness test will give the courts the opportunity to decide all relevant factors. We also have the alternative dispute resolution procedure before the court-based system. Transparency is at the heart of the Bill to ensure that lenders and consumers know what they are letting themselves in for.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): The pilot projects on loan sharks in Glasgow and Birmingham, to which my hon. Friend referred, have indeed proved successful. Glasgow city council, which is involved in the scheme with the Department, has written to me—and, no doubt, to other MPs in Scotland—pointing out that it has uncovered evidence of loan shark activity in my constituency, linked to that in Glasgow. Like the hon. Member for South Antrim (Dr. McCrea), I urge my hon. Friend to ensure that the pilot schemes on loan sharks are rolled out throughout the country as soon as possible.

Mr. Sutcliffe: My hon. Friend has a good record of support for people on low incomes and encouraging financial inclusion. We will look at the outcomes of the pilots, which are already good. The Glasgow project is looking at the rest of Scotland, but we will try to roll out to the rest of the UK the experience and skills developed in those pilot schemes.

Trade with India

5. **Mr. Stephen Crabb** (Preseli Pembrokeshire) (Con): What steps he is taking to increase UK trade with India. [33379]

The Minister for Trade (Ian Pearson): We are working to increase trade through the Joint Economic Trade Committee and the Asia taskforce. UK Trade and Investment provides direct support to companies and we also support the Indo-British Partnership Network.

Mr. Crabb: I wish to draw the House's attention to my entry in the Register of Members' Interests. The initiatives that the Minister outlines are important and to be welcomed, but is he aware of the real frustration and concern among many UK exporters that we are not capturing our appropriate share of the growth in India's international trade, given our shared history, linguistic ties and other potential competitive advantages? Does he agree with the director general of the British Chambers of Commerce, who said recently that there is too much focus on Europe as a trading bloc and that we must get out to where the action is?

Ian Pearson: I have no doubt that we can do more, but let us not forget the progress that has been made so far. In the first six months of this year, trade with India rose by 24 per cent. compared with the previous year. We had 49 trade missions in 2004, we have more this year and we will have still more in 2006. We are getting on with it. India and China are hugely important growth markets for the future—we should not be in any doubt about that—and I want UK companies to trade not only with those countries, but within the EU, with the United States and further afield. Exporting is fundamentally important to the future economic prosperity of the UK and the Government will do all that we can to support that industry.

Dr. Ashok Kumar (Middlesbrough, South and East Cleveland) (Lab): This is the first time in my life that I have seen a Government making so much effort to build relations between the UK and India. I praise the Government, from the Prime Minister down, for all the efforts that they have made.

Can my hon. Friend the Minister destroy the myth that has built up in the past few years that all the low-skilled jobs, in call centres and so on, are being shipped to India? Investment from India in this country is creating highly skilled jobs, and many highly professional, educated Indians are working—for example, in IT—and making a great contribution to this country.

Ian Pearson: I agree with my hon. Friend. Indian companies and Indian investment are very welcome in the United Kingdom. Companies like Tata Consultancy Services are doing a terrific job here. He will be interested to know that our balance of trade with India is roughly equal. In the first half of this year, our exports to India were worth about £1.84 billion and our imports were worth £1.85 billion. That shows what we have done. He is also right to point to our continuing strong links with India. The Prime Minister's visit to India and the UK/India summit, as well as the EU/India summit, were important developments. We are working very hard through JETCO and the Asia taskforce to strengthen our relations, and we will continue to do so in the future.

Peter Luff (Mid-Worcestershire) (Con): Does the Minister share my concern that the public debate on our trade and investment relations with India is too often characterised by threats, rather than opportunity? In that context, does he welcome the decision of the Select Committee on Trade and Industry to launch a major inquiry into our trade and investment relations with India, which I expect to identify policy initiatives that the British and Indian Governments could take to build a sustainable long-term improvement in our trading relations, for the benefit of both countries?

Ian Pearson: I can only agree with the hon. Gentleman. I very much welcome the Select Committee inquiry. India and China have the ability to transform our world. That is highly likely to happen over the next 10 to 20 years. We must see the growth of India and China as an opportunity, not as a threat, and take advantage of the trading opportunities that will accrue as a result of their rapid economic expansion. As a Government, we are very seized of that, and we are developing our policies and ensuring that we put our resources behind encouraging and supporting our companies to take advantage of those opportunities.

Jeremy Corbyn (Islington, North) (Lab): The Minister will be aware that caste discrimination is a huge problem in India and that 160 million people in India suffer its consequences. Is he prepared to undertake discussions with any British company that operates or invests in India to adopt the Ambedkar principles, by which the people who are known as the scheduled castes in India would receive fair treatment, thus making our contribution to ending that appalling discrimination against so many people?

Ian Pearson: My hon. Friend raises an important point. We discuss those issues with the Indian Government, and we are very clear indeed about encouraging the corporate social responsibility of companies that invest in India. So I can assure him that the points that he makes are valid and taken into account in our discussions with industry and the Indian Government.

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): Our trade with India is extremely important, but does the Minister agree that it must be conducted on a fair basis? Mr. Alistair Buchan, who is chairman of the Scottish Tartans Authority and Lochcarron of Scotland, based in my constituency, has highlighted websites, such as mytartan.com, which are passing off kilts and other products made in India as though they were made in Scotland. Will the hon. Gentleman look again at the regulations affecting websites and labelling to ensure that trading standards officials have the right powers to stamp out those abuses?

Ian Pearson: I am certainly happy to look at the specific situation that the hon. Gentleman mentions. We also want to sell more Scotch whisky to India, and tariffs are unacceptably high. One of the things that we want the Doha development round to achieve is not just help for the poorest countries, although that is absolutely central to our Government's policy, but we want India to reduce some of its tariff barriers, as well as a further strengthening of two-way trade with India. But I will get back to the hon. Gentleman with some answers to the specific question that he asks.

Employment Agencies

6. **Mr. Bob Blizzard** (Waveney) (Lab): What steps he is taking to enforce the regulation of employment agencies. [33380]

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. Gerry Sutcliffe): The Department of Trade and Industry's employment agency standards inspectorate enforces the legislation regulating the activities of the private recruitment industry. Inspectors visit agencies' premises to examine their records. The inspectorate can prosecute an agency found to be in breach of the legislation, and the maximum fine is £5,000 for each offence. The inspectorate can also apply to an employment tribunal for an order prohibiting an individual from operating an agency or employment business for up to 10 years.

Mr. Blizzard: I thank my hon. Friend for that answer. Is he aware of an organisation called Placement UK HR Ltd., which, in a booklet entitled "Half price staff: Shhhh! It's the best kept secret . . . ", proudly boasts that it can supply "graduate calibre staff" for

"Just £7000 per Annum—All in . . . No National Minimum Wage . . . No PAYE . . . No Employers N.I. Contributions . . . No Holiday Pay . . . No Sick Pay . . . No Contract of Employment . . . No problem"?

Will he look into this as a matter of urgency, because the outfit is clearly intent on trying to make a mockery of every piece of employment legislation that we have ever passed in this place?

Mr. Sutcliffe: I am grateful to my hon. Friend for raising the issue. Obviously, we will look into the company, which is operating illegally by not paying the national minimum wage and in the other ways that he raises. There is a change of demography in the workplace, so it is important that we monitor what happens with such agencies. There is, quite rightly, an influx of legal migrant workers into the UK through agencies, so I am keen to hear of any instances of people being exploited. I am sure that hon. Members on both sides of the House want to ensure that no one is exploited by any agency that does not operate properly.

Miss Anne McIntosh (Vale of York) (Con): Is the Minister aware that there is a grey area of the law that applies to people based in this country who are recruited by employment agencies—particularly those based in Holland—to work on German construction sites, especially? They are not employed on the same terms and conditions as those working in Holland and Germany. Is the Minister prepared to examine the matter?

Mr. Sutcliffe: I am happy to enter into correspondence with the hon. Lady about the case, or to see her. There is a change in demography and the way in which work operates throughout Europe, but we need to make sure that people are not exploited. I am happy to hear evidence from hon. Members about agencies that are not working properly.

Chris Bryant (Rhondda) (Lab): The Minister referred to the exploitation that sometimes occurs when migrant workers are brought in by frankly corrupt and oppressive recruitment agencies in this country. One of the difficulties that we find when we try to regulate them is getting details from police forces in other European countries. Will he co-operate with the Home Office on pursuing the issue, to try to ensure that when the police in this country investigate such matters, they can get access to police records, especially Polish ones?

Mr. Sutcliffe: My hon. Friend raises an important point. There is a cross-departmental approach on workers coming from other member states. He will be aware that a great deal of work has been done with the Portuguese and Polish embassies to try to give information to workers who might come across from those countries about their rights, which should stop them being exploited. I am happy to work with all agencies to ensure that we continue to monitor the situation.

Rural Post Offices

7. **Danny Alexander** (Inverness, Nairn, Badenoch and Strathspey) (LD): If he will make a statement on the future funding of the rural post office network. [33381]

The Parliamentary Under-Secretary of State for Trade and Industry (Barry Gardiner): The Government have committed up to £750 million, subject to state aid clearance, to 2008 to maintain the rural post office network.

Danny Alexander: I am grateful to the Minister for that answer. I am sure that he agrees that that funding represents only a fraction of the overall economic and social value of the post office network to our rural communities. I hope that he can assure the House that funding arrangements for 2008 onwards will be confirmed by the end of this financial year. Will he confirm that if they are not, the directors of Post Office Ltd. would be obliged to start the process that would lead to the closure of parts of the rural network?

Barry Gardiner: As ever, the Liberal Democrats proceed with all the economic foresight of a myopic fruit bat on these matters. Only they could see 800 rural post offices that serve fewer than five people a day, at an average loss of £6.50 a customer visit, and respond by proposing to create 500 more, as they did at their party conference. As usual, they were defeated, of course, but only because they wanted to pay for that by privatising the Royal Mail.

Mr. Michael Foster (Worcester) (Lab): In recognising the role of rural post offices, may I urge the Minister not to lose sight of the real value of urban sub-post offices, especially in areas of greatest social need?

Barry Gardiner: My hon. Friend is absolutely right that the urban deprived network is a critical aspect of delivering the Government's agenda on social inclusion. It is essential that people continue to have access to that network, which has been guaranteed through the programme of urban reinvention that the Government initiated.

Mr. Nigel Dodds (Belfast, North) (DUP): Recognising the importance of the post office network to rural and urban communities, will the Minister indicate the impact thus far of the switch to the way in which people receive their benefit and pension payments from post offices to banks?

Barry Gardiner: I am glad that the hon. Gentleman has raised that important question, because 97 per cent. of benefit recipients now access their payments by direct payment into their bank account. It is often thought that the closures were precipitated by changes in the method of pension payments and the introduction of Post Office card accounts; in fact, they started long before the changes took place. Way back in 1999, a dramatic change had already started in the number of people who received their benefits by other means. Because of the new facilities available to them—internet banking and so on—our constituents have chosen different methods to access their own finances and the Government have responded to that. In 2000, about 70 per cent. of all benefits were paid by order book, but that proportion had already fallen to 57 per cent. by 2003, when the direct payment scheme was launched.

Businesslink

8. **Gordon Banks** (Ochil and South Perthshire) (Lab): What assessment he has made of the effectiveness of the businesslink.gov.uk website. [33382]

The Parliamentary Under-Secretary of State for Trade and Industry (Barry Gardiner): Since its formal launch in May 2004, nearly 13 million user sessions to the site have been logged and the number of visitors is increasing monthly. There were 600,000 site visits in October, with a minimum of 160,000 coming from repeat visitors. More than 200,000 of those users downloaded material such as business publications, grant application forms and legislative guidance. The site receives a continual flow of positive feedback from the small business community and its significance has been recognised by a prestigious plaudit—it was named by the UN world summit awards as the UK's best business website for best e-content application.

Gordon Banks: I commend the website for the advice it offers on pay-as-you-earn, value added tax, corporation tax, health and safety and the like, but as one who comes from a small business background I urge the Minister to ensure that organisations such as Revenue and Customs, local government environmental health departments and business advice centres do more to promote the site. What does he intend to do to make sure that small businesses throughout the country are aware of the site and encouraged to use it as a partner in their business development in years to come?

Barry Gardiner: I am grateful to my hon. Friend, not only for his interest in the site but for his efforts to improve e-governance generally—a subject on which he has recently made valuable contributions in the House. Businesslink.gov is at the forefront of our e-government initiative and user numbers are hugely encouraging. We have made great strides in making business aware of the site's potential, but I welcome his comments on ensuring that it is more widely known throughout the country.

My hon. Friend talked about the way in which there should be link-up with Her Majesty's Revenue and Customs and an integrated approach. He will be interested to know that we are introducing an integrated service to enable customers to register for and access e-filing services provided by Inland Revenue, Customs and Excise and Companies House. That has required a major change in the way in which the departments provide those services. It is expected to lead the way in the development of further transactional services across government.

WTO NAMA Negotiations

9. **Martin Horwood** (Cheltenham) (LD): If he will make a statement on the impact of the outcome of the non-agricultural market access negotiations at the World Trade Organisation on British trade and industry. [33383]

The Minister for Trade (Ian Pearson): The non-agricultural market access negotiations are an integral element of the Doha development agenda.

Martin Horwood: Does not the Minister agree that, at the request of countries such as the United States, Korea and China, one impact of the NAMA negotiations might be the curtailment as non-tariff barriers of measures such as energy saving labelling and safety testing on imported foods? Far from being a win-win situation, as the Secretary of State assured the hon. Member for Glasgow, North (Ann McKechin) it was, that might lead to the undermining of sustainability, consumer safety and consumer choice.

Ian Pearson: I assure the hon. Gentleman that nothing happening in the NAMA negotiations presents any real threat on those issues. Our aim in the negotiations is to achieve progress similar to the progress that we are now seeing in agriculture and to reduce tariffs—

Martin Horwood: There has been no progress.

Ian Pearson: The hon. Gentleman may say that, but the second European offer made by Commissioner Mandelson proposed an average tariff reduction on agricultural products of 39 per cent., which is more than was achieved in the Uruguay round. That is a serious offer. What we need now, as my right hon. Friend the Secretary of State said, is similar progress on NAMA and services, so that we can reduce tariff barriers and increase world trade in a way that will benefit both developing and developed countries.

Mr. Andy Reed (Loughborough) (Lab/Co-op): My hon. Friend is right to recognise that although there has been a great deal of focus on agricultural products, NAMA and services are important. Will he give us an assurance that in those discussions, the British Government will not force countries to privatise services that they do not want to privatise—that we will give a guarantee that they can decide about water and other public services in their country, and do what is in the best interests of their people?

Ian Pearson: My hon. Friend makes an important point, which has been raised by many non-governmental organisations. I can assure him that the UK's position is clear and has been stated by my right hon. Friend the Secretary of State on a number of occasions. There is nothing in the negotiations to force countries to privatise anything. What we want to see from the NAMA negotiations is a liberalisation of world trade, which would benefit developing and developed countries. That will be a priority in the negotiations.

MINISTER FOR WOMEN

The Minister for Women and Equality was asked—

Gender Pay Gap

19. **Jo Swinson** (East Dunbartonshire) (LD): What steps the Government are taking to close the gender pay gap in the public sector. [33393]

The Parliamentary Under-Secretary of State for Trade and Industry (Meg Munn): Action and policy interventions include Agenda for Change, which aims to bring fairer pay to over 1 million non-medical staff in the NHS, including women. The local government pay and work force strategy addresses the causes and effects of occupational segregation on the gender pay gap. I am also pleased to say that all Government departments and agencies have completed equal pay reviews.

Jo Swinson: The Equal Pay Act was introduced 30 years ago, yet we still have an 18 per cent. gender pay gap. I should have thought that the Government would take every opportunity to address that injustice, so can the Minister tell me why, in the forthcoming Equality Bill, public bodies will be required only to have a pay policy in place, without explicitly being required in the Bill to take action to close the pay gap?

Meg Munn: The pay gap is an enormously important issue and it would be wrong to say that progress has not been made. Considerable progress has been made and the pay gap now is 17 per cent. on average, but down to 13 per cent. at the median. In the Equality Bill we are introducing a public sector duty to promote equality in various ways, including in pay. The work that will be done on pay will begin to make a difference, but it is only one aspect that we are considering. As I said, the local government pay and work force strategy addresses the causes and effects of occupational segregation, which we know is one of the main drivers of the gender pay gap.

Barbara Keeley (Worsley) (Lab): Does my hon. Friend agree that the measures in the Equality Bill and the new commission for equality and human rights, with its main site to be based in Manchester, will help greatly in the work to close the pay gap for women in the public sector? Will she welcome the news that Salford council has just appointed a woman chief executive?

Meg Munn: I certainly welcome the news that Salford council has just appointed a chief executive who is a woman. One of the key issues about the pay gap in the public sector is not that there are not many women working in the public sector—there are. The issue is the level of responsibility that they have and their position within the organisation. We are making progress on that, but we want to see much more progress made. The Equality Bill is one measure which will deal with that. We also have the Women and Work commission, which goes much wider than the public sector and will report next month on related issues. I hope that will take us a great deal further.

Michael Gove (Surrey Heath) (Con): The Minister will be aware that one of the things the Government can do to ensure gender equality at the very top is to increase the number of women who occupy senior management posts in the civil service. The increase in the number of women in senior management posts over the past two years has been only 1.6 per cent., yet the Government have a target of increasing that number by 5 per cent. in the next three years. Can the Minister explain what measures she will use to achieve that target, and what the Prime Minister is doing to ensure that at Permanent Secretary level there is the representation of women that the country deserves?

Meg Munn: I am glad that the hon. Gentleman shares my and my party's concern that we should have more women in top positions. We should celebrate the existence of tough targets rather than fearing them. Implementing a range of measures to reach those targets is enormously important, and we expect all Departments to consider the issue. Fast-stream measures have been implemented to help talented people of both genders to move through the system. I am sure that improvements will be made very quickly and hope that I can report such progress in the future.

Women's Pension Inequality

20. **Lynda Waltho** (Stourbridge) (Lab): What steps the Government are taking to tackle women's pension inequality. [33394]

The Minister for Women (Tessa Jowell): Earlier this month, we published the report "Women and Pensions: The Evidence". The evidence tells us that men and women will reach the age of 65 with similar basic state pensions by 2025, when the average entitlement to a full basic state pension among both sexes will be more than 90 per cent. That is marked progress on the present situation and reflects the greater number of women in work. We will consider that evidence together, obviously, with the recommendations of Adair Turner's Pensions Commission to ensure that our policy proposals lead to fairer outcomes for women.

Lynda Waltho: As my right hon. Friend knows, women make up two thirds of pensioners, but their income in retirement is less than two thirds of that of men. Indeed, recent Department for Work and Pensions figures show that 2.2 million women do not qualify for a basic state pension. In the light of yesterday's Turner report and with tomorrow being carers' rights day, will she go further and confirm that the Government will closely examine the Turner recommendations to make sure that we deliver a pensions system that finally offers everyone the chance of a decent income in retirement, recognising that if we get it right for women, we get it right for everybody?

Tessa Jowell: I thank my hon. Friend for the way in which she has campaigned to focus attention on the issue. I am sure that she welcomes the fact that 1.9 million female carers have been helped by the second state pension and that 63 per cent. of the 5.8 million low earners who benefit are female.

Sandra Gidley (Romsey) (LD): The Minister will be aware that the Turner report includes the recommendation that women over 75 should receive a full pension. Although that recommendation is welcome, does she agree that she would be better advised to consider the Liberal Democrat proposal of a citizens pension for all women of retirement age?

Tessa Jowell: It is always worth, albeit briefly, considering a Liberal Democrat proposal. The position of women over 75 will be a material consideration in deciding how to take forward the recommendations in Lord Turner's report.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Does my right hon. Friend agree that the percentage of women coming into work has reached a plateau? If we are to achieve a successful economy and get the next surge of women entering the marketplace and becoming productive members of our community, we need a package for women that encompasses not only pensions, but pay and child care.

Tessa Jowell: If one considers full time and part time, the number of women entering work is actually increasing. My hon. Friend is right that if we are to see a sustained increase in the number of women who choose to return to work, it is important to ensure the implementation of child care and other measures that promote the flexibility that women need, if they are to combine looking after a family with being at work.

Mrs. Eleanor Laing (Epping Forest) (Con): I agree with the Minister that this is very important. I welcome what Lord Turner said yesterday, especially his particular attention to women and his stressing of the importance of flexibility for parents and carers in the work force and thereby in the provision of pensions. Unfortunately, however, the right hon. Lady will not take these decisions. She appreciates the difficulties of millions of women, but the Chancellor—

Mr. Speaker: Order. We do not have a great deal of time. The hon. Lady must ask her question, not make a statement.

Mrs. Laing: What will the right hon. Lady do to make the Chancellor see sense in this respect so that he appreciates the problem, stops rubbishing the Turner report, and does something for women pensioners?

Tessa Jowell: The position was clearly set out yesterday by the Prime Minister and the Work and Pensions Secretary. We will consider the Turner recommendations as a Government. We will take account of the pressing importance of meeting the needs of women, in particular, that arise from the necessity for flexibility in the currently inflexible pensions system, and ensure that we have a set of proposals for women that are sustainable. These decisions will be taken by the whole Government.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): In a forum on women's pensions that was organised in early November in Milton Keynes with my local chamber of commerce, the view was strongly expressed that there needs to be a universal basic state pension available on the basis of residence, as suggested by Turner, if women are to benefit in future. Will my right hon. Friend take that message forward very strongly to her fellow Ministers to ensure that that is incorporated?

Tessa Jowell: My hon. Friend is absolutely right. That aspect of Turner's recommendations is potentially particularly beneficial to women. It is one of the proposals that will be looked at very closely because of the importance of securing a pensions settlement that recognises the age-old inequality of the system in relation to women.

Business of the House

11.31 am

Chris Grayling (Epsom and Ewell) (Con): I welcome the Deputy Leader of the House to the Dispatch Box and ask him to give us the business for next week.

The Deputy Leader of the House of Commons (Nigel Griffiths): As you are aware, Mr. Speaker, my right hon. Friend the Leader of the House is on an overseas ministerial engagement. He has asked me to pass on his apologies to the House for his absence today.

The business for next week will be as follows:

MONDAY 5 DECEMBER—Second Reading of the Work and Families Bill.

I remind the House that on that day my right hon. Friend the Chancellor of the Exchequer will present his pre-Budget report and my hon. Friend the Minister for Local Government intends to make a statement to the House on the provisional local government finance settlement for England.

TUESDAY 6 DECEMBER—Remaining stages of the London Olympics Bill.

WEDNESDAY 7 DECEMBER—A debate on fisheries on a motion for the Adjournment of the House.

THURSDAY 8 DECEMBER—Estimates [1st Allotted Day]. There will be a debate on the regulation of the pharmaceutical industry. Details will be given in the *Official Report*. At 6 pm the House will be asked to agree all outstanding estimates.

FRIDAY 9 DECEMBER—The House will not be sitting.

The provisional business for the following week will be:

MONDAY 12 DECEMBER—Second Reading of the Armed Forces Bill.

TUESDAY 13 DECEMBER—Opposition Day [11th Allotted Day]. There will be a debate on an Opposition motion in the name of the Liberal Democrats. The subject is to be announced. That will be followed by proceedings on the Consolidated Fund Bill.

WEDNESDAY 14 DECEMBER—A debate on European affairs on a motion for the Adjournment of the House.

THURSDAY 15 DECEMBER—Remaining stages of the National Insurance Contributions Bill.

FRIDAY 16 DECEMBER—The House will not be sitting.

The House may wish to be reminded that we will rise for the Christmas recess at the end of business on Tuesday 20 December and return on Monday 9 January.

Following is the information: In so far as they relate to the influence of the pharmaceutical industry (Fourth report of the Health Committee, session 2004–05 (HC 42)) and Government response to the Committee's Fourth Report into the influence of the pharmaceutical industry (CM 6655).

Chris Grayling: I hope that the Leader of the House enjoys his trip. I can well understand his desire to leave the country after the flak that he got last week for delaying the debate on police reform. I am afraid that the Deputy Leader of the House will have to take the flak in his place this week.

Does the Deputy Leader of the House realise how angry Members on both sides of the House are that the Government have again published another week's business and there is still no sign of the reinstatement of the debate on police reforms, even though there are several days on which business is light? The deadline for forces to submit their plans for merger with their neighbours is 23 December. It is simply iniquitous that the House is not being given the chance to debate these matters before that date.

One way of making time would be to postpone the Second Reading of the Armed Forces Bill until January. It introduces a new disciplinary system for the three armed services and, as Admiral Lord Boyce said recently, the armed forces currently feel under legal siege. Ministers have had months to prepare and it is not right that the Government are now planning to rush the measure through when the Opposition and those interested in it have had so little time to consider it. It is a 250-page Bill and, as yet, there are no explanatory notes for one of the most complex measures in the Session. It is not acceptable to rush it through.

Last week, the Leader of the House dismissed my request for an urgent statement on reports that the Parliamentary Under-Secretary of State for Defence, Lord Drayson, may have been responsible for a company that sold substandard vaccines to the armed services. Does the Deputy Leader appreciate the importance of those reports? When will Ministers brief the House on what they are doing to investigate them?

The Leader of the House has also consistently ignored my request for a statement on the forthcoming Hong Kong trade talks. They are a fortnight away and the future of millions of people in the developing world depend on them. Hon. Members of all parties want to express their views to the Government. Why are we not being given an opportunity to do so?

When will the House be given a chance to debate the Turner report on pensions? Statements of the sort that we had yesterday inevitably allow only a limited number of hon. Members to ask questions and raise points of concern. The report is sufficiently important to be debated as soon as possible. Are the splits in the Government so bad that Ministers are trying to bury it without letting Members of Parliament have the opportunity to debate it?

Nigel Griffiths: The police reforms on which the hon. Member for Epsom and Ewell (Chris Grayling) and other hon. Members have called for a debate have already been the subject of a well-attended Adjournment debate this week. Let me remind hon. Members of the timetable. More than three weeks remain for making representations on the first key round of consultations. Where there is no agreement by police authorities, a further consultation period will take us through next January, February and March. That allows time for the debate that my right hon. Friend the Leader of the House said last week and, I believe, the previous week, could happen in the new year.

I note the hon. Member's comments about the Armed Forces Bill. It is important that proper notes, which are as full as possible, are available to all hon. Members and I shall ensure that my right hon. Friend the Secretary of State for Defence is aware of that.

[Nigel Griffiths]

My right hon. Friend the Leader of the House made it clear that allegations in print against my hon. and noble Friend Lord Drayson appear to have no foundation in fact. There is therefore no intention to hold a debate on them.

It is important to note that not only were the Hong Kong trade talks aired at Department of Trade and Industry questions prior to the business question, but that a report back on them will be made to the House. There has been ample opportunity for debate on the matter and there will be further opportunities to put questions to my right hon. Friend the Secretary of State for International Development next week.

I hope that Lord Turner's report, which was published yesterday, will be the subject of constructive and continuing debate. It would be wrong within 24 hours of its publication to jump to any conclusions and I advise all hon. Members to read it carefully and contribute to the debate.

David Taylor (North-West Leicestershire) (Lab/Co-op): Could my hon. Friend reassure me that the foundations of Government policy continue to include social justice and economic sustainability? If so, why are we pressing ahead next April with the self-invested personal pension scheme, which offers tax relief on the purchase of homes? That will be enormously expensive—the cost will be greater than the Government anticipate. Will my hon. Friend ask one of the Chancellor's team of Ministers to make a statement to the House and consider the approach of offering such tax relief only if the required houses are made available for social housing? That would be one way of squaring the circle.

Nigel Griffiths: My hon. Friend raises an important point. What lies behind the issue is the need for more to be done by individuals and companies to provide for pensions, and the need to remind people that they must make proper provision to enjoy in retirement the lifestyle that they seek to have. The proposal to which he refers is a worthwhile one, which has commanded a lot of support, and it will be yet another way of ensuring that people can provide for their pensions. The Government have ensured, however, that 2 million pensioners have been raised out of poverty, and I am sure that we will continue to do more.

Mr. David Heath (Somerton and Frome) (LD): May I point out to the Deputy Leader of the House that the Westminster Hall debate to which he referred allowed perhaps six Members to speak about police restructuring? It is no substitute for a debate in this Chamber.

Is it possible, following the announcements in the last week, to have a debate on the resumption of building nuclear power stations? Many of us feel that those are not economically viable, that they represent a real danger and that they should not be resumed. It would be right for the House to have the opportunity to debate that matter.

Can we have a debate on social services? I do not know whether the Deputy Leader of the House is aware of the inspection by the Commission for Social Care Inspection, which revealed that one in four councils received only nought or one star for social care, which means that those councils are potentially failing vulnerable people, the elderly and children. We do not debate that subject enough in the House, and perhaps we should do so in the near future.

Lastly, can we have a debate on local and regional newspapers? I am aware of early-day motion 1158, tabled by the hon. Member for Rhondda (Chris Bryant), which points out the situation in south Wales.

[That this House notes the proposed job cuts at Trinity Mirror in South Wales; further notes that Trinity Mirror in owning Wales on Sunday, the Western Mail, the South Wales Echo, the Rhondda Leader and the Pontypridd Observer, holds a virtual monopoly of the local newspaper market in South Wales; believes that a strong and varied newspaper market is vital to the democratic and journalistic health of South Wales; urges Trinity Mirror to reconsider its policy of combining editorial posts on separate titles; and urges the Competition Commission to consider a review of the South Wales newspaper market.]

We have a similar situation in the west country, with the Bristol *Evening Post*, *Western Daily Press* and associated newspapers, which have had substantial job losses over recent months, and we now know that the entire group is up for sale. Does he agree that local and regional newspapers are vital to local communities, that they must have proper news-gathering facilities, and that for our democracy we need local newspapers in independent control that are able to serve the communities that we represent?

Nigel Griffiths: The hon. Member raised the issue of the policy on nuclear power stations. As my right hon. Friend the Secretary of State for Trade and Industry has made clear, before any decision is taken on proceeding to build any new nuclear power stations, the fullest public consultation and the publication of a White Paper setting out any such proposals will be required. I am sure that there will be ample opportunities to debate the issue on the Floor of the House.

In respect of social services, and particularly social care, it is important that all social services perform at the highest level when protecting and providing services for vulnerable young people as well as the elderly and others. I am sure that the findings of that survey will be studied with care and that appropriate action will be taken to ensure that there are no underperforming services in any part of the country.

On local and regional newspapers, of course they play an important part in disseminating information to people. As I think all hon. Members know, however, modern technology, including internet services, is putting extreme pressures on the print industry. I, for one, hope that that has a vibrant future, and I am sure that it has. I am afraid that I cannot offer the hon. Member an early debate, but I am sure that his concerns are noted.

Mr. Shahid Malik (Dewsbury) (Lab): My hon. Friend will be aware of early-day motion 434, which deals with the appalling pay and conditions suffered by the House of Commons cleaners, and which has 178 signatories so far.

[That this House values the cleaners who maintain high standards of service to Parliament; believes the parliamentary cleaners should be treated with respect and

that it is wrong that, despite the widespread concern over their pay and conditions of employment, their pay has only increased from the national minimum wage of £4.85 per hour to £5 per hour; is concerned that the parliamentary cleaners only enjoy 12 days' paid holiday and have no company sick pay or pension; believes the time has come to end this sorry state of affairs; and urges the parliamentary authorities to reach agreement with the two contractors on making available the necessary resources to ensure that cleaners earn the London living wage.]

Is he aware that the current negotiations would mean major job losses and a reduction in the standard of cleaning, and do not address sick pay, holidays or pensions? Does he agree that the cleaners, who do sterling work in this House, deserve some Christmas cheer?

Nigel Griffiths: I welcome my hon. Friend's comments although, as my right hon. Friend the Leader of the House has informed the House, it is not ultimately a matter for the Government but for the House of Commons Commission, which has made its position clear—namely, to resolve two of the key issues raised by my hon. Friend. The first is the provision of proper facilities for the cleaners. I gather that those have been provided, but that for some reason they have not so far been taken up. Secondly, there is a substantial pay rise—in excess of 15 per cent.—on the table. No one will lose their job as a result of that pay rise because jobs are available elsewhere, even if not on the Estate and in the House. That is our information.

The parties should get around the table. A 15 per cent. pay rise seems generous given the present rate of inflation, and it is certainly worthy of further talk and negotiation. I hope that they can reach a settlement before Christmas.

Sir Nicholas Winterton (Macclesfield) (Con): The activities of the House are, sadly, increasingly irrelevant to the people of this country, and the ability of the House to do the job that people send us here to do is increasingly undermined. Will the Government, through the Deputy Leader of the House, look again at the request from both sides of the House for a major debate in this Chamber on a matter that is deeply important to everybody in the country, particularly in England and Wales? I refer to the restructuring of the police. We must have a debate on that subject before Christmas or the Government really will be held to account.

Nigel Griffiths: I think that I have made it clear that there is not likely to be a debate on the Floor of the House before Christmas, and also that the consultation period will be extended for a further four months in those areas where agreement has not been reached. My right hon. Friend the Minister for Policing, Security and Community Safety, who addressed Members in the Westminster Hall debate, has made it clear that she is willing to talk to individual Members, as well as police forces, who have concerns. The consultation period has not yet ended. There are another three weeks for Members and others to make their views clear, so it seems inappropriate to hold a debate now when the consultation period has not finished.

Dr. Ian Gibson (Norwich, North) (Lab): My hon. Friend may be aware that 28 cancer charities have bonded together to form a cancer campaigning group. Although they recognise the amazing things that have happened under the Government in terms of care, treatment and early diagnosis, there is much more to do. They and many others are of a mind to discuss the possibility of a cancer plan 2 to move things forward. Will my hon. Friend advise me on how we might do that within the procedures of the House, by debate, summit or whatever?

Nigel Griffiths: I welcome my hon. Friend's championing of that cause and I know that the cancer campaigning group provides a united voice on cancer issues, keeping cancer on the agenda and at the forefront of people's minds. Every Member will be aware of the lives that have been transformed since 2000 with the introduction of the current cancer plan, which put cancer at the heart of the Government's health policy. Indeed, we have cut death rates for breast cancer in women and lung cancer in men faster than anywhere else in the world and, with the 1,177 more cancer specialists, we intend to cut cancer mortality further.

Mr. Edward Garnier (Harborough) (Con): The Deputy Leader of the House will know that yesterday the Home Office slipped out a new policy on the levels of possession of class A drugs, which will constitute the crime of possession with intent to supply. Why was that announcement made yesterday? Why was it not made to the House, and when will a Minister from the Home Office come here to explain himself or herself?

Nigel Griffiths: A consultation document was published on Wednesday. It reflected measures that were called for by the police to set supply thresholds to eliminate any inconsistencies between police forces in catching and prosecuting drug dealers. It removes the excuse used by dealers that their drugs are for personal use only. The House will want to know that there have been record seizures of class A drugs in recent times. I am sure that this will be a subject of continuing debate and discussion within the House. I hope that the hon. and learned Gentleman is supporting what the police were calling for.

Colin Burgon (Elmet) (Lab): My hon. Friend will be aware that my right hon. Friend the Prime Minister gave a huge boost this week to the nuclear power lobby. There are a number of us on the Government Benches who feel that the deep-mine coal industry has a part to play in our future energy needs. We are now down to eight pits. When will we have an urgent debate about taking the industry back into public ownership to guarantee its long-term future?

Nigel Griffiths: I fear that neither a debate nor that policy is on the Government's agenda. I stress the important role that coal has played in the past and that I hope it will play in the future in meeting our energy needs.

Lorely Burt (Solihull) (LD): Can we have a debate on planning laws, and specifically on the PPG3 planning rules that designate people's back gardens as brownfield

[Lorely Burt]

sites? It enables developers to exploit windfall development sites while true brownfield sites are not necessarily considered. The effect in my constituency and elsewhere is to destroy the character of the area with inappropriate windfall developments. Can we have a debate on this matter?

Nigel Griffiths: I am not sure that, on behalf of my right hon. Friend the Leader of the House, I can promise an early debate on the Floor of the House. I am sure, however, that the subject would be a suitable candidate for an Adjournment debate, which would give the hon. Member a chance to spell out her concerns in more detail.

Kerry McCarthy (Bristol, East) (Lab): On the subject of the House of Commons cleaners, I am slightly concerned by the Minister's earlier response. I understand that the proposal on the table would result in up to 30 job losses on the House of Commons Estate, which would mean a major reduction in cleaning standards in this place. May I urge my hon. Friend to do all that he can to bring the Serjeant at Arms to the negotiating table with the trade unions, the cleaners and the contractors to try to bring about a resolution of this dispute?

Nigel Griffiths: I recognise that many hon. Members are concerned about this issue. There seems to be a degree of less-than-wholly accurate information being transmitted, although I do not impugn the motives of those who are circulating it. The position is as I have stated. Everyone is guaranteed a job. If my hon. Friend is saying that that job may not be in this place, that reflects what I said a few moments ago. This is a matter not for the Government but for the House authorities. I have set out, I think fairly, the offer that is on the table and have expressed my hope that it is agreed before Christmas.

Mr. Andrew Mackay (Bracknell) (Con): What is the future of the hapless Northern Ireland (Offences) Bill, which would effectively give an amnesty to terrorists on the run, bearing in mind that every party in Northern Ireland is opposed to this legislation with the exception of Sinn Fein? It should also be borne in mind that every person who spoke at the meeting of the British-Irish parliamentary body, which met at Edinburgh on Monday, from both north and south of the border was opposed to the legislation. Only one Government Back-Bench Member supported it during the debate. Is it not time that it was knocked on the head completely? It is very bad legislation.

Nigel Griffiths: No, it is not—the Bill is part of the peace process, which has brought big dividends to us in this part of the United Kingdom and, most importantly, to Northern Ireland. These are always difficult decisions. Hon. Members have spoken with a great deal of passion and anger about their personal experiences. Nothing can bring back people who have been killed by terrorists. However, we would not be where we are today if we had not embarked on a peace process that required us to move forward rather than to look back. That has been one of the causes of the problems in Northern Ireland. I would expect someone with the experience of the right hon. Gentleman in this area to promote the peace process rather than make criticisms that have been made by others, and which the Government do not accept.

Ian Lucas (Wrexham) (Lab): The chief constable of the North Wales force has today criticised the unseemly rush in which the Government are deciding the future of Welsh policing. In Wales, there is a strong feeling that the views expressed by Mr. Giffard on an all-Wales police force do not take into account the peculiar geography and the circumstances within Wales. Will my hon. Friend please reconsider the issue of a debate, particularly on the future of policing in Wales?

Nigel Griffiths: Those views are not shared by the association that represents police constables in Wales and the Association of Chief Police Officers. If there are concerns, I have laid out a timetable to my hon. Friend—the decision will be taken after consultation, and the consultation period has not yet ended.

Mr. Owen Paterson (North Shropshire) (Con): Virtually everything that the Deputy Leader said on policing is wrong. I was lucky enough to be called in the Westminster Hall debate. The Minister did not answer any of my questions. There were Opposition Members right round Westminster Hall to within two seats of where the Parliamentary Private Secretary should have been sitting who were not called. At a debate that I had with the Under-Secretary of State, he could not answer any questions from the chief constable and the chairman of the authority—

Mr. Speaker: Order. I allowed the hon. Gentleman to ask a question because he seemed so excited and I wanted to calm him down. It seems that that has not helped. Will he ask a question? If he does so, he may get an answer.

Mr. Paterson: Can we replace the debate on pharmaceutical regulations with a debate on a substantive motion on restructuring the police forces?

Nigel Griffiths: The opportunity to have a debate on this issue will arise early in the new year. I am sure that one of the key facts that my right hon. and hon. Friends will want to put forward is the increase by 14,000 in the number of police officers, which is why the report of Her Majesty's inspectorate has recommended, in part, a reorganisation of the policing forces.

Mr. Eric Martlew (Carlisle) (Lab): It is a while ago now since the excellent Animal Welfare Bill was published. There was then an indication that Second Reading would take place before Christmas, but that now seems unlikely. When are we likely to have the Bill before us and why has there been a delay?

Nigel Griffiths: I hope that we are able to consider that Bill when parliamentary time allows that to happen. I regret that it has not allowed it to date.

Mr. Nigel Dodds (Belfast, North) (DUP): In announcing the new appointments to the Northern Ireland Parades Commission, the Secretary of State for Northern Ireland referred to a fresh start on the issue of parades in Northern Ireland, which has caused so many difficulties with attacks on parades and the obstruction of parades. Can we have an early debate so that we make it absolutely clear that as well as fresh faces on the commission, we need a fresh framework in which all of these issues can be discussed and decided by root-and-branch change, and not by tinkering with the problem?

Nigel Griffiths: I will ensure that my right hon. Friend is aware of the hon. Member's concern about this matter, if he is not already.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): My hon. Friend will be aware of the significant increases in young women being forced into prostitution in this country, particularly from eastern European countries. Will he arrange for a Government statement on what measures are in place or are proposed to deal with this evil trade in human beings?

Nigel Griffiths: I know that my hon. Friend, police forces and enforcement authorities take this matter extremely seriously. Indeed, there was a high profile case this week—it is vital that this evil trade is stamped out. Police authorities have the necessary powers and are using them, and we hope that they will continue to use them as effectively as possible.

Mr. James Arbuthnot (North-East Hampshire) (Con): The Deputy Leader of the House rightly spoke of the importance of the publication of explanatory notes on the Armed Forces Bill, but I understand that they are not to be published until Friday next week, which is not even a full parliamentary day before Second Reading. The Bill has 373 clauses and 15 schedules, all pretty impenetrable. Will he undertake either to speed up publication of the explanatory notes or to slow down Second Reading?

Nigel Griffiths: I undertake to ensure that the explanatory notes are made available as quickly as possible.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Will my hon. Friend press for an early debate on media coverage of Select Committee sittings? There has been a sharp decline in the number of hours of coverage. The independent companies say that it is because they cannot afford it, but one would expect the BBC to step in. Coverage of the scrutiny process is central to our parliamentary democracy.

Nigel Griffiths: I agree with my hon. Friend. Indeed, I raised the issue during an Adjournment debate in Westminster Hall last month. It is important. I shall ensure that both the House authorities and the BBC are aware of the concerns of my hon. Friend and, I am sure, other Members.

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): I am grateful to the Deputy Leader of the House for giving us his view of how police reorganisation should be debated here, but it is an important issue that affects all Members on both sides of the House. The Government should think again about a debate before the end of the year, so that they may be in a position to assess parliamentary opinion rather than just the opinion of the Association of Chief Police Officers, with its method of canvassing for information.

Nigel Griffiths: As I have said, there will be a debate. It will take place at the end of the first phase of the consultation that ends later this month, before final decisions are made where there are contentious matters, and before the end of the final consultation period in another four months-plus starting from mid to late December. There will be ample opportunity to debate the reorganisation.

Anne Moffat (East Lothian) (Lab): I am sure my hon. Friend agrees that the Ministry of Defence's honouring of veterans who served in the war could be extended to others who also served in the war, particularly those who were in the Land Army and the Bevin boys. Those people have been applying for badges, but unfortunately have been turned down. Will he use his good offices to try to rectify the position?

Nigel Griffiths: I shall ensure that the appropriate Minister is made aware of what my hon. Friend has said.

Mr. Roger Gale (North Thanet) (Con): You will recall, Mr. Speaker, that this time last Thursday, the Leader of the House sought to give us the impression that Members would have an opportunity to debate legislation relating to the reorganisation of the police. It is true that, were Kent to be merged with another county, the Channel Tunnel Act 1987 would have to be amended through primary legislation, but I do not think that that is quite what the Leader of the House had in mind. He knows perfectly well that all the reorganisation can be dealt with by means of statutory instruments.

At the end of the famed Adjournment debate in Westminster Hall, the Minister for Policing, Security and Community Safety sought to explain to the House—as has the Deputy Leader of the House today—that there would be an opportunity for a debate on the police. Almost immediately afterwards, sources very close, shall we say, to the Home Secretary were to be found briefing lobby journalists, saying that the measures would go through, that it was all done and dusted and that it did not matter.

There are two non-sitting Fridays between now and Christmas. Why can we not have the debate on one of them?

Nigel Griffiths: In view of the clear strength of feeling among Opposition Members, I might ask why one of their important Opposition days was not used to debate the issue. *[Interruption.]*

Mr. Speaker: Order. Whatever we do, we must allow the Deputy Leader of the House to reply. Some Members may not be too happy with the reply, but that is another matter.

Nigel Griffiths: They have their reply, Mr. Speaker.

Keith Vaz (Leicester, East) (Lab): May we have a debate next week on regulation of the video games industry? Has my hon. Friend seen early-day motion 1172?

[Keith Vaz]

[That this House denounces the recent rise in violent video games; condemns the forthcoming video game Bully, which allows players to adopt the persona of Jimmy Hopkins, a 15-year-old thug who has been incarcerated in a boys' boarding school, and in which points can be scored by terrorising other pupils with a range of physical and psychological abuse; further notes with grave concern that last year more than 31,000 children and young people spoke to a ChildLine counsellor about bullying; and calls on the Government to urge the British Board for Classification to take a much more cautious approach with this game and ban it from being sold in the United Kingdom.]

If my hon. Friend has seen the motion, he will know that Rockstar has decided to publish a game called "Bully", and that a central character is someone called Jimmy Hopkins. Players will be given points as the character terrorises other schoolchildren psychologically. Given the rise of bullying, I believe that the video should be banned. May we have a debate so that we can hear the Government's view?

Nigel Griffiths: My hon. Friend is right to raise the continuing concern about the matter. While I cannot offer him a debate, I shall certainly ensure that the Minister responsible for such matters is aware of the concern.

Pete Wishart (Perth and North Perthshire) (SNP): Yesterday, a petition bearing more than 155,000 names was handed in at No. 10 Downing street as part of the continuing campaign to save Scotland's historic regiments. As a Scottish Member, the Deputy Leader of the House will know of the strength of feeling about this issue, and the real anxieties about recruitment. He will also know that the golden threads that were promised for the new regiment look particularly threadbare when we learn that the Black Watch cannot wear the famous and iconic red hackle at all times. May we have a debate in Government time, even at this late stage, to stop this amalgamation madness?

Nigel Griffiths: I pay tribute to the veterans and those currently serving in our armed services. The design of the cap badge for the Royal Regiment of Scotland is the culmination of several months of discussion and consultation with both those who are serving and those who have retired. The design was submitted to Her Majesty through the Army dress committee and has been given Royal Assent. It is a requirement for each new regiment to have a unifying symbol and all officers and soldiers in this new regiment will wear the new cap badge from formation day.

An announcement was made earlier in the year that recognised the strong identification that local people and those who have served in regiments feel with historic regiments. Many aspects will be preserved, not just dress but museums and anniversaries. I think that the Government have gone a long way towards addressing the concerns, but I note the hon. Gentleman's comments.

Mr. David Winnick (Walsall, North) (Lab): May we have a statement early next week on whether United Kingdom airports and other facilities have been used by the United States to transfer what are described as terror suspects across Europe to be put in various interrogation centres? Will my hon. Friend bear it in mind that allegations have been made about torture? If such torture were taking place in centres in parts of Europe, it would be in defiance of both British and international law. I hope that the Foreign Secretary will be able to come to the House early next week to set our minds at rest.

Nigel Griffiths: The Foreign Secretary, as part of the European Union presidency, wrote to the United States Secretary of State, Condoleezza Rice, seeking clarification of the issue and of media reports of so-called CIA terror camps in eastern Europe. I suggest that my hon. Friend await the response before calling for a further statement.

Mr. Mark Lancaster (North-East Milton Keynes) (Con): Consultation, or lack of it, seems to be a recurring theme in today's business questions. This morning I met Sir Bob Reid, chairman of Milton Keynes Partnership, the Government quango charged with delivery of the expansion of Milton Keynes. He confirmed that the people of Milton Keynes have only until 15 January to respond to the document. Will the Deputy Leader of the House find time for a proper debate on the Floor of the House? There is a genuine fear throughout the country that expansion of our cities is being forced on us without proper local consultation.

Nigel Griffiths: I am sorry to hear that the hon. Member feels that. I shall make sure that the appropriate Minister is aware of his concerns about the timetable for that consultation.

Dan Norris (Wansdyke) (Lab): May we have an early debate on the no-blame approach to bullying in our schools, as adopted by Liberal Democrat-controlled Bristol city council? Does the Deputy Leader of the House share my view that, although that council may not want to blame or punish bullies, the voters of Bristol will want to blame and punish the council for its irresponsible approach to child protection?

Nigel Griffiths: I share my hon. Friend's views that there must be zero tolerance towards bullying, and that firm action must be taken to tackle it. As in my local high schools, that should include interviewing bullies' parents to ensure that they are fully aware of the consequences of such acts. I favour, as the Prime Minister said two weeks ago that he did, the tougher rather than the tender approach on this subject.

John Bercow (Buckingham) (Con): May we have an urgent debate in Government time on the imprisonment of British citizens abroad? In Spain in 1998, my constituent Teresa Daniels was convicted of drug smuggling after an outrageous trial in which she thought she was a witness not a defendant. She was released by the Spanish authorities and has now been extradited back to Spain to serve a 10-year prison sentence, more than five years after she was released. Does the Deputy Leader of the House agree that such a debate would allow the concerns of Fair Trials Abroad to be expressed about a miscarriage of justice, and pressure to be put on

the British Foreign Secretary finally to raise the matter with his Spanish counterpart, in the interests of natural justice—a principle that ought to unite all member states of the European Union?

Nigel Griffiths: As the hon. Member knows, it is not policy to comment on individual cases that may still be subject to appeals and other proceedings. He will know that my right hon. Friend the Foreign Secretary does raise cases of apparent miscarriages of justice, and has made clear to the House in response to other hon. Members' questions his involvement in certain cases at certain stages. This is an important issue and I know that the hon. Member will be working tirelessly on behalf of his constituent, and that the Foreign Secretary and his officials will be following his comments.

Dr. Desmond Turner (Brighton, Kemptown) (Lab): The Prime Minister announced the long-awaited energy review at the CBI earlier this week, and I understand that a written statement was placed in the Library. It is unfortunate that an issue of such importance was not brought to the House as an oral statement. Can my hon. Friend give us an assurance that there will be an early debate on the issue in the Chamber in Government time, because it is vital that the House should have an input into the energy review at an early stage, rather than after it, when it is a fait accompli? Nuclear power and its relationship with other aspects of energy policy is a vital issue—one of the most important that the Government have on their agenda.

Nigel Griffiths: Any decision taken on the future of nuclear power will, as I said earlier, be the subject of a White Paper, which is likely to be accompanied by a ministerial statement. There will be ample opportunity for a full debate on the Floor of the House.

Mr. Michael Fallon (Sevenoaks) (Con): Is the Deputy Leader of the House aware that my constituency continues to be plagued by unauthorised Traveller encampments in the green belt—a matter on which I pressed him during the July Adjournment debate? What has happened to the long-overdue review of Travellers and planning law, and when will district councils be given stronger powers to resist the current abuse?

Nigel Griffiths: I shall find out what has happened to the review and ensure that the appropriate Minister writes to the hon. Member.

Andrew Miller (Ellesmere Port and Neston) (Lab): It was left to a member of the public to notify me of the disgraceful actions of FirstBus in my constituency in unilaterally cutting services and closing a depot. Will my hon. Friend arrange a debate in Government time on the conduct of bus companies, and when will the Government consider re-regulating bus companies outside London?

Nigel Griffiths: I hope that my hon. Friend will have the chance to put that to Transport Ministers next Tuesday, at Transport questions. Obviously, the provision of local bus services affects the lives of many people and has to be handled sensitively. I hope that the company that he mentioned will note his comments and I am sure that it will want to meet him to discuss his grave concerns on behalf of his constituents.

Mr. Jim McGovern (Dundee, West) (Lab): Following the comments of the hon. Member for Perth and North Perthshire (Pete Wishart) on the Black Watch, I am sure that my hon. Friend will be aware of the high profile of that issue in my constituency. My grandfather, Hugh MacDonald, served in the Black Watch, and is buried in the military cemetery in Gibraltar, where he died in 1941. I believe that one of the concessions made to the Scottish regiments during the merger process was that they would retain the right to their identity via the right to wear the cap badge at all times. Obviously, in the case of the Black Watch that means the red hackle. Will my hon. Friend use his good offices to ask the armed forces Minister to intervene to allow the Black Watch and the other Scottish regiments at least to retain their identity?

Nigel Griffiths: No, I cannot give my hon. Friend that undertaking. There has been a long process of discussion on the reorganisation of the regiments, and it was the settled view of the armed forces themselves that this was the way ahead. I am sure that the memories to which my hon. Friend paid tribute will never be lost.

Dr. Julian Lewis (New Forest, East) (Con): Can the Deputy Leader of the House explain to us why the Armed Forces Bill, which has been long years in the making, has been shoehorned into the parliamentary timetable at a time when no one can possibly prepare properly for Second Reading, whereas the debate on police restructuring, for which everyone is ready, prepared and raring to go, has been withdrawn from the parliamentary timetable? Is it not blindingly obvious that the former should be delayed and the latter reinstated?

Nigel Griffiths: No, it is not. The Armed Forces Bill is an important piece of legislation that has to be properly timetabled in this House and the other place, and clearly the suitable time for debating it is in eight or nine days' time. As I said, I hope that the fullest possible information on the Bill is available. I know that the hon. Member, like other hon. Members, will not come cold to this subject.

Barbara Keeley (Worsley) (Lab): Tomorrow is carers' rights day. Does my hon. Friend agree that it is now timely to have a debate on carers' rights, particularly on issues such as the overlapping benefit rule, which means that carer's premium and carer's allowance cease for carers over pension age? That matter has been raised by many carers in my constituency, and no doubt will be raised by other carers throughout the country tomorrow.

Nigel Griffiths: Carers do a fantastic job and we all owe them a debt. I can ensure that my right hon. Friend the Secretary of State for Work and Pensions is aware of the issue that my hon. Friend highlighted, and I am sure that he will want to respond.

Mr. Don Foster (Bath) (LD): Two days ago, the national security archive published analysis of recently released documents that show conclusively that the then British Government misled the House and the country about Indonesian atrocities in East Timor in 1975 and further suppressed information about the killing of Australian and British journalists. For example, at Christmas 1975 the then British ambassador to Indonesia sent a cable to London describing Indonesian soldiers as going

"on a rampage of looting and killing".

In the same cable, he went on to say:

"if asked to comment on any stories of atrocities, I suggest we say that we have no information".

May we have an urgent debate on the previous Government's complicity in the cover-up, which will give Members an opportunity to press the current Government to release further documents that will be of assistance in the much-delayed inquest, to take place in Sydney early next year, on one of those British journalists, Brian Peters?

Nigel Griffiths: I read the accounts that the hon. Member has shared with us and I found them as disturbing as he did. I cannot offer him the debate in this House that he asks for, but I hope that he manages to secure an Adjournment debate that allows him to air these issues with the Minister responsible and to get an appropriate response.

Mr. Malcolm Moss (North-East Cambridgeshire) (Con): Given that an increasing number of housing developments built on contaminated land are coming to light, such as that in Littleport, which is in my constituency; given the contradictory views of the Office of the Deputy Prime Minister and the Department for Environment, Food and Rural Affairs about the inclusion of soil sampling in the house sellers pack; given the comments of the Leader of the House in response to a recent question from the hon. Member for Birmingham, Hall Green (Steve McCabe); and given the now obvious problems in implementing part IIA of the Environmental Protection Act 1990, will the Deputy Leader of the House arrange an urgent debate on contaminated land development, so that we can clear up this mess?

Nigel Griffiths: I can ensure that the concerns that my right hon. Friend the Leader of the House reflected in his response to that question are drawn to Ministers' attention, so that the hon. Member can assist his constituents and we can hopefully ensure that the policy is appropriate to the contaminated site issue.

Chris Bryant (Rhondda) (Lab): May we have a debate on the future of the *Rhondda Leader*, a very fine local weekly newspaper in which I happen to have a regular column? It has a rising circulation, but its problem is that it belongs to Trinity Mirror, which also happens to own nearly every newspaper in south Wales. Further to the point made by the hon. Member for Somerton and Frome (Mr. Heath), this is an important issue and we all enjoy a wide diversity of competitive and lively national newspapers. All too often, however, we see monopolistic practices in our local newspaper markets—practices that the Government, through the Competition Commission, should surely investigate.

Nigel Griffiths: My hon. Friend can raise his concerns directly with the Competition Commission and I urge him to do so. My right hon. Friend the Secretary of State for Trade and Industry takes competition matters very seriously.

Mr. Philip Hollobone (Kettering) (Con): Will the Deputy Leader of the House arrange for the Home Secretary to make an urgent statement to this House on the effect on the criminal justice system and natural justice of leaked reports that the Sentencing Guidelines Council is about to recommend that sentences for muggers be cut from an average of three years in jail to two and a half years?

Nigel Griffiths: Those guidelines constitute arrangements made under criminal justice legislation. Previous offenders were in the community with no oversight at all for a substantial part of their sentence. It is important that a more onerous regime for offenders be introduced, so that if they breach licence conditions, they can go back to jail. The problem that the hon. Member highlights, and which was reported, is that young teenagers on a first offence—I am not sure that mugging was the offence; I think that it was snatching of bags that involves no violence—may not, under magistrates' guidelines, get an automatic custodial sentence. That will be a matter for debate in this House and elsewhere.

Annette Brooke (Mid-Dorset and North Poole) (LD): Last week, a disgraceful incident occurred in which policemen stopped a woman breastfeeding on a bench in a high street. This House will spend a lot of time discussing whether to ban smoking in public places, yet there are already 68 signatures to early-day motion 1046, on breastfeeding in public places.

[That this House recognises the benefits of breastfeeding for babies and welcomes the provisions of the recently introduced Breastfeeding etc. Bill which propose to address some of society's attitudes to breastfeeding; notes that research shows that breast milk is the ideal first food for most babies; regrets that the UK has one of the lowest breastfeeding rates in Europe, with just one in five babies receiving breastmilk by the time they are six months old, although the World Health Organisation recommends that babies need nothing other than breastmilk for the first six months of life; is deeply concerned that many mothers report having been harassed for breastfeeding in public while others have stopped breastfeeding early or chosen not to breastfeed as they have anticipated embarrassment or difficulties in feeding their babies whilst in public; supports UNICEF's call for legislation to protect breastfeeding mothers' rights to feed their babies in public areas and the Baby Friendly Initiative; appreciates that social attitudes are slowly changing but that there is a long way to go; and calls for greater understanding and positive attitudes to ensure that breastfeeding is a normal part of everyday life.]

In the light of those points, will the Deputy Leader of the House consider allocating parliamentary time to this really important issue, so that we can permit a perfectly

natural activity that has so many beneficial outcomes? I should point out, Mr. Speaker, that I am not calling for breastfeeding in this House.

Nigel Griffiths: I share the hon. Member's views on this issue; indeed, I was in Gracemount, in my constituency, last Friday discussing this very subject with a community health group. I was going to say that it is important that we bring our attitudes to this subject into the 21st century, but of course, breastfeeding is a natural function that has stood us in good stead in the past. I will ensure that the hon. Member's views are made available to my colleagues in the Department of Health.

Mr. Peter Bone (Wellingborough) (Con): I hope that the Deputy Leader of the House agrees that, when a Minister speaks at the Dispatch Box, his comments should be factually accurate. That is particularly true of the Prime Minister, but yesterday, he said at Prime Minister's questions that from midnight last night, there will be a maximum wait of six months for operations in the NHS. This morning, I checked with my hospital and 437 people are still waiting more than six months for an operation. Can the Deputy Leader of the House help me by explaining how the Prime Minister might go about correcting what I am sure was a slip of the tongue?

Nigel Griffiths: I will certainly ensure that there is an inquiry into why services in the hon. Member's health authority seem to be failing. They are not failing in other health authorities, and there will be a reason for that.

Mr. Peter Robinson (Belfast, East) (DUP): Has the Deputy Leader of the House had the opportunity to look at early-day motion 1120, signed by Members from all parts of the House, which pays tribute to the soccer legend George Best, who died last week?

[That this House mourns the passing of East Belfast and Northern Ireland soccer legend George Best; salutes his unequalled football skills; acknowledges his place at the pinnacle of world class soccer; and tenders to his family its deepest condolences.]

Will the Deputy Leader of the House join me in expressing condolences to the family, and will he urge the Secretary of State for Northern Ireland to make a statement to the House on the Government's intentions regarding a national stadium, given that a large body of opinion in Northern Ireland feels that it should be named after the soccer legend?

Nigel Griffiths: I join the hon. Member in praising the memory of George Best; indeed, I used to watch him play for one of the Edinburgh teams in the 1980s, and he set the stadium alight with his dazzling skills. I will ensure that the Secretary of State for Northern Ireland is aware of the hon. Member's strong feelings on behalf of his constituents and others on the question of a national stadium.

Peter Luff (Mid-Worcestershire) (Con): The Deputy Leader of the House represents a Scottish constituency, which perhaps explains the breathtaking insouciance of, and even the occasional inaccuracies in, his answers concerning a debate on police reform. We are talking about the most important reform of policing in England and Wales in a political generation. No police officer in my area—West Mercia, which covers Herefordshire, Worcestershire and Shropshire—supports the Government's proposals. There should have been a debate on the principles underlying the report produced by Her Majesty's inspectorate of constabulary, which I challenge, before proceeding to detailed proposals for a merger. The Government could save some shred of honour by having such a debate before Christmas; it would be shameful not to do so.

Nigel Griffiths: I have been not just forthright with Members, but accurate in my comments on consideration of that Bill. I note that for all the so-called concern voiced today, not one Opposition day has been devoted to this issue.

David Howarth (Cambridge) (LD): The Deputy Leader of the House is doubtless an avid reader of the *Local Government Chronicle*. If so, he will see that, in today's edition, the Minister of Communities and Local Government has announced a White Paper on local government, to be published in the middle of next year, that includes proposals for structural reform. I welcome that announcement, but can the Deputy Leader of the House arrange an early debate on the relationship between that White Paper and the Lyons review, in which the Government can explain why it has taken so long to give that review any political direction?

Nigel Griffiths: The White Paper coming before the House next year covers a distinct policy area and, once it is published, I am sure that there will be an opportunity to debate it. Before its publication, there will be an opportunity for the hon. Member and his Liberal Democrat colleagues to provide their input.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): May I revert to the amalgamation of police forces? The Deputy Leader of the House will know that the proposals are widely resisted in the east midlands, especially in Lincolnshire. He has spoken repeatedly of consultations, but does he not understand that, in a representative democracy, this House, speaking collectively, should be involved in that process? That means that there should be a substantive and votable motion before Christmas.

Nigel Griffiths: No, it does not. It means that there should be a debate, and one has been promised. That debate should take place at the end of the initial consultation period, which I understand is 23 December.

Points of Order

12.30 pm

Mr. Malcolm Moss (North-East Cambridgeshire) (Con): On a point of order, Mr. Speaker. At Culture, Media and Sport Question Time on 21 November, I asked whether the Secretary of State thought it proper

"to have held ministerial meetings with Philip Anschutz and other members of the Anschutz Entertainment Group to discuss their plans for . . . a casino at the millennium dome".

The right hon. Lady replied:

"I am not aware of any ministerial meetings as such having been held."—[*Official Report*, 21 November 2005, Vol. 439, c. 1227.]

However, in a written answer today, the Minister for Sport and Tourism states:

"Ministers and officials have had a number of meetings with casino operators . . . These include meetings with representatives of the Anschutz Entertainment Group and Kerzner International, its partner in the development of the Millennium Dome site."

Setting aside the disgraceful fact that the Secretary of State does not know what meetings Ministers in her Department are holding, I seek your advice about how best we can have the record put right.

Mr. Speaker: In a sense, the hon. Gentleman has put the matter on the record by raising his point of order, but there is nothing to stop him putting down more parliamentary questions about it.

Andrew Selous (South-West Bedfordshire) (Con): On a point of order, Mr. Speaker. At Treasury questions on 10 November, I asked the Chief Secretary to the Treasury why the UK economy was growing more slowly than any other major economy in the English-speaking world. The right hon. Gentleman's reply can be found at column 462 of the *Official Report* for that day, when he said that the UK was growing faster than Australia and New Zealand. Late last night, I received a letter from him apologising for misleading the House. Mr. Speaker, I seek your guidance as to how the matter can be put more clearly on the record.

Mr. Speaker: Let me make it clear that the Chief Secretary would not mislead the House deliberately. I am not responsible for the quality of replies, and I repeat that there is nothing to stop the hon. Gentleman putting down an identical question and seeking elucidation about previous answers.

Mr. Owen Paterson (North Shropshire) (Con): On point of order, Mr. Speaker. My hon. Friend the Member for Macclesfield (Sir Nicholas Winterton) made a serious point when he said that this House should concern itself with matters of great public interest. The Government have flatly refused to address the huge public issue of police reform, and I think that there is a real danger that the House's reputation will be diminished in the eyes of the public. As the guardian of the House's reputation, what powers do you have to call in the Leader of the House and the shadow Leader to discuss a way forward, so that we can have a debate and a vote before the deadline of 23 December?

Several hon. Members *rose*—

Mr. Speaker: Perhaps if I answer, there will not be further points of order on the matter. I am aware of the hon. Gentleman's feelings, but there is the institution known as the usual channels. These matters should be taken through the usual channels because, as he knows, the Speaker cannot determine the business for the forthcoming week. That is up to the usual channels—

Peter Luff (Mid-Worcestershire) (Con) *rose*—

Mr. Speaker: That does not help the hon. Gentleman?

Peter Luff: I am sorry, but it does not. Further to that point of order, Mr. Speaker. You will have noted the passion on all sides of the House about this matter, which needs to be debated. If the usual channels are unable to reach an agreement—and the response of the Deputy Leader of the House today suggests that the Government are not prepared to give ground, an intransigence that I find genuinely surprising and shocking—are any mechanisms available to Back Benchers to work through you to secure an urgent debate on this subject?

Mr. Desmond Swayne (New Forest, West) (Con): Further to that point of order, Mr. Speaker. Is this matter not eloquent testimony to the fact that this legislature must take back control of its agenda from the Government?

Mr. Speaker: I advise hon. Members that, on this matter, I am governed by the rules of the House. I can only operate by the rules that the House has given me. I cannot go beyond them.

Mr. Eric Forth (Bromley and Chislehurst) (Con): On a fresh point of order, Mr. Speaker.

Mr. Speaker: That is a refreshing change. Thank you.

Mr. Forth: Can you assure the House that Opposition Members will not be penalised if too few Labour Members show an interest in business questions? We are very enthusiastic about those questions, but can you assure me that we will not be penalised simply because they run out of people?

Mr. Speaker: The right hon. Gentleman is always helping me, and his question helps me to clarify for newer Members exactly what happens. It does not matter whether we run out of Labour Members to ask questions, because a far higher proportion of Opposition Members get called at business questions. I shall let the right hon. Gentleman into a secret: my policy is to give priority to new Members, regardless of which side of the House they are on. Sadly, some hon. Members have been left without an opportunity to ask a question today, but I think that they will be very pleased next week.

Mr. Julian Brazier (Canterbury) (Con): On a point of order, Mr. Speaker. May I take you back to the lack of papers available for the Second Reading debate on the Armed Forces Bill? You will know that I have raised many times the threat perceived by our armed forces as a result of the climate of prosecution in Iraq. Given the amount of public concern about the widespread threat of prosecution that young soldiers in Iraq face, is it not

extraordinary that debate on the Bill should have been brought forward? It is 250 pages long, and will merely turn the system even more upside down than it already is, in many cases removing commanding officers from the decision-making process. No explanatory notes have been supplied, even though we have been given only about a week's notice of the debate.

Mr. Speaker: On the general point, the hon. Gentleman is correct. Explanatory notes for Bills should be made available for Back Benchers, and I am obliged to him for raising the matter.

Mr. Andrew Turner (Isle of Wight) (Con): Further to the points of order about a debate on policing, Mr. Speaker. You will have heard the Deputy Leader of the House say that such a debate would be inappropriate before the consultation process ended even though, three weeks ago, it was apparently not inappropriate for the Government to table a debate on the subject for today. Can you help me with this matter? Does any doctrine or rule state that it is not possible to hold such a debate?

Mr. Speaker: I think that the hon. Gentleman may be trying to extend business questions. He can have a go next week.

Mr. Paul Goodman (Wycombe) (Con): On a point of order, Mr. Speaker. Yesterday, I received a letter from Stephen Geraghty, the chief executive of the Child Support Agency. The letter responded to a written question that I tabled about the enforcement directorate. In effect, it confirms that that directorate managed to retrieve £8 million last year, but that its running costs were more than £12 million. Have you had any notice that Downing street has resolved its difficulties with the Department of Work and Pensions about the CSA's future? Will a Minister come to the Dispatch Box and give us a statement about the mater? That would help us deal with angry constituents, who express their fury at the state of the CSA nearly every week of the sitting year.

Mr. Speaker: The hon. Gentleman should bear it in mind that I am a constituency MP in my own right, and that I get lots of these complaints myself. He would help me by putting down parliamentary questions on this matter, as I cannot do so.

Orders of the Day

Council Tax (New Valuation Lists for England) Bill

Not amended in the Standing Committee, considered.

Clause 1

DATES ON WHICH NEW VALUATION LISTS MUST BE COMPILED FOR ENGLAND

12.39 pm

Sir Paul Beresford (Mole Valley) (Con): I beg to move amendment No. 3, in page 1, line 8, at end insert—

'(1B) An order under subsection (1A) may be made in relation to an individual billing authority, a group of adjoining billing authorities or all billing authorities.'.

Mr. Greg Knight (East Yorkshire) (Con): On a point of order, Mr. Speaker. We are dealing here with a very important piece of legislation, but it is not freestanding and does not introduce a new concept. Instead, it seeks to amend the Local Government Finance Act 1992, which makes that Act very relevant to our debate. I was shocked to be told by the Vote Office that that Act is not available. Therefore, we are being asked to debate a Bill that amends an Act of Parliament, a copy of which is not available for right hon. and hon. Members to peruse. I therefore ask that you consider suspending this sitting until such time as that Act of Parliament is available.

Mr. Speaker: I think that we must continue, and I have called Sir Paul Beresford to move his amendment. However, I instruct the officials that copies of the Act must be available for the right hon. Gentleman and any other hon. Member who wishes to see it.

Mr. Eric Forth (Bromley and Chislehurst) (Con): Further to that point of order, Mr. Speaker. I am grateful for your helpful suggestion, but can you confirm that if by any chance the Act is not available by the time we reach Third Reading, the sitting would have to be suspended because that debate might require references to the Act for the sake of completeness?

Mr. Speaker: I like to deal with here and now, not any period in the future.

Mr. Quentin Davies (Grantham and Stamford) (Con): On a point of order, Mr. Speaker—

Mr. Speaker: Order. If the hon. Gentleman is going to go on about this matter, it is not a point of order.

Mr. Davies: It really is a point of order, Mr. Speaker.

Mr. Speaker: Well, I shall be surprised if it is.

Mr. Davies: As you can see, Mr. Speaker, there are many references to the Local Government Finance Act 1992 in the Bill before us this afternoon. It is impossible to understand the force of the amendments without seeing the Bill that they amend. Can you give us some

[Mr. Davies]

indication of the point in our proceedings, if we must continue, at which we will have a copy of the Act available to us?

Mr. Speaker: I knew that it was not a point of order. I have instructed officials to make the Act available and when I instruct officials, the House can believe that they move quickly. They will be moving quickly as we speak and I think that the request of right hon. and hon. Members will be met shortly.

Sir Paul Beresford: I am sure that we will be able to limp on without that Act, although I admit that I do not know it word for word. I am honoured to move amendment No. 3, which also stands in the name of my right hon. Friend the Member for Skipton and Ripon (Mr. Curry). He intended to be here to support this little amendment on this little Bill. Unfortunately, the Government's last-minute decision to replace some uncomfortable business with this relatively non-urgent Bill has caused a major conflict in his diary and he is unable to join us. My right hon. Friend and I were both local government Ministers, but I note that my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer), who was our much more learned Secretary of State, is in his place and will be able to add his support and make a few points to the discomfort of the Government and, perhaps, our Front-Bench colleagues, judging from their response to Second Reading. I am also sure that my right hon. Friend the Member for Skipton and Ripon will be able to find enough time to wheel across and join us in the event of a vote.

Bearing in mind that council tax and local authority finances are excessively complex and generally dead boring, I must express my surprise and delight at seeing so many fascinated souls in the Chamber eager to join this debate. They are even, for the moment, still awake. The intention of the amendment is quite simple and straightforward. It would enable the Secretary of State to allow, or require, a particular billing authority, a group of adjacent billing authorities, or all billing authorities to carry out valuations for council tax purposes. It is perhaps worth emphasising that because of the nature of the valuations and the banding system that applies.

Mr. Greg Knight: On such matters, my hon. Friend's voice carries great weight with me, because I know that he has studied the subject long and hard and is an expert on it. However, I am most concerned by the scope and provisions of the amendment. Should it be added to the Bill, what would prevent a malevolent Minister from deciding to order a revaluation just for Conservative-controlled local authorities?

Sir Paul Beresford: There would have to be some justification for doing so. An order would have to be produced, which could lead to a debate in the House and the opportunity to make points. However, given the trend of local elections, it is conceivable that there could be so many Conservative councils that a Minister had no opportunity to do anything else.

Mr. Forth: The point made by my right hon. Friend the Member for East Yorkshire (Mr. Knight) also worries me. Were such a malevolent decision to be made by a Minister, could it be subject to judicial review? Does my hon. Friend think that there would be any protection, judicial or otherwise, against such targeted, political action?

12.45 pm

Sir Paul Beresford: My right hon. Friend answers his own question. In such a situation, a judicial review would be a protection, although I do not really envisage such a situation arising, even if the next local government elections—as I anticipate—result in a clean sweep for the Conservatives and a fall in the number of Liberal and Labour councils. We shall have such a collection of Conservative councils that that situation might be more likely than my right hon. Friend envisages.

Mr. John Gummer (Suffolk, Coastal) (Con): It is remarkable that it is accepted as completely plausible that a Government might behave in the way suggested. Would my hon. Friend care to reflect on the fact that the Government have already done so in their reallocation of local government finance and the budgets for primary care trusts? Some primary care trusts are under-funded—and not over-spent—because the Government have shifted money from Conservative areas to Labour areas on purpose.

Sir Paul Beresford: I agree, and the amendment derives from the point made on Second Reading that it would provide an opportunity to change the way in which the funding formula worked, to make it fairer and restore the balance that existed before the funding formula under which we now suffer.

I believe and I hope that you agree, Madam Deputy Speaker—the interventions may support the necessity—that it would be appropriate to explain the background to the thinking behind this short amendment. As the House will be aware, on Second Reading, it was explained that the Bill in effect stops the programmed and vastly expensive national revaluation of every home in England to place them within council tax bands. It also gives the Secretary of State, whoever that may be at the time, the power to call for a national revaluation when he or she deems it appropriate, if ever. The whole discussion on revaluation for council tax purposes was questioned during the run-up to the election. Many felt that there was no requirement for a revaluation, and my Conservative colleagues and I numbered in that group.

Mr. Quentin Davies: Because we do not have the Act that the Bill will amend before us, it is very difficult to follow even my hon. Friend's lucid argument. Clause 1 states:

"A new list must be compiled, in relation to billing authorities".

What is that new list? Is it a list of people liable to pay the council tax, or a list of properties, or a list of billing authorities? What is the list that the amendment addresses?

Sir Paul Beresford: I should perhaps have explained that, but I was aware that in doing so I might transgress a little beyond the amendment. The new list is a list of valuations of properties within a billing authority, so

that they may be put in bands for the redistribution of grant, on the basis of ability to pay, and to determine the amount collected in council tax from the owners of the properties within the billing authority's boundaries. The Government, especially the right hon. Member for Greenwich and Woolwich (Mr. Raynsford), were emphatic that a national revaluation was required and that, as it was programmed, it should go ahead. Suddenly, post the election—

Madam Deputy Speaker (Sylvia Heal): Order. The hon. Gentleman said that he wanted to give a brief explanation. I was prepared to allow that, but I will not have another debate effectively on Second Reading. Perhaps just giving a brief background to the amendment will be appropriate.

Mr. Forth: On a point of order, Madam Deputy Speaker. Would you not perhaps concede that a degree of flexibility would be helpful, given that we are struggling, as my hon. Friend the Member for Grantham and Stamford (Mr. Davies) has pointed out, because we do not have the originating statute in front of us? Would it not be more appropriate than normal for my hon. Friend the Member for Mole Valley (Sir Paul Beresford) and perhaps other hon. Members to give more of the background to the amendment and, indeed, to clause 1, given the absence of the originating statute? Would that not be helpful to the House, Madam Deputy Speaker?

Madam Deputy Speaker: I am afraid that I disagree with the right hon. Gentleman, because he is a very experienced Member and really does not struggle at all.

Mr. Quentin Davies: Further to that point of order, Madam Deputy Speaker. I am a slightly less experienced Member than my right hon. Friend and I probably know much less about local government finance, but I am trying to make a conscientious effort to participate in the discussion of this matter, which could be important to my constituents. We cannot follow the amendments because we do not have the text of the Act that is being amended. So we depend particularly on the acknowledged expertise of my hon. Friend the Member for Mole Valley (Sir Paul Beresford) to explain the background to and, therefore, the rationale of the amendment to the Government's proposals to amend an Act that we do not have before us. It would be most helpful to hon. Members in my position if he could be given a little latitude in explaining the background to both the Government's proposed amendments to the Act and his proposed amendment to the Government's amendment to the Act.

Madam Deputy Speaker: I do not accept that point of order. The hon. Member for Mole Valley (Sir Paul Beresford) has been given an opportunity to give a brief explanation of the background to the amendment. The hon. Member for Grantham and Stamford (Mr. Davies) may not be quite as experienced as the right hon. Member for Bromley and Chislehurst (Mr. Forth), but I am quite sure that he is more than capable of following the debate. The Minister may be able to elucidate a little when he replies.

Sir Paul Beresford: Thank you, Madam Deputy Speaker.

The Bill relates to a national revaluation, and as I have tried to set out, there is an opportunity for a smaller or minor revaluation in appropriate areas. Interestingly, my right hon. Friend the Member for Skipton and Ripon and I are ex-local government Ministers and we have some knowledge of the matter. On Second Reading, I asked the Minister of Communities and Local Government to confirm whether the

"Bill effectively puts revaluation in limbo, and there might be no revaluation in future if there is a rethink on the grant formula".

The Minister, in effect, confirmed that by saying that the Bill was in keeping with a situation where the Government were leaving their options open and that

"all options remain open in the future."—[*Official Report*, 7 November 2005; Vol. 439, c. 34.]

So such a revaluation is conceivable. That caused a bit of a flutter in the dovecotes for the right hon. Member for Greenwich and Woolwich—whom I expected to be here today but he is not—because he felt compelled to back his previous position. The hon. Member for South Ribble (Mr. Borrow), who spoke as an ex-valuer, probably felt a little like a turkey at this time of the year—if not more frequently.

Valuation for council tax is different from valuation for rates and business rates in that it essentially serves two purposes. First, it serves a role in the funding formula, as it is used to give an estimate of the ability to pay. As I said on Second Reading, that could be done in different ways. Secondly, it is used to rank properties in valuation bands, thus enabling a billing authority to distribute its council tax charge. As long as that proportion of spread remains the same—generally, that seems to be so—there is no need for a revaluation, especially an expensive national revaluation. However, one can foresee occasions where a national revaluation may not be needed at all for some considerable time but a small local revaluation might be appropriate.

The example that most readily comes to mind is that the Government are following previous Conservative Governments in pushing for redevelopment on brownfield land—in particular, the Thames Gateway. It is well known that the Deputy Prime Minister wants to cover sections of the Thames Gateway with large numbers of new—

Madam Deputy Speaker: Order. Once again, the hon. Gentleman is straying very wide of the amendment, which is narrow in scope. I have given some latitude; I now expect him to adhere to the amendment.

Mr. Gummer: On a point of order, Madam Deputy Speaker. I am sorry to raise this issue. I have been carefully following my hon. Friend the Member for Mole Valley (Sir Paul Beresford). One of the difficulties with the amendment is understanding where it would be applicable, but it seems that he cannot refer to those places. This is the first time that I have been following this bit of the argument. May I ask you kindly to allow him to refer to some of those places, so that we can judge whether the amendment is a good one?

Madam Deputy Speaker: I remind the right hon. Gentleman that he is not chairing the debate—I am—and I have made a ruling.

Sir Paul Beresford: Thank you, Madam Deputy Speaker. I am trying to set out exactly such an example, but perhaps I strayed a little far in pointing out a particular area.

It is conceivable that an area could have a large number of new properties, the valuation of which would be set by their sale price, but that would distort the gradation and, therefore, the proportional spread across the council tax bands of the rest of the authorities in that billing authority's area or the area covered by a group of billing authorities.

Mr. Mark Francois (Rayleigh) (Con): If I understand the spirit of the amendment correctly, it would essentially allow a localised revaluation, as opposed to a one-size-fits-all national revaluation process. New clause 1 was not selected for debate—in no way do I seek to challenge the decisions on the groupings—but, in spirit, it would have allowed both a top-down power, whereby the Secretary of State could order a revaluation, and a bottom-up request, whereby a group of authorities could come together to seek the Secretary of State's authorisation of such a revaluation. My hon. Friend may be about to cover that anyway, but will he make it clear whether he believes that amendment No. 3, which is much briefer, would work in both ways and that the bottom-up, as well as the top-down power, should exist?

Sir Paul Beresford: I admit that my right hon. Friend the Member for Skipton and Ripon and I tabled new clause 1, but we realised in retrospect that it could have been ruled slightly out of order. If my hon. Friend looks carefully, he will see that the drive of that new clause is, in effect, contained in this much simplified amendment. In fact, the effect is still there.

Mr. Greg Knight: I am afraid that my hon. Friend is not making much headway with me, because I have reached the conclusion that his drafting is defective. The amendment refers to

"a group of adjoining billing authorities".

Why must they be adjoining? Would not a better phrase have been "a group of comparable billing authorities"? City centre property values may well rise and a view may be taken that urban authorities, not county authorities, should carry out a revaluation, yet under his wording, they would have to be adjoining billing authorities, not comparable ones.

Sir Paul Beresford: Perhaps that explains why the opportunity to give a broader explanation would have been helpful, because the situation that my right hon. Friend mentions is covered by the amendment, as he will see if he looks very carefully. The amendment covers an individual authority or lots of authorities. I specifically picked the term "adjoining authorities" because I chose as an example—I shall be ruled out of order if I continue with it—the Thames Gateway, which includes a number of authorities to which such circumstances might apply. Given that they are adjoining, it would be appropriate to carry out a revaluation at the same time.

Mr. Peter Bone (Wellingborough) (Con): I have an interest in that my constituency has suffered the biggest ever increase in council tax. Who would decide whether a group of neighbouring authorities had to revalue?

Sir Paul Beresford: The Secretary of State would decide. My hon. Friend needs to recognise that if the ability-to-pay assessment in the funding formula were changed—as I mentioned earlier, before I ran the risk of being ruled out of order—the readjustment in a billing authority or in a group of billing authorities would make no difference to the council tax for those properties, unless the local authority's sum council tax bill for the whole billing authority increased.

1 pm

Mr. Quentin Davies: I refer my hon. Friend back to what he said about the phrase

"a group of adjoining billing authorities"

in amendment No. 3. Is not the word "adjoining" redundant? If the amendment referred simply to a "group of billing authorities", it could cover a group of adjoining authorities, if necessary, and, as my right hon. Friend the Member for East Yorkshire (Mr. Knight) suggested, a group of authorities that, by virtue of the fluctuation of the country's real estate values, found themselves in the same position regarding the movement of average values, and should thus be grouped for the purpose of a special revaluation? Would it not be helpful for the purposes of the amendment if—

Madam Deputy Speaker: Order. Interventions are to be brief.

Sir Paul Beresford: I think that the answer to my hon. Friend's question is that I was attempting to make the amendment sufficient, but succinct.

Dr. Alan Whitehead (Southampton, Test) (Lab): I, too, have followed closely the logic of the hon. Gentleman's exposition of the amendment. I understand that if the Local Government Finance Act 1992 were to remain in place, there would be a guaranteed revaluation. Indeed, his party's position coming into the debate was that it wanted the provision for a guaranteed revaluation to stay in place because that was what they voted for. Is it the case that amendment No. 3 would mean that the position relative to the 1992 Act would change, so it would be an addendum to a Bill that he would then happily support, or does he want it to replace the position in the Bill? Alternatively, does he want to change the policy adopted by his Front Bench for the debate?

Sir Paul Beresford: I thank the hon. Gentleman for his complex twisting questions and red herrings. I think that he will accept that the Bill changes the situation by removing the programming of revaluation, but allowing the Secretary of State to set the timing for a revaluation—if that ever happens. I thus suggest that there might be an opportunity to save the enormous expense of national revaluation by having local revaluations, if that is appropriate. As the hon.

Gentleman will be aware, given his interest in local government, the cry for a national revaluation is virtually nil.

Mr. Gummer: Is not my hon. Friend being rather unkind to the hon. Member for Southampton, Test (Dr. Whitehead)? Is it not clear that the hon. Gentleman has misunderstood what has happened simply because his Government came into power saying that there would be a revaluation, but have now decided that there should not be one, which has left him confused?

Sir Paul Beresford: My right hon. Friend is perhaps right. The hon. Member for Southampton, Test (Dr. Whitehead) gave a long dissertation on Second Reading and I think that it supported the assumption of my right hon. Friend.

Mr. Philip Hollobone (Kettering) (Con): I declare an interest as a member of Kettering borough council. I am trying to wrap my mind around my hon. Friend's amendment in the context of Kettering borough. Due to Government diktat, there will be 13,100 extra houses in the borough up to 2021, which will increase the local population by a third. Given that one of the consequences of council tax revaluation in Wales was a large increase in council tax bills, should residents in Kettering borough be worried that the Government might impose a revaluation—

Madam Deputy Speaker: Order. I think that I might just protect the hon. Member for Mole Valley (Sir Paul Beresford) so that he does not stray on to Wales during the debate.

Sir Paul Beresford: Bearing in mind my accent and recent sporting activities in Wales, that is probably a very good thing, Madam Deputy Speaker. I thank my hon. Friend for citing the sort of situation in which a local revaluation might be appropriate.

Mr. Quentin Davies: My hon. Friend argues the case for the law to be changed to permit individual or group revaluation instead of universal revaluation. The Government have already disgracefully spent £60 million on preparing for revaluation, although they now say that that might not happen. A general revaluation would be enormously expensive, so perhaps my hon. Friend can indicate how much that would cost. What would be the cost of an individual revaluation for an average authority? Before we agree to allow individual authorities to be revalued, surely we should have an idea of the cost of such a revaluation that the taxpayer would be obliged to bear.

Sir Paul Beresford: Unfortunately, I do not have the figures with me. However, I am sure that the Minister for Local Government, who is smiling at me, has them in his large portfolio and that he will produce them. Presumably, the cost of revaluation for an individual authority or a group of adjoining authorities would be proportionate to the expenditure for a national revaluation. However, I suspect that the Minister will find reasons why a local revaluation would be proportionately much more expensive, if he does not accept that the amendment is a genuinely positive move that, in a funny way, supports the Bill that he brought forward in the first place.

Grant Shapps (Welwyn Hatfield) (Con): Some 80,000 homes will be built in Hertfordshire, mostly up in Stevenage, which is above my constituency. If my hon. Friend's amendment were accepted, would it be possible for my district to opt out of the grouping for a revaluation, or would it be linked with the revaluation because of the vast number of new homes in Stevenage?

Sir Paul Beresford: I am worried that as many hon. Members are citing areas in which they want revaluation, they seem to be supporting the view of the hon. Member for Southampton, Test that we might need to have a national one. Fortunately, there are a few hundred Members to go.

I have had ample assistance in explaining why it is necessary to make this small amendment to the Bill. I suspect, however, that the Minister will not accept it, although it would give us the opportunity, in a funny way, to support both the Bill and the reasoned amendment moved by my hon. Friend the Member for Brentwood and Ongar (Mr. Pickles) on Second Reading. I say that with a touch of concern because when my hon. Friend the Member for Poole (Mr. Syms) made his winding-up speech on behalf of the Opposition on Second Reading, he said that he felt that my right hon. Friend the Member for Skipton and Ripon and I were not following the party line. Perhaps I can persuade him to follow the proper line rather than necessarily the party line in this particular case. That might even tempt the Minister to accept at least the drive of the amendment.

If the Minister gives the matter careful thought, he will realise that the amendment could be useful. It would have been useful if such a provision had been included in the Bill, but I suspect that he rejected that opportunity, if it had even occurred to him, because it would have looked as if he were going for no national revaluation—at least not for a considerable time—which would have made his predecessor, the right hon. Member for Greenwich and Woolwich, who sat behind him on Second Reading, really upset, instead of just mildly upset.

Mr. Quentin Davies: On a point of order, Madam Deputy Speaker. I left the Chamber a moment ago—I apologise for such discourtesy to my hon. Friend the Member for Mole Valley and hope that I missed only a small number of sentences of his speech—to find out whether I could now get a copy of the Local Government Finance Act 1992. Staff of the Vote Office tell me that the Act will not be with them for at least an hour and a quarter, so we will have had about two hours of a debate on an amendment to a Bill that refers to a text that we cannot see. Is that your feeling of how the business of Parliament should be conducted, Madam Deputy Speaker? If it is not, may we accelerate the production of the text, or else suspend the sitting until the text is available?

Madam Deputy Speaker: The hon. Gentleman was in the Chamber when Mr. Speaker made his ruling about the urgency of getting the papers into the Vote Office.

[Madam Deputy Speaker]

That happened little more than half an hour ago. I think that we can proceed with the debate, and I will be informed as soon as the papers are in the Vote Office.

Mr. Gummer: Further to that point of order, Madam Deputy Speaker. When the Speaker made those points, it occurred to most of us that we were talking about a shorter period than two hours. Can you make sure that the Speaker himself knows that it is taking two hours for us to receive the text? The Speaker's words and their tone suggested to most of us that it would be a matter of a few minutes, or perhaps half an hour. May he please be informed of the matter?

Madam Deputy Speaker: My intention, which I hope will satisfy hon. Members, is to make further inquiries into precisely how long we might have to wait. In the meantime, we can proceed with the debate.

Mr. Forth: Further to that point of order, Madam Deputy Speaker. Perhaps you will help by allowing my hon. Friend the Member for Mole Valley (Sir Paul Beresford) sufficient flexibility to expand his remarks for about two hours, so that he could give us the benefit of his wisdom and we could postpone our contributions until we had the appropriate documents in our hands.

Madam Deputy Speaker: Perhaps I will not be minded to do that.

Mr. Greg Knight: On a point of order, Madam Deputy Speaker. I wish to put on the record the fact that the situation is more serious than you may realise. I went to the Vote Office today to ask for a copy of the Act and was told that it was not available, but I also went to the Vote Office yesterday and said that I wanted a copy of the Act before this debate commenced; I was assured that it would be available. A request for a copy of the legislation has been in force for more than 24 hours, yet we still do not have a copy of it.

Madam Deputy Speaker: I have already said that I shall make further inquires into how soon the necessary papers will be in the Vote Office.

Mr. Quentin Davies *rose—*

Madam Deputy Speaker: I do not intend to take any further points of order on that issue.

Mr. Quentin Davies: On a separate point of order, Madam Deputy Speaker. Leaving aside entirely the shambles of not having the Act today, is there not an important issue to be dealt with if this is not to set a precedent for the future conduct of Parliament's business? Will you make a ruling that in future the Government must make sure that all the relevant documentation is available to Parliament at least 24 hours before the debate begins, not two-and-a-half hours afterwards?

Madam Deputy Speaker: That is a matter for the Government. Members of the Government are present and will have heard the hon. Gentleman's remarks.

Sir Paul Beresford: For a moment, I feared that the carefully thought out suggestion offered by my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth)—that I speak for another two hours—would become a request from the Chair. One of the difficulties caused by my national background is that, like my previous countrymen, I tend to make speeches that are short and sweet.

I am relieved and pleased to see so many of my hon. Friends here to support my amendment—at least I hope that that is why they are here. I commend the amendment to the House.

Mr. Robert Syms (Poole) (Con): This is an interesting debate on an important amendment. The basic architecture of the Bill would put off revaluation. There is little difference between the Opposition and the Government on that. We think that postponement is a good thing because there is widespread concern about the revaluation originally set down in the Local Government Act 2003—the hon. Member for Southampton, Test (Dr. Whitehead) was wrong about that. The Government have had a genuine change of heart on proceeding with revaluation and referred the matter to the Lyons review.

Mr. Francois: I apologise for interrupting my hon. Friend, but he referred to the Local Government Act 2003, which is mentioned in clause 1(7) of the Bill. Is a copy of the 2003 Act available in the House this afternoon?

Mr. Syms: I am sure that the authorities have heard my hon. Friend's question. No doubt he read that legislation when it was discussed in 2003, as he was a Member at that time.

Mr. Quentin Davies: As my hon. Friend says, the Government's U-turn on revaluation in response to the arguments that we have advanced for the past year or so is welcome, but must not they still account for the money spent—misspent, rather—on the preparations—

Madam Deputy Speaker: Order. Perhaps the hon. Member for Poole (Mr. Syms) will speak to the amendment.

Mr. Syms: Thank you for your protection, Madam Deputy Speaker.

Amendment No. 3 is simple, but there is a debate to be had on whether the revaluation should be national—for the whole of England—or whether it can be done bit by bit. The amendment states that

"an order ... may be made in relation to an individual billing authority, a group of adjoining billing authorities or all billing authorities."

That seems to leave open several policy options. The Secretary of State may lay before both Houses an order for a national revaluation. Subject to the outcome of the Lyons review, I suspect that the Government will do that at some point.

1.15 pm

The second option under the amendment moved by my hon. Friend the Member for Mole Valley (Sir Paul Beresford), who is an acknowledged expert on local government, is to do something less than a national

revaluation. Within the terms of the amendment, there are several options available in that respect. A regional revaluation would be possible—as we discussed in the Committee, house prices change nationally, regionally and sub-regionally—so that revaluation took place bit by bit. In effect, we have already had a regional revaluation in Wales. Some of the concerns expressed by my hon. Friends arise from the consequences of that revaluation. Revaluation county by county would also be possible: in a large county such as Hampshire, one could get the agreement of all the billing authorities—the districts and boroughs—and produce a revaluation on that basis. It would also be possible on the micro-level, with revaluation only within a district or borough area.

Implicit in the amendment are major policy decisions on how to proceed, because council tax is one part of a jigsaw comprising council tax, unified business rate and the Government grant structure. Historically, both Conservative and Labour Governments have set a grant structure once they know what local billing authorities are collecting through council tax and the unified business rate, and various forms of redistribution go on. Members are often unhappy with the grant their area gets from central Government—it is a common theme. I have never heard an hon. Member say, "My local authority has more than sufficient grant," and it has been argued that the way in which grant is distributed ought to be revisited. A national revaluation, as the Government propose, leaves open the possibility of moving resources between regions and councils, which makes it the logical thing to do from a national policy perspective. My concern about the amendment is that revaluing bit by bit will prevent us from seeing the national picture and making judgments on needs and on particular areas.

Sir Paul Beresford: Will my hon. Friend give way?

Mr. Syms: Yes, of course.

Madam Deputy Speaker: Order. Perhaps the hon. Gentlemen will not mind my intervening to inform the House that the necessary document is now in the Vote Office. It has taken only slightly longer than the half hour that Members expected. There is a slight error, which is being corrected, but the document is now in the Vote Office.

Mr. Syms: Thank you, Madam Deputy Speaker. I give way to my hon. Friend.

Sir Paul Beresford: I am beginning to wonder whether I should do as was suggested earlier and give my speech all over again, because that might enable my hon. Friend to follow my argument. As I understand it, the system of valuation, revaluation and council tax banding gives two results. First, there is a distribution ladder within the banding system for redistribution of council tax itself. Secondly, the system is used to assess the ability to pay. I made it clear on Second Reading and very briefly today, in case I got stopped, that that would have to change and that it could be changed into a much fairer system that used Treasury figures on earnings and income tax paid within the billing authority areas.

Mr. Syms: I am glad that my hon. Friend has explained that—even though he is straying somewhat from party policy—because it is useful to the debate on amendment No. 3.

A national revaluation enables the setting of national policy objectives on the redistribution of money. That becomes much more difficult if revaluation is conducted on a regional, sub-regional or local authority basis. My fear as one whose county is not treated well by the grant system is that local revaluation might freeze an unjust distribution of the revenue support grant, which is one of the main political elements of that system.

Dr. Whitehead: The hon. Gentleman is right. In my previous intervention I should have referred to section 77 of the Local Government Act 2003, which derived in part from the 1992 Act. The 2003 Act is the one that requires regular revaluations to take place, which was the position of his party at the end of Second Reading. Is he saying this afternoon that because he does not feel particularly warmly disposed towards the amendment tabled by the hon. Member for Mole Valley (Sir Paul Beresford), he is in favour of regular revaluations, as laid down by the Local Government Act 2003, or he is not in favour of regular revaluations, as stated in the amendment moved by his party on Second Reading, or would he be prepared to cling to the lifeboat offered by the hon. Member for Mole Valley, which proposes some form of revaluation, but not necessarily that set out in the 2003 Act?

Mr. Syms: I do not want to stray too far, not because I do not want to answer the hon. Gentleman, but because I want to discuss amendment No. 3. On Second Reading of the Local Government Act 2003 the Opposition moved a reasoned amendment. I sat on the Committee which considered that Bill, as did the hon. Gentleman, I think. We had concerns about various aspects of that Bill—we agreed with some parts but not with others. At present we do not see the need for a revaluation. That is why we broadly support what the Government are doing.

Sir Paul Beresford: My hon. Friend is very patient. I would hate to shorten his speech, but one of the difficulties with his argument is that he does not recognise a lifeline when one is thrown to him and he is starting to blow bubbles from underwater. He ought to recognise my earlier point that the ability to pay is the second way in which the valuation and the spread of valuation is taken into account for the national distribution, under the Government's present formula. That would have to change, and it could easily be changed and improved, as I have already suggested three times this afternoon.

Mr. Syms: I thank my hon. Friend for putting that again on the record. The Lyons review is examining a range of issues, including banding and alternative ways of raising money via local government. The council tax as we know it may, therefore, not remain in its existing form in the future, particularly when we come to whatever date it may be for a future revaluation. The revaluation that we are putting off today was to have taken place in 2007. If we have a revaluation in 2010 or 2011, it may be with wholly different bands, they may be

[Mr. Syms]

progressive, and there may be changes and amendments to the system. My hon. Friend would like further reform of the manner in which we raise money, and I understand that.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): I draw the attention of the House to the fact that I am a chartered surveyor, a fellow of the Royal Institution of Chartered Surveyors and involved in practice in this matter. We now have a copy of the relevant Act that we are seeking to amend—the Local Government Finance Act 1992, and section 22B of that Act, as amended by section 77 of the Local Government Act 2003. There has been some comment in the House about that, so for the edification of the House I quote subsection (6) of section 22B, which states:

"Before a list"—

that is, a valuation list—

"is compiled under this section, the listing officer must take such steps as are reasonably practicable in the time available to ensure that it is accurately compiled on the date on which it is to be compiled."

There have been some comments in the press that entry into people's houses, photographs and other such intrusive measures could be contemplated in that exercise—

Madam Deputy Speaker: Order. I understood this to be an intervention.

Mr. Clifton-Brown: Yes, indeed.

Madam Deputy Speaker: Interventions, as the hon. Gentleman knows, are to be brief. I hope he has now concluded. I call Mr. Syms.

Mr. Syms: My hon. Friend the Member for Cotswold (Mr. Clifton-Brown) is speaking about the widespread public concern about Government inspectors and I do not intend to comment on that subject, as I wish to speak about amendment No. 3.

Mr. Clifton-Brown: The purpose of my long intervention was to say that such measures would increase the cost of such valuations. Does my hon. Friend agree?

Madam Deputy Speaker: Order.

Mr. Syms: There is no doubt that the cost of a national revaluation is a little under £200 million—£170 million or £180 million. I think the Government would acknowledge that. When my hon. Friend the Member for Mole Valley moved amendment No. 3, he said that one of the advantages would be that a revaluation could be done in smaller chunks by moving slowly throughout the country, doing particular regions, and there might be benefits in that. I accept that that might be true.

Sir Paul Beresford: I thank my hon. Friend for taking another risk by giving way. In fact, that is not what I said. Although what he suggested is conceivable, there is an opportunity to delay or even stop national revaluations by carrying out revaluations only in those areas or billing authorities where it became a necessity because of the spread across the banding system.

Mr. Syms: That is an interesting argument. Given the various options that amendment No. 3 allows, how would that be actioned? Would it be by public consultation? Would the Member of Parliament need to have an Adjournment debate? Would the billing authority, having decided that things were seriously out of kilter in its area, have to petition Parliament to be a special case for revaluation purposes? I cannot see that happening, but I can see that the moment one moves from a national revaluation on a particular date to a local revaluation, that raises a number of questions such as in what order, when, which authorities are included, why a particular authority is included, the appeal structure, what happens when one area undergoes a rebanding process but an adjacent area does not. Would there be complaints from residents in that area?

Mr. Forth: Does my hon. Friend not find at least slightly attractive the idea of a small expert hit squad of valuers moving seamlessly round the country valuing each district or region, instead of some massive bureaucracy attempting to value everything at once? With the nip and tuck approach, that little squad could apply the same principles around the country.

Mr. Syms: That is a point. The Government acknowledged in Committee that putting off the revaluation meant that 1,250 people who worked for the Valuation Office Agency would have to be made redundant. Many of them are on short-term contracts. An issue raised on Second Reading was how—

Madam Deputy Speaker: Order. We are not on Second Reading, and we will not have a repeat debate on Second Reading. We are dealing with the amendment.

Mr. Syms: Thank you for your guidance, Madam Deputy Speaker. I was led astray.

Mr. Gummer: Perhaps I can help my hon. Friend get back to the amendment. Does he accept that although this may not be the right amendment, the Government need to embrace the concept that we need a mechanism for going to specific areas where there is such great change that any alternative would be very much worse? Will he ask the Government to do precisely that—to take that element out of the amendment, so that it can be done?

Mr. Syms: My right hon. Friend makes a very good point. The difficulty is that if the current structure of council tax were settled, we could move away from a national revaluation, as the amendment suggests, and carry out regional or sub-regional revaluations, as we would still get similar bands A to H in each area. Under the Lyons review, the Government are considering alternatives, and—this is relevant to the amendment—they have the powers to vary the number of bands or make them more progressive, less progressive or whatever the Government want to do. If there was a

partial revaluation in one area of the country on bands A to H, but at a later date the policy changed so there was different banding in a different area, that would cause immense debate in the House. Until we settle the form of local government finance and the manner in which it is introduced, we cannot move from the concept of a national revaluation to the concept of a local revaluation. The Government are right that the Lyons review needs to examine all the options and report on them.

If amendment No. 3 were drafted more cleverly, the Government might want to consider it. In that case, the Secretary of State would have to return to the House and lay orders for a national revaluation. Perhaps the Lyons review should examine the matter. When the Minister replies to this important, short and specific debate, perhaps he will say that the Lyons review should consider amendment No. 3 very carefully. There are major changes in relative values and house prices, and they may occur in particular areas rather than nationally.

1.30 pm

We must consider a range of issues, and I understand the strength of feeling among my hon. Friends on the Back Benches. I have not made up my mind how I would vote on this one: my general instinct is to say, "No", but there are good reasons why the Government should throw the matter to the Lyons committee for further consideration. I shall listen to the rest of the debate, take into account hon. Members' points and advise my hon. Friend the Member for Mole Valley which way we would go, if he were to feel so strongly about the issue that he presses the amendment to obtain the opinion of the House.

David Howarth (Cambridge) (LD): There are two reasons why I shall be very brief. First, I am a late substitute for my hon. Friend the Member for Brent, East (Sarah Teather), who is sadly unwell. I hope that all hon. Members will join me in wishing her a speedy recovery. Secondly, I understand that there is some annoyance on this side of the House that we are taking this business rather than another debate today, which is a point that hon. Members raised at business questions. However, it strikes me that the protest would be more effective if we were to dispatch the business of the House without unnatural prolongation to demonstrate to the Government, as I said last Thursday, that we could have had both debates on the same day. I shall reiterate my party's position. We support the Bill and want to see revaluation stopped, for the simple reason that under the system of local government taxation that we would adopt—local income tax—no valuations or revaluations would be necessary in the first place.

On amendment No. 3, the hon. Member for Mole Valley (Sir Paul Beresford) has made a serious point. I agree with the hon. Member for Poole (Mr. Syms) that if we support the general idea of council tax, amendment No. 3 is an interesting idea that should be explored, and I hope that the Lyons committee will explore it. There is, however, a serious objection, which Conservative Members raised almost as soon as the hon. Member for Mole Valley rose to speak. As the amendment stands, the Secretary of State's power to order separate local or regional revaluations could be used in a politically biased way.

The hon. Member for Mole Valley has repeatedly raised another serious problem in the debates about the Bill—the connection between the council tax banding system and the grant that the Government hand out to particular local authorities. It would not be beyond the wit of the Government to use that connection to produce a politically interesting result, which has not been unknown in the past. In reply to that point, the hon. Member for Mole Valley said that he would institute a different system of calculating the grant. I was interested to hear him say that he would use a system based on income levels in various districts, which is the precise basis for equalisation under local income tax, and I urge him to go much further along that line of thinking.

Sir Paul Beresford: The hon. Gentleman is being provocative, and I refer him to what I said on Second Reading. There is a distinct difference between my position and local income tax—the proposition advanced by the Liberal party is mindlessly complicated and includes all the problems of the poll tax, and more.

Madam Deputy Speaker: Order. I remind the hon. Gentleman that we are not discussing any other kind of tax; we are discussing amendment No. 3.

David Howarth: I was about to make the same point, Madam Deputy Speaker. I would be glad to debate the merits of local income tax on a different occasion, but we are discussing a particular amendment to a particular Bill, which is very narrow in its scope.

If we were to adopt the system proposed by the hon. Member for Mole Valley, because income is distributed more evenly than property values the equalisation system would be easier to manage and less difficult to make work. Nevertheless, the central objection to amendment No. 3 is that the system, which is a good idea, would not appear in the Bill. If amendment No. 3 were passed, it would make the Bill worse rather than better. I urge him not to press his amendment to a vote and, perhaps, to discuss the matter with his noble Friends in another place to allow the introduction of a different version of the amendment that deals with the problems raised in the course of the debate.

Mr. Brian Binley (Northampton, South) (Con): I congratulate my hon. Friend the Member for Mole Valley (Sir Paul Beresford) on tabling the amendment. I also declare an interest: as many hon. Members know, I am a county councillor. [HON. MEMBERS: "Hear, hear."] Thank you very much. I am also the finance spokesman for Northamptonshire county council, which is currently battling a very difficult budget.

Let us get this out of the way, straight away—I believe that if we have a property tax, we must have a revaluation. I said that during the election and hope that I have not offended my hon. Friends on the Front Bench. That is my view and I have retained it. Amendment No. 3 is a way of ensuring revaluation, where local authorities think it necessary. Giving local authorities greater autonomy in that respect is a laudable objective.

Mr. Greg Knight: If what my hon. Friend has just said were in the amendment, I could agree with him. On reflection, does he agree that as the amendment is

[Mr. Greg Knight]

drafted, the power to order a partial revaluation rests not with local authorities, but with the Secretary of State, who may seek to use it to punish a particular area for voting for another political party?

Mr. Binley: My right hon. Friend has made a valid comment, but I argue that amendment No. 3 would at least allow local authorities to appeal to the Secretary of State for a local revaluation, which would be a step forward from the current position. As for the Government's ability to distort the measure, that power ranges over a very wide area, if they were to choose to use it. It is up to this House to scrutinise their activity and make sure that the use of such powers does not stray too far from what most hon. Members consider to be decent and fair.

Sir Paul Beresford: I thank my hon. Friend for supporting the amendment. In response to my right hon. Friend the Member for East Yorkshire (Mr. Knight), who is more paranoid and concerned than me and who is to my right in more ways than just geography, it is possible for the Government to change the funding system undercover and lay the blame on local government. However, it would be too open for the Government to distort the system in the way that he fears.

Mr. Binley: I understand that point and accept the dangers. However, I see the matter from a local government perspective, and I am sure that my hon. Friend does, too. On balance, it is in the interests of local authorities to take such action.

Turning to my other points, first, as I have said in this House and Westminster Hall, there is considerable uncertainty in local government that ranges from the revaluation being put off to the Lyons report. I therefore believe that we should give local authorities the opportunity to exercise at least some power; and I repeat the point that there is power in the ability to appeal to the Secretary of State. Unless we give local authorities some power in that respect, we will diminish them to the point where they become almost worthless. I want to increase, not decrease, their powers, and the amendment would achieve that.

Secondly, the degree of unfairness increases with every year that goes by when a revaluation does not take place. That must be so, because the need for revaluation is based on creating a fairness taking into account local changes. The amendment would enable local authorities to recognise those changes instead of being forced by a Government into a situation whereby unfairness increases. That would increase the value of local authorities in this respect.

Thirdly, there is no doubt that, by the very nature of the Government's decision on revaluation, local authorities will be increasingly under pressure with regard to appeals. My own local authority fears that as unfairness increases, so will appeals and complaints. Council tax payers put the whole issue of local taxation under considerable scrutiny as it becomes increasingly unfair. The amendment would give an outlet to local authorities in at least being seen to do something on behalf of their council tax payers.

Mr. Clifton-Brown: My hon. Friend makes an important point about unfairness. Does he agree that unless there are regular revaluations the differential between new and old houses, with new houses being valued as soon as they are built and old houses not being valued until revaluation takes place, will become ever wider, creating great unfairness between different constituents within the same billing area?

Mr. Binley: That is exactly the point that I was trying to make, and I am grateful to my hon. Friend for supporting me. He is absolutely right.

The sustainable communities programme will lead to massive changes in certain areas, dramatically increasing the need for revaluation. The Government say that they are fully committed to that growth agenda. In the light of that, the ability of authorities to appeal to the Secretary of State for local revaluation has considerable relevance.

Mr. Forth: I am becoming increasingly worried about my hon. Friend's touching faith in the integrity of a mechanism of appeal to the Secretary of State. He may have more faith in Secretaries of State than I have had hitherto, but can he tell me, hand on heart, that he really believes that any Secretary of State would deal even-handedly and fairly with the appeals to which my hon. Friend attaches such touching faith?

Mr. Binley *rose—*

Madam Deputy Speaker: Order. May I remind the hon. Gentleman to make his remarks relevant to the amendment, not just revaluation?

Mr. Binley: I understand and take your guidance, Madam Deputy Speaker. My point was that the amendment would enable local authorities in a growth situation to ask for their own revaluation, which would alleviate pressure on them. That has a relevant connection to the debate.

In response to my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth), no, I do not have that faith—

Madam Deputy Speaker: Order. I think that the hon. Gentleman's right hon. Friend might be leading him somewhat astray.

Mr. Binley: That certainly would not be for the first time, Madam Deputy Speaker, and I am grateful to you for pointing it out. Under your guidance, I shall ignore my right hon. Friend and continue with the points that I wish to make.

I want to refer to the comments of my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer), who is no longer in his place. He suggested that the Secretary of State might have too much power and asked whether he would be fair or could act politically.

I simply repeat that this House is the scrutiny body in this respect, and I hope that it would act in that way. However, I understand my right hon. Friend's point.

Mr. Clifton-Brown: Does my hon. Friend, with his huge experience of local government matters, agree that a Secretary of State does not actually have to use a power that he is given, but the mere threat of his having it could force some local authorities to carry out a revaluation?

1.45 pm

Mr. Binley: As I understand it, local authorities could carry out a revaluation only if the Secretary of State agreed to it. I have faith in the goodness of humankind. I see good when I look at the Government Benches, and I hope that that will be repaid to me by the Minister when he winds up.

To sum up very quickly—

Mr. Forth: There is no need to do that.

Mr. Binley: Well, I wish to do so. Again, I refuse to take the advice of my right hon. Friend.

The amendment would be good for local government administration and for the perception of local government. It would place in its hands at least the opportunity to request revaluation where it thinks it fit and proper and I hope that the Secretary of State would respond in good part to such a request. The amendment would give local authorities greater autonomy and a greater field of action in this respect, and as a champion of local authorities I would be in favour of that.

Local government has always been a political football, but this particular issue has added to the intensity of the game. That is sad. The amendment would help to relieve that situation by giving local authorities a safety valve where growth, whether forced on them or otherwise, is such that there is a real need for action that is not a national need. I thank my hon. Friend the Member for Mole Valley for presenting it to the House.

Mr. Francois: I rise to make a few points about the amendment. It is a pleasure to follow my hon. Friend the Member for Northampton, South (Mr. Binley), who is in effect the chancellor of Northamptonshire in this context. I wish him good luck with the challenges that he faces.

On Report, we can debate only the amendments that are before the House. I have some reservations about the way in which amendment No. 3 is worded and shall try to explain the reason for my concern. I have some sympathy with what my hon. Friend the Member for Mole Valley (Sir Paul Beresford) is trying to achieve, but I think, in all sincerity, that he may have tripped himself up slightly. Let me refer to new clause 1(2) to illustrate my point. That would give the Secretary of State a top-down power to permit a localised revaluation, which is the spirit of what my hon. Friend is trying to achieve in the amendment, but would also allow for a bottom-up request to the Secretary of State to exercise that power. I am worried that the way in which amendment No. 3 is drafted could allow the Secretary of State to decide, for some arbitrary reason—

Madam Deputy Speaker: Order. Perhaps the hon. Gentleman could address the Chair.

Mr. Francois: I am sorry, Madam Deputy Speaker. I was looking at my hon. Friend the Member for Mole Valley to try to emphasise my point.

The Secretary of State could, for some arbitrary reason, decide to impose a revaluation on a local authority or group of local authorities that are adjoining rather than comparable—as my right hon. Friend the Member for East Yorkshire (Mr. Knight) pointed out—and there might be some suspicion that that was being done for an open, or perhaps less open, political reason. If there were two separate amendments—the first to make the same provision as amendment No. 3 and the second to provide that the power could be exercised only in response to a request from the bottom, so that it could be effected only when a group of local authorities had got together to make that request—I would have more sympathy with the aim of my hon. Friend the Member for Mole Valley. In those circumstances, the Secretary of State could grant a revaluation only when there was clear evidence that the local authority or authorities had made the request.

Anne Main (St. Albans) (Con): Does my hon. Friend have any concerns about pressures, for example, to provide land for development more quickly—perhaps every five years when we are considering a 10-year revaluation—which could mean even greater pressures on revaluation? If land and buildings are provided more quickly, the revaluations can be done more quickly. Clause 1 would allow for that.

Mr. Francois: My hon. Friend makes a good point, which I intended to raise because it is the second reason for my concern about the amendment.

I have reservations about the amendment's drafting because the power is too broad. I would be more inclined to support it if it were drawn so that revaluation could take place only when a request had been made from the bottom up—from the relevant authority or authorities. I hope that I have made my first worry clear.

My second concern relates to growth, which several hon. Members mentioned, including my right hon. Friend the Member for East Yorkshire and my hon. Friends the Members for Northampton, South and for St. Albans (Anne Main). I am a Thames Gateway Member of Parliament, but the point does not apply only to that area. Some of my hon. Friends have argued that an area of especially high growth might give the local authority an incentive to revalue. I understand the logic of that but it is no secret that, in some of the proposed high growth areas, there is much local resistance to the amount of house building that the Government want. That is true of parts of the Thames Gateway and I believe it to be true of the other growth areas that have been mentioned.

If we allowed local authorities to revalue specifically in those areas on the basis of growth, residents and council tax payers might feel that they were being

[Mr. Francois]

doubly punished. Not only would they be asked to accept all the additional housing—to which many constituents and I are resistant—and the attendant pressures on infrastructure, which I do not need to repeat in case I stray out of order; all hon. Members are familiar with the arguments, but they would also get a revaluation thrown in. That is not likely to be popular with residents and council tax payers even if the local authority wanted a revaluation for understandable financial reasons. However, people just over the border of the development area would not have to accept so many houses, suffer the infrastructure pressures or get the revaluation thrown in.

Sir Paul Beresford: My hon. Friend must take account of the point that, if the local authority does not increase its total tax take, the distribution in the area will be evened up only if the Government recognise that the way in which they assess ability to pay—based on valuation band spread—must be corrected and moved not towards local government, as the Liberal party suggests, but a Treasury assessment. The Treasury already conducts such assessments.

Mr. Francois: I understand my hon. Friend's point. I, too, served in local government, albeit not at the same senior level. My hon. Friend successfully led Wandsworth council in London. However, although I understand his technical point, I was making a more avowedly political point. We all know that the growth is controversial and a potential consequence is that people would get a revaluation thrown in on top. Those people are suffering enough.

Mr. Gummer *rose—*

Mr. Binley *rose—*

Mr. Francois: I shall give way to my right hon. Friend first.

Mr. Gummer: Will my hon. Friend consider the other side of the argument? If the people who live near the new development feel that they are unfairly taxed because of the change, would not revaluation on a local basis have the opposite effect to that which he adduces? The revaluation would make them happier because it would be fairer not only to the new people but to them.

Mr. Francois: I understand my right hon. Friend's point, but if one considers, for example, the experience in Wales, revaluation has been relatively unpopular. If one could guarantee that the bulk of the people in a growth area would be pleased to be revalued, his argument would carry more weight. However, I believe that they would be happy to be revalued in isolation when people who lived nearby did not have to accept the additional houses and the attendant pressures or revaluation. I hope that I can deal with that matter in more detail if I am lucky enough to catch your eye on Third Reading, Madam Deputy Speaker. I understand the constraints on the current debate.

The overall problem is with the inequitable nature of the funding formula whereby so much local government money derives from the Treasury. I shall not go further but changing the formula and making it more equitable, not accepting the amendment, is the way to deal with that.

Does my hon. Friend the Member for Northampton, South want to intervene now?

Mr. Binley: No, my hon. Friend has now covered the point that I wanted to make and I thank him.

Mr. Francois: In that case, I shall conclude my remarks.

Mr. Clifton-Brown: My hon. Friend is an expert on the matters that we are considering. He served on the Committee that considered the Local Government Act 2003. He knows that, when tax is raised by revaluation, the system already provides for redistribution to transfer money from higher-based to lower-based authorities. Would not accepting the amendment create a genuine incentive for that to happen?

Mr. Francois: My hon. Friend and I both served on that Committee and I greatly enjoyed the debates. I genuinely understand the aim of my hon. Friend the Member for Mole Valley in amendment No. 3, but the way to tackle the problem is by dealing with the inequity of the funding formula in the round. That is the nub of the problem. I hope that we shall take that on instead of accepting the amendment, which simply tweaks a much larger problem.

I understand what the amendment tries to achieve. If two separate amendments along the lines of the subsections in new clause 1 had been tabled, I might have been tempted to vote for one but not the other. Unfortunately, I am worried about supporting the amendment as drafted because the power is too broad and the Secretary of State could abuse it in certain circumstances.

Mr. Christopher Chope (Christchurch) (Con): I support amendment No. 3, which was tabled by my former colleague on Wandsworth council, my hon. Friend the Member for Mole Valley (Sir Paul Beresford). It is an ingenious amendment, which introduces flexibility and could go a long way towards dealing with the problem of perceived and actual unfairness in specific local authority areas.

I should like to show what the amendment could do in the case of the two billing authorities in my constituency, Christchurch and East Dorset. Those local authorities have experienced much higher than average increases in council tax per dwelling since 1993. A much higher than average percentage of people who are 65 and over live there. There is therefore probably a strong case for considering revaluation to get a fairer distribution of the burden within those local authority areas without affecting the overall grant distribution mechanism.

Mr. Forth: Before my hon. Friend becomes too enthusiastic, does he agree that the original wording in the Bill makes it clear that the Secretary of State will take the action? Sadly, all the amendment would do is allow the Secretary of State to use his discretion in determining whether action should be taken locally or

regionally. Why does my hon. Friend, even in the early stages of his remarks, appear to imply that we should be hopeful that the anomalies, which he is about to describe in some detail, could be corrected by the Secretary of State, of all people?

2 pm

Mr. Chope: I think that the anomalies could be corrected by a Secretary of State of a Conservative hue. That is why I think that there is some merit in the amendment. I accept the reservation articulated by my right hon. Friend and others who think that such a power given to the current Secretary of State would indeed be abused. There is some evidence that the Secretary of State's capping powers have been abused and used to bear down unfairly on small Conservative-run local authorities.

Mr. Francois: To drive the point home again, the reservations of some of us, to draw another parallel, are based on some of the planning decisions made by the First Secretary of Sate. I know that we are not debating planning this afternoon, Madam Deputy Speaker, but on a number of occasions local inquiries have found one way and the First Secretary of State has overruled the decision of the local inspector. Real practical examples therefore exist of the Secretary of State going beyond the merits of his powers. Those are additional reasons for our concerns.

Mr. Chope: My hon. Friend makes an excellent point. Of course, the First Secretary of State talks a lot about localism, but in reality he is in favour of centralisation. The amendment tabled by my hon. Friend the Member for Mole Valley would introduce a degree of localism into the process, and it would be useful for that reason.

I am not sure whether Members realise the extent to which average council tax per dwelling has increased since 1993–94. The Halifax has done some useful work on the subject, and the average council tax per dwelling in 1993–94 was £456, whereas this year it is £1,009. That is an increase of £553, or 121 per cent., when average net income has gone up by 82 per cent. That is an increase of about 50 per cent. more than the increase in average net incomes.

The Minister for Local Government (Mr. Phil Woolas): Does the hon. Gentleman accept that the Halifax survey, by its own admission, did not take into account the effect of council tax benefit and age-related payments?

Mr. Chope: Certainly. That does not undermine my argument, however, that the overall average council tax bill has increased by 121 per cent. since 1993–94, when the national average net income has increased by 82 per cent.

Mr. Gummer: Does my hon. Friend agree that we knew that that would happen because it became clear from the Red Book that the Government intended to move a greater weight of local authorities' costs to the council tax, and then to blame the local council for the increase in tax?

Madam Deputy Speaker: Order. We are not discussing the clarity of local government finance.

Mr. Chope: My right hon. Friend is right.

Beyond the Government's overall policy to increase the national burden of council tax faster than the rate at which national incomes have increased, the situation is much worse in some local authority areas and the amendment might address that. For example, in my constituency, under the Christchurch borough council billing authority, in 1993–94, the average council tax per dwelling was below the national average at £441 per dwelling. This year, however, it is £1,193 per dwelling—an increase in the average bill of 171 per cent., which is 50 per cent. more than the England average. To take up the Minister's point that that does not take account of council tax benefit, the amount of council tax benefit in Christchurch is very small, with only 16.2 per cent. of households receiving it. We know, however, that more than 30 per cent. of the population are aged 65 and over. It is a privilege to be one of the younger people living in Christchurch. I am conscious of the burden faced by pensioners and those on fixed incomes.

The situation is similar under East Dorset district council billing authority, which covers another part of my constituency. There, in 1993–94, the average council tax per dwelling was £516, significantly above the then national average, but it has continued to increase, going up by 163 per cent. since then, and is now no less than £1,356 per dwelling. That is about £350 more per dwelling than the national average. It is not surprising, therefore, that my constituents come to see me frequently to complain about the actual and perceived unfairness of the council.

Mr. Greg Knight: What would my hon. Friend's constituents say if amendment No. 3 were incorporated into the Bill and became law, and the Secretary of State made an order that one of my hon. Friend's billing authorities should revalue, but not the other?

Mr. Chope: My constituents would be angry with the Government for using such perverse reasoning. My right hon. Friend identifies what I see as a weakness in the amendment, but it is not such a weakness that we should not support it today. The amendment demonstrates some lateral thinking about how to try to introduce greater fairness into the system, rather than leaving things drifting under this Government. The prospects are that council tax will continue to increase way beyond the rate of inflation, and will increase by a higher rate in small district council areas such as Christchurch and East Dorset than in the metropolitan, urban areas that used to be regarded as Labour heartlands.

There is a problem, and I am not saying that the amendment is the perfect solution to it, but it contains the prospect of introducing some increased fairness. A revaluation in Christchurch or East Dorset would show which houses had increased in value by more than the average for the area, and which had increased by a lower proportion. The bills that were issued could then be adjusted to reflect that new equity. That should be a zero sum game within each local authority area, because otherwise we would end up having to pay much higher bills because of the redistributive effects of the national

[Mr. Chope]

grant system. Provided that it was a zero sum game, such a measure might have a role to play within an individual local authority area. The Secretary of State might decide which local authorities to include, but he might also want to start off by saying that the pensioners are really the ones complaining most about the unfair burden of council tax, and that, therefore, in all local authority billing areas where the proportion of the population aged 65 and over is higher than, say, 25 per cent., there should be revaluation to see whether the burden on pensioner households could be reduced.

At the moment, the council tax is essentially a stealth wealth tax, and the value of properties is being used as a proxy for ability to pay. We know jolly well that the ability to pay of many pensioner households is very small.

David Howarth: I accept that what the hon. Gentleman says is true in part, but one problem with his argument is that about a quarter of households that pay council tax—those in council housing, housing association housing or private rented accommodation—do not own the property on which the tax is calculated. To that extent, therefore, it is not a wealth tax.

Madam Deputy Speaker: Order. I think we are straying a little wide of the amendment.

Mr. Chope: I accept that council tax is not wholly a wealth tax, but it is being used as one by the Government, which is one reason why we were so strongly against—

Madam Deputy Speaker: Order. I hope that the hon. Gentleman will relate his remarks to the amendment.

Mr. Chope: I shall certainly go back to the argument that I was deploying, Madam Deputy Speaker.

Another criterion that the Government could use when deciding in which billing authorities a revaluation should be held could be the percentage of households receiving council tax benefit. When I was a Minister in the then Department of the Environment, one of the Treasury's biggest concerns was the increased bills that resulted from high rates. The Government could decide to hold a revaluation in areas where the percentage of take-up of council tax benefit was relatively low. In Christchurch and in East Dorset, council tax benefit is available to far fewer households than it is nationally, and in East Devon the figure is only 13.7 per cent.

Anne Main: As my hon. Friend has so far mentioned only pensioners and people in receipt of council tax benefit, is he suggesting that, as part of the revaluation process, we should look more at the occupants of the property than the property itself?

Mr. Chope: I am illustrating a possible criterion upon which the Government might choose to exercise their discretion under the amendment. Does not my hon. Friend agree that the burden on pensioners is particularly great? Indeed, the Halifax paper pointed out that the burden of council tax had risen most among the pensioner population.

Anne Main: There may be many elderly pensioners suffering in that way in my hon. Friend's constituency, as there are in mine, but they often occupy larger homes than they need and cannot afford to downsize, so they could be disproportionately disadvantaged in a revaluation.

Mr. Chope: That remains to be seen. As I said, it would be a zero-sum game. In my constituency, more modern bungalows, where people moved in more recently, or bungalows that have been modernised and extended would probably rise in value relative to properties occupied by more senior pensioners—people in their 80s and 90s, of whom we have a large number in Christchurch.

Sir Paul Beresford: May I slightly disagree with my hon. Friend? The whole point of the driver that I am proposing is that there would be revaluation where a change in the value of properties in a billing area needed to be reflected. He is drifting on to a point that I covered on Second Reading: rather than using valuation, there is a fairer way to redistribute council grant. That would cover what he seeks.

2.15 pm

Mr. Chope: I shall not refer to Second Reading, Madam Deputy Speaker, as it is a verboten subject, but I am sorry that my hon. Friend thinks that my support for his amendment is misplaced. It gives one the opportunity to point out just how unjust the present system is and how unfairly it impinges on particular billing areas and councils and particular groups of people in those areas.

The other part of my hon. Friend's amendment has great virtue, as it would enable the revaluation process to be carried out incrementally—if it has to be carried out at all. Having studied the Valuation Office Agency report, I was horrified, as it shows that an enormous number of staff were taken on for the national revaluation and, despite the fact that the Government have said that there will be no national revaluation during the lifetime of this Parliament, a large number of those extra staff are still in post, because the VOA has a no-redundancy policy.

The Minister is grimacing, but I can illustrate what I said by reference to figures from the VOA annual report and accounts for 2004–05. On page 29, the VOA crows about the fact that it has taken 1,200 extra staff to deal with the national revaluation, yet the Minister told the Standing Committee, that as a result of the Government's decision not to go ahead with the revaluation, there had been a number of redundancies. However, the number fell far short of the 1,200 extra staff taken on during the last financial year. He said:

"The immediate impact is that some 420 staff working on casual and fixed-term contracts will leave the agency by this Friday."

I think that was the Friday before last. He continued:

"The agency is also running an early departure scheme for permanent employees"—[*Official Report, Standing Committee A*, 15 November 2005; c. 24.]—

Madam Deputy Speaker: Order. Will the hon. Gentleman help me by indicating how that relates to amendment No. 3?

Mr. Chope: It would be the consequence of having a national revaluation in one big chunk. Amendment No. 3 would give the Government scope to carry out revaluation in bite-size chunks, which would mean that the VOA did not need to employ so many staff, as those working on a valuation in one year could move on to another one in the next year. That is what happened in Wales. Some of the VOA staff employed for the revaluation in Wales were redeployed to deal with the start of revaluation in England.

I am illustrating the consequence of the peaks and troughs in demand for VOA staff necessitated by a national revaluation. Those peaks and troughs could be ironed out if revaluation was in bite-size chunks. I am trying to illustrate the benefits of the amendment by drawing attention to the costs, which are on the public record—how much the Government have wasted by moving from what was to be a national revaluation to no valuation at all. They took on extra staff and are keeping many of them on, doing I know not what.

Mr. Forth: My hon. Friend pre-empts something of what I thought I might explore myself. I have a similar reference, which I may cite should I catch your eye, Madam Deputy Speaker. Has he any feel for the relative costs of the national structure—buildings, staff and so on—on the one hand, which would be required by a national valuation approach, as opposed to a more transient, small, mobile force that could move around the country, on a local or regional basis, as he described? We might be able to tempt the House to vote for the amendment of our hon. Friend the Member for Mole Valley (Sir Paul Beresford) if we could demonstrate that benefit.

Mr. Chope: My right hon. Friend makes a good point but unfortunately I have no figures to illustrate it. All I can do is to illustrate the costs of a national scheme with its inherent inflexibility. As I understand it, despite the fact that that role has been withdrawn from the VOA, the Minister said in Committee that 600 staff would leave the agency between 30 March and 30 June 2006. What are those 1,200 staff doing in the meantime? Why were they not made redundant immediately, given that the function that they performed was removed? The Minister may feel for the families and the employees—

Madam Deputy Speaker: Order. The hon. Gentleman's concern has been noted, but that is sufficient.

Mr. Chope: I am grateful, Madam Deputy Speaker. I am sure that you are right that the House has noted our concern about the plight of people who are seduced into jobs that they believe to be long-term only to find that that is not the case.

Madam Deputy Speaker: Order. I remind the hon. Gentleman that we have heard sufficient on that particular point. He may now continue with his remarks.

Mr. Chope: Certainly, Madam Deputy Speaker. My hon. Friend's amendment would require a much smaller cohort of staff who, as my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) said, could be sent around the country at the behest of the Government to carry out a rolling valuation. The amendment has two great virtues. It is not perfect, but it is much better than nothing, and it demonstrates the imagination that Conservatives bring to the subject, given our constituents' frustration with the fact that the Government insist on maintaining an unfair system that penalises many of them.

Mr. Greg Knight: You will be aware, Madam Deputy Speaker, that I raised my concern at the outset about the absence of a copy of the Local Government Finance Act 1992. May I place on record my gratitude to you, the Speaker, the Clerks of the House and everyone involved in producing that document? In the past few minutes I have received a hot copy fresh off the photocopier. It is nearly 2 in thick, and consists of more than 200 pages, so I do not know how I am supposed to digest it while addressing the House. I believe that the Speaker will support my view that that must never be allowed to happen again.

Mr. Forth: I appreciate my right hon. Friend's frustration. Even though his ability to digest material his legendary, he may wish to concentrate on the provisions in the Act that are explicitly referred to in the Bill and the amendment. I have done a little work on that, and I hope to help the House with the fruits of my labour later. If my right hon. Friend concentrated on section 22 of the Act, referring to section 21 on which it rests, that would naturally lead him to the amendment and the Bill itself. My right hon. Friend need not be alarmed—

Madam Deputy Speaker: Order. The right hon. Member for East Yorkshire (Mr. Knight) has had sufficient help.

Mr. Knight: I thank my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) for his advice, and I shall peruse the Act in greater detail as we proceed. However, given that I asked for a copy yesterday, it is not satisfactory to have to mug up and refresh my memory of an Act of Parliament that I helped to steer through the House as a Whip.

I pay tribute to my hon. Friend the Member for Mole Valley (Sir Paul Beresford) for initiating this debate. Whatever one's view of the sloppy drafting of his amendment, this is an important debate. There are merits in the broad principle of his amendment, because it has often been impossible for Governments to conduct national revaluations. The revaluation scheduled for 1938 was deferred for two years, but the second world war broke out, so it never took place. A revaluation was scheduled for 1952, but it was deferred until 1953, and was eventually carried out in 1956. A revaluation was scheduled for 1961 under a Conservative Government, but it was deferred until 1963. The Labour Government that followed deferred the 1968 revaluation.—*[Interruption.]* Indeed, that Government did not carry out a revaluation at all, and it was Edward Heath's Conservative Government who carried out a revaluation in 1973. Throughout our history, therefore, there have been occasional problems with getting national revaluations off the ground. If we

[Mr. Knight]

cannot undertake a national revaluation we should consider whether it is worth undertaking a regional or partial revaluation.

I therefore do not oppose the principle behind my hon. Friend's amendment but, given its poor drafting, I am afraid that I cannot support him. I have explained why in my interventions. A politically motivated or malevolent Secretary of State, for example, may decide to make a blatant political order to carry out a revaluation of properties in areas that voted for another political party—perhaps the Conservatives or the Liberal Democrats—to teach the residents a lesson. My right hon. Friend the Member for Bromley and Chislehurst asked about judicial review, but I am not confident that such a review would work in those circumstances, because that Minister would be unlikely to say publicly that the basis of his decision was his wish to punish voters, even though that was the motivation behind his order.

David Taylor (North-West Leicestershire) (Lab/Co-op): The right hon. Gentleman is talking about a politically motivated or malevolent Secretary of State. He was the well-regarded MP for Derby, North when, for many years, the Conservative Government were politically motivated against my adjacent county of Leicestershire. Does he not agree that they were notorious for their politically motivated council funding?

Mr. Knight: You will stop me if I stray too far in responding to that question, Madam Deputy Speaker. I do not accept the hon. Gentleman's allegation. For a period, I was sponsor Minister of the city of Derby, and I did whatever I could, whenever I could, to bring more money and investment into the city.

Make no mistake that bullying takes place. Birmingham city council has removed one of the Government's precious bus lanes to reduce congestion, and the Secretary of State has threatened the council with loss of grant unless it reinstates that lane. Ministers do make threats to local authorities, so my concern is not exaggerated or far-fetched.

My hon. Friend the Member for Mole Valley described me as paranoid on this issue. I would put it this way: I am rightly concerned about corruption of power. Are we to pass a sloppily drafted amendment that gives a Secretary of State the unfettered right to make an order in any circumstances that he chooses? The amendment puts no limitations on the exercise of his power; nor does it say that he has to consider what has happened to property values or to population movement. I am deeply concerned that the provision could be used in an unfair way.

2.30 pm

Mr. Gummer: My right hon. Friend is making a serious statement and, more serious, it is now almost universally accepted that such pressure, such institutional corruption, is part and parcel of the means by which the Government operate.

Mr. Knight: I am making a serious point and I do not make it lightly. In the process of legislating, we should come to the Chamber to put our concerns on record. I have some sympathy with the principle behind the amendment, but because the House is not a debating society and because we are making legislation, I must tell my hon. Friend the Member for Mole Valley that I cannot support him if he pushes the amendment to a vote. I fear that, potentially, the amendment would give unbridled power to the Secretary of State, who might use it in a malicious way against certain local authorities.

Mr. Gummer: Does my right hon. Friend agree that the other problem is that the amendment could be a means whereby the Secretary of State could cover up the fact that the real reason for the heavy cost of local government in particular areas was the manipulation of the grant, rather than the incidence of the council tax?

Mr. Knight: That is another of my concerns. Given the wording of the amendment, I am not satisfied with the phraseology that my hon. Friend has used. He says that the Secretary of State may make an

"order . . . in relation to an individual billing authority, a group of adjoining billing authorities".

I cannot grasp why my hon. Friend felt it necessary to use the words "adjoining billing authorities". If the amendment merely referred to a number of billing authorities and omitted "adjoining", I could understand that approach. As I said when I intervened on him earlier, the use of a limiting word in the amendment means that the Secretary of State may not be able to make orders for comparable billing authorities.

In my view, the drafting of the amendment is dangerously defective. For that reason, it cannot be supported.

Mr. Francois: From memory, I think that it was Lord Acton who said that power corrupts and that absolute power corrupts absolutely. Does my right hon. Friend agree that the problem with the amendment is that it does not give the Secretary of State absolute power, but gives him too much power? That is not counter-balanced by a requirement that a request for revaluation must be seen to have come from the local authority or authorities in question. Does my right hon. Friend share my concern?

Mr. Knight: My hon. Friend is right; I share his concerns. He has put his finger on the problem. If the amendment stated that an order may be made only where a billing authority has made the request, all my objections would disappear. It is as simple as that. It is a dangerous precedent if a Secretary of State can instigate a review without a local authority wanting it. That is why I cannot support the amendment.

David Taylor: I aim to be of assistance to the right hon. Gentleman. The amendment refers to "adjoining . . . authorities". It was pretty well known during the period of London government when the Conservative party was in power that particular favour was shown to what I believe are adjoining authorities, at one point at least, of Westminster and Wandsworth. Are we to allow for the possibility of that approach in future, with

generosity and the distribution of largesse on the part of a Tory Government, should there ever be one in the first half of this new century?

Mr. Knight: In this debate I have left my political axe outside the Chamber. I would be against the amendment being put into the Bill even if we had a Conservative Government. It is our duty to build into legislation the checks and balances that prevent a Minister from any political party from abusing his position.

Sir Paul Beresford: Perhaps I can help my right hon. Friend with the intervention of the hon. Member for North-West Leicestershire (David Taylor), which was geographically and factually wrong. In the distribution of council tax, the inner London area—Wandsworth and Westminster—regularly received the lowest or second lowest grants.

Mr. Knight: I am obliged to my hon. Friend for that intervention.

Mr. Binley: Does my right hon. Friend agree that the Office of the Deputy Prime Minister has undertaken a redistribution from struggling midland counties to northern counties that are in many respects better off in terms of local government grant, exactly as has been described?

Mr. Knight: Indeed—and the drafting of amendment No. 3 would allow the Deputy Prime Minister to pursue a regional policy. He could decide to order a revaluation in a whole region.

When considering whether we should allow a piecemeal approach, we should consider the wider issues of national planning. My hon. Friend the Member for Christchurch (Mr. Chope) made a good point in saying that staff costs could be blown out of all proportion when a national revaluation was deferred. I accept that that would not be a consideration if amendment No. 3 were passed, because the staff costs would be much lower, but I do wonder why those carrying out the task must be employees of the state. Why not involve the private sector? Why can the service not be bought for the period during which it is required? That, however, is a debate for another day.

Another defect of the amendment is that it does not provide for an appeal process. If the Secretary of State is to instigate the review and if it will not rely on a trigger from a local authority, the local authority ought at least to have a voice. It should at least be able to ask not to be made to undertake a revaluation as a billing authority, and to list its reasons for not wishing to undertake the revaluation. The Secretary of State should then be obliged to consider those reasons.

Mr. Woolas: Far be it from me to be fair to the hon. Member for Mole Valley (Sir Paul Beresford), but I assume that he intended the order to be subject to parliamentary approval.

Sir Paul Beresford: That is right.

Mr. Knight: My hon. Friend says, sotto voce, that that is right, but I am not reassured. That is not what I mean by an appeal process. We all know what would happen: a Secretary of State who made an order, perhaps for the wrong reasons, would simply whip members of his party to vote it through. We see that time and again. It is not an appeal process; it is what the late Lord Hailsham described as elective dictatorship, and I do not regard it as a satisfactory safeguard. If we are to accept the principle of amendment No. 3, we need a proper appeal process whereby the Secretary of State's decision can be challenged and he can be required to reveal why he has made the order. We have not yet reached amendment No. 4, but it at least requires the Secretary of State to

"give reasons for his decision".

Amendment No. 3 does not, and that is yet another area in which it is deficient.

My hon. Friend the Member for Mole Valley did the House a service by allowing us to debate this issue, but the wording of his amendment renders it a wholly unsatisfactory vehicle, and I hope that he will withdraw it. Someone asked earlier why we should not refer it to the Lyons committee, but I should prefer it to be withdrawn completely, and I should like a rethink to take place.

Mr. Gummer: I too thank Mr. Speaker for ensuring that we were provided with the Local Government Finance Act 1992, on which the amendments rest. I hope that the House will never again have to debate without such information. I also hope that the cost of providing it, which must have been considerable, will be met not from the House of Commons appropriation but by the Minister, because it was incurred as a result of a change in the order of today's business. Governments should take seriously the cost of changes that are often made for not altogether wholesome reasons. I like to know that if people cause the cost, they pay the cost.

This is an important amendment and I came into the Chamber, what now seems like a long time ago, to support it—but the more I have heard the debate, the more I think that there are some key issues that need to be teased out. I hope that I can encourage the Minister to take the gravamen of the proposal seriously, even if he does not accept the format in which it is presented.

Mr. Greg Knight: I agree with my right hon. Friend that this is an important debate—so does he share my disgust that at this moment in our proceedings, there is not one Labour Back Bencher, apart from a Parliamentary Private Secretary, in the Chamber?

Mr. Gummer: I was not going to draw attention to that. It was so surprising that a matter of such importance to the future of local government had not attracted even one person with any interest in the subject from the Labour Benches, that I had almost forgotten how to say so in a polite manner. That is outrageous—unequalled, I would have thought. I cannot remember a local government debate of this nature in which the Government party has not had a single Back Bencher here. Perhaps they are all as confused as the one whom we heard from earlier—

Mr. Deputy Speaker (Sir Michael Lord): Order. The right hon. Gentleman is a seasoned speaker in this House, and I think that he would now like to come to the amendment before us.

Mr. Gummer: I quite agree, Mr. Deputy Speaker. As you will have noticed, I was meaning to go on without mentioning the absence of Government Members, but I was led astray by my right hon. Friend. May I suggest, however, that the debate has been extremely valuable, and that you have missed a great treat by not having been in the Chair for most of it? At stake is an issue of huge importance, concerning the complex way in which the local government impost relates to the central Government grant.

The difficulty that my hon. Friend the Member for Mole Valley (Sir Paul Beresford) has addressed in his amendment is the difficulty that anybody has in understanding why the council tax in his particular locality is what it is. Council tax is subject to three differing pressures, one of which my hon. Friend has tried to address. The first, of course, is what the Government decide is a suitable sum for that local authority to have in grant. The second is what the local authority decides is a suitable sum to raise in council tax. The third is the incidence of that council tax as spread over the whole area.

My hon. Friend talked about the Government's determination in the Bill. I agree with that determination, and I only wish that the Government had agreed with me on the hustings in my constituency, when I explained so clearly why a revaluation would be entirely wrong at that time. I was told by my opponent, who belonged—and, I think, still does belong—to the Labour party, that a valuation was essential. As a country councillor, he was determined to explain to me that I did not understand the issue, and why we had to have a valuation. Now I understand that it was not essential, and that despite being a county councillor, he was wrong. I only hope that the Minister has written to him to explain how foolish he was to have accepted that doctrine from the Labour party during the election campaign.

Now there will not be a revaluation for the foreseeable future. However, in certain specific parts of the country there will be significant, untoward, out-of-kilter changes for houses that have been built relatively recently. That will cause real local problems, for which the Minister has no remedy—and my hon. Friend the Member for Mole Valley has been trying to produce a remedy for him.

Mr. Woolas: The right hon. Gentleman is of course a former Secretary of State and he knows what he is talking about. Does he agree that the valuation process, which has been postponed, is necessary if one is to have a property tax? Alternatively, does he agree with what I understand to be his party's policy, which is that no valuation is required?

2.45 pm

Mr. Gummer: One of the pleasures of being a Back Bencher is that one does not have to be too closely acquainted with the minutiae of the way in which a particular issue has been approached by whomsoever happens to be in charge of that area at a given time. *[Laughter.]* The Minister must therefore ask others whether I am in that sense in order or out of order; you, Mr. Deputy Speaker, will of course ensure that I am in order in the parliamentary sense. I simply say that if one is to have a property tax, one must have a valuation system. That seems obvious, and in saying so I do not think that I am falling out with anyone. There might be a question as to when one introduces such a system. We did not say that we should never have one; we said, rightly, that we should not have one in those circumstances.

The Minister can say all sorts of things but the truth is that, as we all know, we were right about this issue at the election, he was wrong and he has now come to our opinion. We are now going to discuss what difficulties even our earlier, right decision throw up. I am merely suggesting, from what I consider a non-partisan position, that the Minister needs some mechanism. We have to ask ourselves whether the mechanism suggested by my hon. Friend the Member for Mole Valley is the right one. If it is not, we must get the Minister to take that part of the mechanism which is of value, and perhaps table an amendment himself in another place. That is the right way to proceed.

David Taylor: I agree with the right hon. Gentleman that it is acceptable for a Back Bencher to be detached from the minutiae of the matter under discussion. Is he surprised to learn that just a moment or two ago, the hon. Member for Mole Valley (Sir Paul Beresford), a former leader of Wandsworth borough council, "corrected" my geography by saying that Wandsworth and Westminster are not adjacent. They are adjacent, as the House of Commons Library has just demonstrated for me. Nine Elms faces Pimlico across the river. I wanted to put that correction of the hon. Gentleman's false correction on the record.

Mr. Gummer: I do not think it right for me to deal with the geographical issue that the hon. Gentleman raises, but the essence of his point is entirely wrong. Having attacked the money that went to Westminster year in, year out when the Conservatives were in power, on taking office this Labour Government found that the figures were absolutely right, and that they had to stick by the truth of the then Government's position. The hon. Gentleman has forgotten what has happened in the past eight years and he ought to remember it.

As I said, if we are to have a property tax, we must have a valuation system. I am in favour of a property tax, having looked at every other system. I know that it would be wrong to discuss those systems now, but I must tell the Liberal Democrats that the worst system that I came across was local income tax. It was—

Mr. Deputy Speaker: Order. A little while ago, the right hon. Gentleman said that I had missed a lot of a very interesting debate. I have been following it very closely from outside the Chamber—as, of course, I always do with such debates—and I have noticed the number of times that Members have had to be called to order to ensure that they address the amendment. I am doing that yet again to the right hon. Gentleman, and I tell all Members that I want them to speak to the amendment; otherwise, I shall pull them up rather sharply.

Mr. Gummer: I am grateful, Mr. Deputy Speaker; I should have phrased my argument in the following, slightly different way. Because I find the alternative so

impossible, it is very important to make this system work, which is why this amendment is so crucial. It would not be so crucial were it not for the fact that, if we do not make the council tax arrangements work effectively, we will not have a better alternative. So this debate is as important as I suggested to you that it was, Mr. Deputy Speaker, when you first took the Chair.

So the issue is: how do we approach this part of the mix that makes the council tax? The council tax is a property tax. Few countries have been able to handle taxation without some form of property tax. Ireland tried to do without one, but I suspect that it has been trying to change back—a difficult thing to do. The real problem was identified by my hon. Friend the Member for Rayleigh (Mr. Francois). He rightly said that he represented the Thames Gateway, where the changes promised—if that word is not too generous—by the Deputy Prime Minister will make this problem especially difficult.

The difficulty is that perception and reality are often very far removed from each other when the system involves so many components working together. I do not know about the Minister's constituency—or yours, Mr. Deputy Speaker—but I am willing to bet that not many people in anyone's area would be able to explain the interpenetration of the various elements, year on year. Therefore, we need to make the system more transparent rather than less transparent.

Mr. Francois: Does my right hon. Friend agree that the great complexity of the system makes people wary about revaluation, especially after what happened in Wales? When we shifted from standard spending assessment to formula spending share as a mechanism to provide grant to local authorities, council tax rose by so much in the south-east that people believed that a revaluation in England would be, in a sense, bent. That is why they were so resistant to it in many parts of the south-east of England.

Mr. Deputy Speaker: Order. I think that the right hon. Member for Suffolk, Coastal (Mr. Gummer) might be tempted again from the straight and narrow. I hope that he will not be.

Mr. Gummer: Thank you, Mr. Deputy Speaker. My hon. Friend has made his point, and I agree with it, but I shall not go down that route.

How do we make the process more transparent? One way is proposed in the amendment. Where it is obvious that the incidence of the council tax has ceased to reflect properly the nature of the area involved, there needs to be a way to remedy that by means of a local revaluation. That is the justification behind this proposal.

However, if it is a question of perception, whose perception matters? I disagree with my right hon. Friend the Member for East Yorkshire (Mr. Knight) about that. He and I worked at the Department of the Environment in close harmony and, as far as I am concerned at least, with considerable pleasure. However, in this instance, I believe that he has thought too much about the central issue, and too little about the local issue. Because of that, in the end I decided that I could not support the amendment quite as I had hoped.

If there is a perception of unfairness of incidence in a locality, local people should be able to ask, through the local council, for a revaluation. Councils in East Dorset, Christchurch, Suffolk Coastal or Waveney could say, "We want a revaluation because we can't fairly deal with our population as a result of the huge change that has taken place. We need, therefore, to check out the incidence of the council tax, so as to be fair to the people who elect us."

In such circumstances, I believe that it should be necessary for the Secretary of State to allow a revaluation. He should not be able to say, "You can ask, but I'm not going to do it." He should be required to allow the revaluation, because many people outside the House may be surprised by the mechanisms available to the Secretary of State to put pressure on people. It is for that reason that I dissent about the amendment.

I cannot go into detail, for fear of straying out of order, but we have been talking about the Thames Gateway in particular. In that area, it might not be possible to build many of the houses intended because of the flood plain. What would happen if the Deputy Prime Minister insisted that the houses were built and the insurance industry refused to insure them? The valuation situation would then be very complex, but it would be localised, not nationalised. At the moment, the Secretary of State has outrageously bamboozled the insurance industry by ensuring that the life offices put pressure on those that insure houses by saying, "If you get uppity with the Secretary of State, we will be in trouble over pensions provision, so don't do it." We all know the institutional corruption that goes on—Governments use their power over one lot to make others not do something. I hope that the insurance industry will develop some toughness in that area.

If the houses are built in the Thames Gateway, their value will be crucially affected by whether they can be insured, and a local revaluation will be essential if there is to be fairness in the incidence of the tax. I hope that we do not reach that situation because, as an environmentalist, I do not want those houses to be built. I do not understand why we are trying to shove into the south-east of England houses that could, in today's world of communication, be spread more evenly over the nation. But then this is about the least environmental Government that we have had for a long time. My right hon. Friend the Member for Bromley and Chislehurst does not help by holding up the one Bill that has been introduced that has been worth having. I hope that he will change his mind about that.

The local revaluation suggested by my hon. Friend the Member for Mole Valley would be essential if significant local changes occurred that needed to be taken into account. I note that even those who have opposed this particular formulation, who come from a local government background, have emphasised the need for such a change. It would therefore be foolish of the Government to avoid it.

This is an issue of transparency and perception. Therefore, one has to face up to the second difficulty that the amendment presents. It could be used for purposes totally other than those that were conceived. Some of those purposes might be reasonable, but would not be suitably covered by this amendment. Let us for a moment accept that it might be sensible to have an elite group of people who went round the country carrying out valuations, as my right hon. Friend the Member for Bromley and Chislehurst suggested, which might be cheaper. The people need not even be employed by the

[Mr. Gummer]

Valuation Office Agency, because they could be employed privately, or seconded, or paid for under some tender system.

The trouble is that the amendment would give no guidance to the Secretary of State as to the basis on which that sequential activity should be performed. My hon. Friend, in explaining that, gave us to understand that that was not really his purpose for the amendment, although my right hon. Friend rightly identified it as a possible advantage. I would go further. One of the reasons I liked the amendment was because it would enable pilot schemes to be carried out in several places, so we would be able to see whether the perception of our constituents that a change in valuation would be unfair to them was true or not.

Indeed, one of the problems, Mr. Deputy Speaker—you represent a neighbouring constituency to mine—that we have all found in this debate, across party lines, is that people feared that whatever the valuation was, it would do them down. The only way to deal with such a fear may be to carry out a localised valuation in certain places that are sufficiently different so that one could discover whether revaluation had the effect in England that it had in Wales.

Of course the amendment would have an advantage. Unlike in Wales, where no ceiling was imposed and such things were not done in the same envelope, if a revaluation took place in an area, it would have to reach the same total that obtained before the reassessment realigned the weight on any property. The problem in Wales was that a lot more money came out at the other end. Of course, everyone knows that that is what the Government intended, which is why we opposed the revaluation in the first place.

3 pm

Such a system could be used for the valuable purpose that I propose, but only if regulations were laid down to ensure that it could not be misused. For example, a revaluation should be triggered only by the local authority, except if a pilot scheme was restricted to a certain number to ensure that it was used for the intended purpose. There is a disadvantage in the amendment, because we have not covered that issue and we should try to do so.

Mr. Greg Knight: That is an interesting argument. Is my right hon. Friend volunteering Suffolk for a pilot scheme?

Mr. Gummer: It would not be for me to volunteer my own county; it would be for the local authority to make those decisions. Indeed, just as I do not interfere in my local authority's decision making, I do not expect it to interfere in mine. That is why I felt strongly when the Government lent on chief constables in relation to the issue that we are not discussing now because the Government are ashamed of it. That is why we are debating the amendment and not that issue, but I will not continue down that line, Mr. Deputy Speaker, because I may get into trouble.

I agree that localities would have to volunteer, but I suggest that, for the greater good, it may be necessary to give the Secretary of State a limited power to carry out a small number of pilot revaluations to discover whether the system was usable in the way that I propose.

I am worried about the amendment for a third reason. My hon. Friend the Member for Mole Valley lost the House a little in explaining the amendment at the point at which he distinguished between the use of the valuation as means to share out locally the total bill and its use in the Government's hands as means to determine the grant. That is a complicated issue, and it is one of the very difficult issues that we face in trying to deal with our constituents. The amendment's transparency is insufficient to help my constituents to understand what is in any event a very detailed problem.

Hon. Members will remember that it has always been thought that there are three attributes that give one the right to read mediaeval philosophy. To understand the philosophy of the mediaeval schoolman, one must be able to understand the monetary compensatory amounts in the European Union's common agricultural policy, or the way in which grants under the previous rating system worked, or the present Government's grant-giving system. I am happy to say that I understand all three, but that has not given me a taste for mediaeval philosophy. That is merely an accident of history, but it leads me to believe that the amendment is deficient, because our constituents must be able to understand the legislation without also being enabled to read mediaeval philosophy. It seems to me that we must make the system easier for them.

The Minister will wind up the debate after having had the considerable benefit of hearing the wide range of views that Conservative Members have had to present owing to the total absence of Labour Members. He really cannot complain if I am slightly out of kilter with my Front-Bench colleagues, or that my right hon. Friend the Member for East Yorkshire and my hon. Friend the Member for Mole Valley have different views. The Minister could have got us out of that problem by bringing some of his hon. Friends, who are known not always to agree with each other, into the Chamber to extend our understanding of how they get away with bigger grants than anyone on this side of the House—perhaps they are too ashamed to explain it.

Even though the Minister is bereft of support on the Labour Benches—*[Interruption.]* Of course, the hon. Member for Ipswich (Chris Mole) is sitting behind the Minister. The hon. Gentleman's tenacious support for Government policy, contrary to the interests of his constituents, has got him where he is, and will no doubt get him further very soon. That is why he has not been fighting for his local hospital, although I have. I am sorry, Mr. Deputy Speaker, but that is one sentence that in your heart you will find it hard to attack me for. Hon. Members should understand that Mr. Deputy Speaker and I share the same hospital.

The Minister must understand that the real issue is his ability to meet people's needs. I happen to like him, and do not think that he has been too involved in some of the shenanigans that have been going on. I happen to think that they have almost entirely come about due to the Deputy Prime Minister, for whom shenanigans are a way of life.

I think that the Minister wants to make the system, such as it is, as effective as possible and that he wants to have the powers necessary for that. He ought to have limited powers to be able to use such a technique for what I call polling testing—to find out whether it works—because that is a useful thing in government. He should also have the duty to enable a local authority that wants a local revaluation to carry it out, but I do not want him to have the powers that amendment No. 3 would give him.

I am drawing to the end of my speech, but my difficulty now is knowing what to do. If the Minister says that he will take on board the points that we have made and look favourably on trying to finding a better-suited mechanism through which he could give himself the elbow room that he needs—given the Lyons inquiry and the like—but that would not require revaluation for a property tax for some time, perhaps along the lines of that which I humbly presented, which would not be too difficult to implement, I know exactly what I will do: I will ask my hon. Friend the Member for Mole Valley not to press the amendment to a Division. However, if the Minister says, "No, I certainly will not. What a load of old rubbish; we don't want that at all," my difficulty is that if I do not support the amendment, I will not have made the point that something must be done.

I am grateful for having the opportunity to catch your eye, Mr. Deputy Speaker, and to explain the basis on which I have approached the matter. Despite all my caveats, if the amendment is pressed to a Division, I will have to vote for it so that the Minister understands that the issue cannot be escaped. Their lordships will understand that they should address the matter, albeit perhaps more elegantly than my hon. Friend the Member for Mole Valley had time to do—I put that as delicately as I can because I do not want to make him unhappy. By that time, perhaps their lordships will have proper copies of the 1992 Act so that they will know what to do.

Mr. Colin Breed (South-East Cornwall) (LD): I was in the Chamber at the beginning of this illuminating debate, but had to leave to consider a statutory instrument. Will the right hon. Gentleman confirm that the amendment would cover all the properties whose values have risen during the course of the debate?

Mr. Gummer: If the hon. Gentleman gets in touch with some property people, he will find that prices are rising and falling almost simultaneously. I declare an interest as a regular columnist for the *Estates Gazette*, which is one reason why I know a little bit about these matters. It is now more difficult to forecast property prices because they are going in different directions in different places and in different bands. His question is more complex than it appears, so I shall not answer it—and if I did, I suspect that you would stop me, Mr. Deputy Speaker.

I believe that a change has to take place, but that it is impossible to give the powers in the amendment to the Government because in the distribution of grant and of national health service funds and in a range of other examples, they have shown that they make party political and not objective decisions. I do not know of a Government of any kind—Labour, Conservative or, looking back a long time, Liberal—who have behaved as the present Government have done. That is an extremely sad thing for our democracy, because it undermines the ability to support this place and the way in which our democratic system works. It is noticeable that, for example, the major criterion in determining how much money goes to the NHS is no longer age, but deprivation, which is much more difficult to fix but has to do with the problems affecting a particular area, which may have nothing to do with health. The result—surprise, surprise—is that the areas with some of the oldest populations in the country do not get as much as some of the areas where there are far fewer health problems. That happens because of the technique that has been introduced.

I cannot accept the amendment because I cannot trust the present Government. To be fair to the Minister, I do not take him in the same way, but like my right hon. Friend the Member for East Yorkshire, I do not believe that this House should trust any Government with any powers that it can avoid giving them. Governments exist to do as little as possible, not as much as possible, and the House must keep in its hands the powers of ensuring that Governments behave properly. Ultimately, that is why I am most unhappy about the amendment. Whether a Government are Tory or Labour—I am referring to likely Governments—they should not be trusted with the powers in the amendment, and the present Government should certainly not be trusted with anything that would enable them to manipulate the system for party political purposes. I do not want them to be tempted down a road that they are already further down than any previous Government.

If the Minister assures me that he will give the matter his consideration, make some changes and table an amendment, I shall seek to ensure that the amendment is not pressed to a vote, and if it is pressed I shall vote against it. If, on the other hand, he cannot do that, I shall hope that the amendment is pressed and vote in favour of it.

3.15 pm

Mr. Clifton-Brown: I am delighted to follow my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer). To make the arid subject of local government finance cogent and amusing shows what considerable skill and experience he has.

My hon. Friend the Member for Mole Valley (Sir Paul Beresford) has done the House a huge service, because we have had an interesting and much needed debate this afternoon, but if he presses his amendment to a vote I shall probably not vote with him. My main reason for not supporting the amendment is that I believe that it is premature. The Government set up Sir Michael Lyons' inquiry to look into local government finance and it will be interesting to see what Sir Michael comes up with; only then, after careful consideration, should we decide what is to be done.

Local government finance has got into an almighty muddle. When council tax accounted for a relatively small proportion of income, people were not so worried, but now that it takes up so much greater a proportion of income—particularly for people on fixed incomes such as pensioners and other poor people—it is becoming a much greater problem. Any property tax should, as far as possible, reflect open market value. My hon. Friend's

[Mr. Clifton-Brown]

amendment is therefore on the right lines—although, as many of my hon. Friends have said this afternoon, it would have been much better and would more accurately have reflected my party's policy on the matter if it had allowed local authorities, not the Secretary of State, to make the decision.

I have considerable worries about the Secretary of State being able to make such an order. If the Minister is inclined to accept the amendment, will he tell us on what basis the Secretary of State would make an order obliging an individual authority or a group of authorities to undertake revaluations? The measure amends section 22 of Local Government Finance Act 1992, as amended by the Local Government Act 2003, and we are seeking again to amend that section.

On what basis would the Secretary of State make such an order? I can think of a number of reasons why he might, but I wish to probe the matter further. In an area where, when the council tax was originally introduced, property prices were not rising at anything like the present rate, it was envisaged that properties would be put into a band and, provided they were put into the correct band, all properties would increase in price relative to each other. However, in the past few years property prices, particularly in the south of England and the commuter belt of London, have increased very fast. That has led to a huge disparity not only within individual billing authorities, but between billing authorities.

As I mentioned in an intervention, new properties are immediately put on to the valuation list in their full market band, whereas older properties are not. That immediately leads to a distortion. One could see good reason for ordering a revaluation in an authority that had had fast rising prices, such as my own in Cotswold, or in another authority—perhaps that of my hon. Friend the Member for Northampton, South (Mr. Binley)—where a large number of new properties had been built. Those are two good reasons for ordering a revaluation. A third reason might be that large numbers of properties had been extended. The moment a property is extended, it tends to be revalued and put in an upper band. Because of the distortion of stamp duty, many people are finding it cheaper to extend their property than to do what they would have done in the old days—sell a smaller property and buy a bigger one. That is happening to a lesser and lesser extent.

Mr. Lee Scott (Ilford, North) (Con): Does my hon. Friend agree that another reason could be that property values have changed and there are two houses or more in the same turning with different bandings? Local authorities should have the right to alter that, so that it is fairer for everyone.

Mr. Clifton-Brown: I entirely agree. I shall return to that, if my hon. Friend will allow me, a little later in my speech when I deal with the problem of appeals and the cost of appeals.

Mr. Chope: Is my hon. Friend sure that if a new house is built, it is valued at today's price rather than the 1991 price? If he is right about that, almost all new houses would be in bands G and H.

Mr. Clifton-Brown: My hon. Friend raised that with me privately earlier. I should like to research the point further. I hesitate to contradict somebody as knowledgeable as my hon. Friend. He may well be right.

A fifth reason for ordering revaluations in a particular local authority is that a large number of properties are bought and sold. A property can be revalued if its original value is severely out of kilter with its price when it is bought and sold. In the south of England, for example, many more properties are bought and sold in an individual billing authority than in some of the more northern authorities.

Those are some of the reasons for revaluations. I should like the Minister to tell us why he would want to order an individual billing authority to undertake a revaluation. What about the distortion that would cause between one authority and its neighbouring authorities?

My hon. Friend the Member for Christchurch (Mr. Chope) has mentioned that his constituency contains two billing authorities. My constituency also contains two billing authorities: Cotswold district council, where property prices tend to go up very quickly—the rate of growth is probably one of the highest in the United Kingdom—and Stroud district council, where property prices are not increasing so quickly. Under the amendment—this is why I am going to vote against it—the Secretary of State might order a revaluation for the Cotswold area, but not for the Stroud area. In those circumstances, what would happen to properties on the border? What would happen to people who live in Cotswold and who have low-paid jobs in Stroud? All sorts of distortions could emerge.

Mr. Francois: May I suggest another potential category—areas in which large numbers of houses have been demolished? I am sceptical about the Government's programme of demolishing houses, particularly in the midlands and the north of England, and I am not sure whether they are doing the right thing. Such demolitions could affect other properties in the area, in which case residents might want a revaluation.

Mr. Clifton-Brown: My hon. Friend, who has a huge knowledge of the subject, must be clairvoyant, because he has read my mind and anticipated my next point.

A fifth reason to revalue an individual billing authority is because it contains either a large number of empty properties or, as my hon. Friend has said, a large number of properties that have been demolished. A large number of such properties tends to distort the lists and make them out of date, and my central theme this afternoon is that lists should be up to date because values should reflect the amount of tax paid.

A sixth reason why the Secretary of State might want to instruct billing authorities to carry out revaluations is because the area contains a large number of second homes. As my hon. Friend the Member for Rayleigh (Mr. Francois) knows, because he and I served on the Committee that considered the Local Government Act 2003, it is now possible for local authorities to exercise their discretion and charge council tax on second homes by abolishing up to 90 per cent. of the rebate, which means that people pay almost full council tax. That has happened in Cotswold, where people pay nearly full

council tax on their second homes. If there is a large number of second homes in a local authority area, it can cause distortion, which is another reason why the Secretary of State might want to order a revaluation.

Perhaps the Minister will tell us how such revaluations will work. Indeed, I think that my hon. Friend the Member for Mole Valley will have the opportunity to sum up amendment No. 3, so perhaps he, too, will tell us how such revaluations will work. I am worried about the timing of the Secretary of State making an order because the amendment does not deal with timing. From when would the Secretary of State make an order and for how long would the listing agency have to compile the lists? If the lists were very out of date in the six categories that I have mentioned, the task would be much greater than that in authorities in which the lists are up to date—*[Interruption.]* I shall give way to my hon. Friend the Member for New Forest, West (Mr. Swayne), who no doubt has an excellent new angle.

Mr. Desmond Swayne (New Forest, West) (Con): With respect to my hon. Friend's fifth category—authorities in which there has been a great deal of demolition—it would not take very long to compile the list.

Mr. Clifton-Brown: Indeed, it would not. Nevertheless, if demolitions had occurred, presumably new buildings would have been constructed, and they would need complete revaluation, which would be an onerous task.

Anne Main: If a peripatetic group of valuers were employed to save money, we would be short of staff if a rash of applications occurred.

Mr. Clifton-Brown: Indeed. In her customary way, my hon. Friend has made a good point. The Valuation Office Agency is staffed on a regional basis. If there were a lot of revaluations in, for example, the north-west, and if the Government in their wisdom had redirected local authority staff towards the north-east, which they tend to do, we would find ourselves in a muddle.

Sir Paul Beresford: My hon. Friend will have heard my hon. Friend the Member for Christchurch (Mr. Chope) explain the use of the private sector, which I should have thought would interest him.

Mr. Clifton-Brown: That is an interesting point. I reiterate my declaration in the Register of Members' Interests that I am a fellow of the Royal Institution of Chartered Surveyors, and I think it an excellent idea to contract out some revaluation work. I seem to have unwittingly provided the very reason why it should happen—because then the Valuation Office Agency would not need such a huge permanent overhead. I am beginning to think that my hon. Friend's amendment might not be so bad after all. When there was a rash of revaluation, it would be a good idea for the private sector to do some of the work.

I want to move on to the next section of my speech—

Mr. Greg Knight: Before my hon. Friend moves on, can I take him back to an argument of his that I did not find very convincing? Where there has been demolition in an area that is in the course of being redeveloped, is not there a good case for not having a revaluation but waiting until it is fully redeveloped, because that will have a huge effect on property prices?

Mr. Clifton-Brown: My right hon. Friend makes a partly good point. When I held my party's housing and inner-city brief, I found that large-scale redevelopments in areas such as Moss Side in Manchester tended to take place over several years. It is highly unlikely that the entire demolition in a redevelopment of any size would take place in one go—it would be phased over a number of years. The effectiveness of the revaluation in dealing with the problem that my right hon. Friend mentions would depend on the stage in that process at which it was ordered. Any big redevelopment of that kind would have areas that had been demolished and rebuilt, areas that had been demolished but not rebuilt, and areas still waiting to be demolished. The point at which the revaluation was ordered would be a matter of judgment.

Mr. Greg Knight: Does my hon. Friend accept that that does not necessarily have to be the case? In some developments, the whole area is cleared at once—for example, railway marshalling yards, where the land is cleared and then brought into use all in one go.

Mr. Clifton-Brown: That is entirely possible. Of course, in the bigger cities the scale becomes bigger. That would have to be considered carefully. I am sure that the Minister will tell us whether it is one of the factors that he would take into account in ordering a revaluation.

Mr. Binley: Does not this whole debate make the argument for introducing more flexibility into the whole system of revaluation, which is the point that my hon. Friend the Member for Mole Valley (Sir Paul Beresford) is making in his amendment?

Mr. Clifton-Brown: Yes, with one gigantic caveat—that it should not be ordered by the Secretary of State but be in the control and at the discretion of individual local authorities. Those of us who believe in localism and in local government per se must agree with the democratic system whereby we elect local councils such as that of my hon. Friend. I am aware of the excellent work that he has done, and continues to do, in Northampton. We elect such people to do this work on behalf of us, the people, and we should hold them accountable for the decisions that they make. If they make the right decisions, they will be re-elected. I have no doubt that my hon. Friend will be re-elected for many years to come.

Mr. Mark Hoban (Fareham) (Con): In the light of my hon. Friend's professional and political experience, is it his view that large-scale demolition would force the value of local properties up or down?

Mr. Clifton-Brown: I was about to come to that point. My hon. Friend must be clairvoyant, too, because he has read my mind and anticipated the next section of my speech.

[Mr. Clifton-Brown]

The subject of the valuation base is very interesting, if dry. The whole business of local government finance is incredibly complicated. It involves about 200 different sections, including algorithms and all sorts of complicated mathematical formulae, one of which relates to the council tax. House prices are rising in almost all areas in the United Kingdom and that means that the valuation base would probably increase on revaluation. I suspect that that would happen because the general area would improve. Moss Side is a prime example of such improvement. Houses were demolished, new houses were built and green parks, new schools and new doctors' surgeries were created, thus improving the whole area to the extent that one of the most crime-ridden areas in Europe is now a pleasant place to live. The private sector has built houses in the area that sell for a great a deal of money. That proves what successful wholesale refurbishment of an area can do. I suspect that if an area were sensitively demolished and refurbished, the council tax base would increase.

3.30 pm

I want to make another important point about the increase in the council tax base. My hon. Friend the Member for Mole Valley did not agree, but the complicated algorithms and formulae that are used to calculate the rate support grant settlement include a redistribution mechanism if the valuation tax base is higher than average. For example, areas such as the Cotswolds, where the council tax base is high, lose out on the rate support grant settlement because some of our council tax is redistributed. The Government redistribute from areas with high council tax bases to areas with lower council tax bases.

Anne Main: I am sure that my hon. Friend shares my concern that areas that are deemed wealthy contain areas of relative deprivation. They will be hit even worse by the measure.

Mr. Clifton-Brown: My hon. Friend is a clairvoyant.

Mr. Hoban: Will my hon. Friend give way?

Mr. Clifton-Brown: I should like to answer my hon. Friend the Member for St. Albans (Anne Main). I am flattered that so many colleagues wish to intervene on me. It shows that my speech is either very bad or raises more questions than it solves.

Mr. Swayne: The latter.

Mr. Clifton-Brown: My hon. Friend the Member for St. Albans made a good point. The core theme of my speech is that a property tax must reflect market value as closely as possible. If we allow them to get out of kilter, we create increasing unfairness in the system. One unfairness affects people on fixed incomes, who tend to be fixed in their houses. If their houses become relatively more valuable than other houses, the system is unfair to them, and especially to retired people. The third highest number of people aged over 85 in the country live in the Cotswolds, and the problem therefore worries me greatly. That is one reason for keeping the matter reviewed and up to date.

Mr. Hoban: My hon. Friend is making an excellent speech, but I echo the comment of my hon. Friend the Member for New Forest, West (Mr. Swayne) that it raises many questions. His explanation of the equalisation system suggests that local authorities whose rateable value is below average have a disincentive to go for revaluation, because if their council tax base increases they would lose the benefit of the transfers from south to north that penalise council tax payers in my constituency.

Mr. Clifton-Brown: My hon. Friend has hit the bull's eye. That is what is wrong with the amendment. I believe that the Secretary of State will use the power for the wrong reasons and my hon. Friend outlines one of them. I should therefore like the power to be vested in local authorities because they know what is best for the area and whether they should order such a power. My hon. Friend raises a genuine, worrying possibility.

Mr. Swayne: My fear is that whether the power is ordered by the local authority or the Secretary of State, it may inadvertently have the same effect. The Secretary of State could order it to cause a transfer of resources, but even if the local authority ordered it for some other purpose, it could have the same effect. Local authorities would not wish to use such a power lightly.

Mr. Clifton-Brown: My hon. Friend makes a good point. Indeed, I made it earlier in an intervention. The Secretary of State could use the power for punitive reasons. For example, instead of council tax capping an authority, he could use the threat of the power to encourage it to keep its percentage increase of council tax down to a level that he deemed acceptable. Again, I would think that totally reprehensible, but one can imagine a certain Secretary of State—not the Minister for Local Government—who is very honourable, doing exactly what my hon. Friend says.

Mr. Bone: As I said earlier in the debate, I have a particular interest in this matter because Wellingborough has had the biggest increase in council tax since the council tax was introduced. My concern is that the proposal would be a backdoor way of increasing the amount that my constituents have to pay in council tax.

Sir Paul Beresford *rose—*

Mr. Clifton-Brown: I will give way to my hon. Friend in a moment, although I think that I can answer what he is about to say—that a revaluation per se does not necessarily give rise to an increase in council tax, although it probably will do so for the very reasons that I mentioned. Even if it does not give rise to an increase in council tax immediately, the revenue support grant will be reduced to support the redistribution mechanism about which I have talked. I therefore have a lot of sympathy with the point made by my hon. Friend the

Member for Wellingborough (Mr. Bone). I think that my hon. Friend the Member for Mole Valley wants to contradict me.

Sir Paul Beresford: I thank my hon. Friend for the opportunity to do so. I think that he fails to understand something that I have stressed time and again. The aim of a revaluation locally is a fairer distribution within the local area, but a national revaluation will make a difference to the way in which the grant is distributed, which was also a point that I made. Ability to pay should therefore be estimated on a basis of tax paid or income earned within billing areas, which has already been done by the Treasury.

Mr. Clifton-Brown: My hon. Friend has huge knowledge of the way in which local government works and I am hesitant to contradict him. The way of the world, however, is that a revaluation will put considerable pressure on a local authority to increase council tax. To stick to the mechanism whereby council tax should not go up, if the revaluation causes an increase in the entire list the rate of council tax would have to go down. I cannot imagine many councils explaining to their council tax payers that they have put the rate of council tax down in order to keep the council tax the same. The way of the world is that the valuation would go up and the council tax rate would stay the same, so the actual amount payable would go up. I do not know whether my hon. Friend wants to come back on that point—he is shaking his head. It is not necessary. There we are. The whole purpose of this kind of debate is to get differences of opinion out in the open—parler, to speak, is what Parliament is all about. I am pleased to take part in this debate.

I have almost come to the end of my speech, but suffice it to say that when the Lyons' committee comes to report on this matter—next year, I gather, in tranches—I hope that the Government will take it very seriously. We have had some excellent debate this evening. There is a lot of merit in the principle proposed by my hon. Friend—that there should be an ability to have local revaluations, provided that it is under the democratic control of locally elected councillors. I hope that the Lyons' report will deal with that matter.

Before I conclude, I want to deal with the problem of appeals. At the moment, appeals only take place in the categories that I have mentioned. Were there either a local or national revaluation, however there would be a lot more appeals. That would increase the work of the Valuation Office Agency, and perhaps it would be useful to sub-contract that to the private sector, too. Appeals take time, cost money and cause a lot of angst to our constituents, so we should try to get valuation lists accurate. Where changes do not take place for individual streets and houses within individual streets, whatever revaluation takes place under my hon. Friend's proposal or any future Government proposal the number of individual differentials could be kept to a minimum and the number of appeals reduced.

Mr. Francois: My hon. Friend makes an interesting point about appeals and I should like to draw a brief analogy with the planning system. As resistance is hardening to many planning applications, particularly but not exclusively in the south-east, the Government are running out of planning inspectors to adjudicate, so it often takes more than a year to obtain a public inquiry as there are not enough planning inspectors to go round. That is becoming a real problem in the planning process, so does my hon. Friend agree that it could be an additional problem in the valuation system?

Mr. Clifton-Brown: My hon. Friend, with his huge knowledge of such matters, is right. The Government are having to produce a special planning grant to try to encourage local authorities, such as mine, that are extremely short of staff due to high housing costs to employ planning officers. The same would apply for valuation officers in the listing authorities. Of course, as has rightly been suggested, the solution would be to employ the private sector to do the work. There would then be no need for a permanent overhead.

The amendment is premature. It contains many good intentions, as is always the case with proposals made by my hon. Friend the Member for Mole Valley. However, we should wait for Sir Michael Lyons to make his report and reconsider the amendment in due course.

Mr. Forth: This obviously essential debate has raised many subjects, and I should like to touch on a few of them in my brief contribution. I made a note that we have talked about local accountability and flexibility, the relative costs of different approaches, the impact of local developments, whether anomalies could be better corrected nationally or locally, the Valuation Office Agency and the role of the Secretary of State, to say nothing of appeals, which my hon. Friend the Member for Cotswold (Mr. Clifton-Brown) has just mentioned. All are relevant and I shall touch on them as I go through my speech.

To set a context, we need to establish the provenance of the matter. That takes us back to the beginning of the debate, when Mr. Speaker very graciously and with enormous efficiency was able to produce the missing Act—if I may call it that: for we started the debate without the very Act on which the whole matter is based. Fortunately, we now have it and I want to ensure that the House understands that the amendment proposed by my hon. Friend the Member for Mole Valley (Sir Paul Beresford) refers to an order under subsection (1A), which in turn refers to the Bill where subsection (1) of clause 1 refers to section 22B of the Local Government Finance Act 1992. That is where we got into immediate difficulty, as we were all wondering how on earth the debate could be properly conducted without the missing Act. It is fair to say that initially we were floundering in a mist, which is unusual for us as we are always clear-eyed and sharp of mind. On this occasion, however, we started at a disadvantage.

Mr. Speaker sorted all that. He waved his wand. He exuded and exerted his authority and the Act was quickly to hand.

Mr. Bone: I have a copy of the Act. It is a bundle of photocopied sheets and it looks as though there are about 1,000 pages to go through. Is not it a bit late to do that?

Mr. Forth: I shall help my hon. Friend. I am glad that he made that point, although I do not need to go through

[Mr. Forth]

1,000 pages—not yet anyway, unless I am tempted. I zeroed in with my laser-like focus on the very parts of the Act that form the foundation of the Bill from which the amendment flows. He will be able to see that direct connection, as I hope will everyone else in the Chamber.

In section 20, we find the genesis of the whole matter that we are discussing. It states:

"The Commissioners of Inland Revenue shall appoint a listing officer for each billing authority."

We can see immediately that the matters dealt with by the amendment flow from clause 20. Section 21 spells things out:

"The Commissioners of Inland Revenue shall . . . carry out . . . valuations of dwellings in England and Wales"

and

"furnish listing officers with such information obtained in carrying out the valuations or in the exercise of the powers conferred by section 27 below."

So we can begin to see how we are building up the approach, the philosophy and indeed the bureaucracy—to which we shall return later; it has of course been touched on already.

Mr. Patrick McLoughlin (West Derbyshire) (Con): Does the 1992 Act require one commissioner for the whole country or individual commissioners for each separate authority? If there were more than one commissioner, they may have different interpretations of property values in their area. How can we be sure of achieving consistency?

3.45 pm

Mr. Forth: My perusal of the Act has not elicited that information, but I guess that, sadly, the reference is a general one. Section 21 states:

"Commissioners of Inland Revenue shall ... carry out valuations of dwellings in England and Wales".

We can infer a national approach from that provision, but section 22 states:

"In accordance with this Chapter, the listing officer for a billing authority shall compile, and then maintain, a list for the authority (to be called its valuation list)."

There is therefore a trickle-down from the national approach with which the commissioners are taxed to the local level, so we are getting into the nitty-gritty of the amendment and the Bill. The 1992 Act provides the infrastructure for the Bill and the amendment.

Mr. Francois: May I echo my right hon. Friend's concern about the fact that certain documents were not available earlier? The Bill refers to the Local Government Act 2003, copies of which were not available in the Chamber when we began our debate. On investigation, I discovered that it was available in the Vote Office. That is important, because the Bill repeals schedule 7 of that Act. Paragraph 52 (4) of the schedule states:

"In subsection (3) (instruments subject to negative resolution), in paragraph (a) (exceptions), after '11(3),' there is inserted '22B(3)(a),'."

I hope that that reassures my right hon. Friend.

Mr. Forth: I am glad that my hon. Friend mentioned section 22B of the Local Government Finance Act, as I have a copy of that provision in my hand. As always, he and I are working in concert. As was said in an intervention, section 22B says that the listing officer

"must take such steps as are reasonably practicable in the time available"

to ensure that the list is accurately compiled. Such phraseology is worrying.

Mr. Clifton-Brown: I raised this matter in an intervention. There has been much speculation in the press because, for the first time, listing officers may enter people's houses to take photographs. Does my right hon. Friend agree that that is unacceptable? An Englishman's home should be his castle.

Mr. Deputy Speaker: Order. I would not want the right hon. Member for Bromley and Chislehurst (Mr. Forth) to be tempted down that road. The availability of the Act, too, is not quite as crucial as he has suggested. I am sure that hon. Members know where to find these things in the House of Commons.

Mr. Forth: I was simply referring to section 22B of the Local Government Finance Act, which I had in my hand. I thought that I was on safe territory, but these days, who knows?

My hon. Friend the Member for Cotswold (Mr. Clifton-Brown) has identified a tension in the Bill. The listing officer can take such steps as are "reasonably practicable" to ensure accuracy. That is where the process that he described comes in. Indeed, it is where the heavy-booted tax inspectors come in.

Mr. Greg Knight: Is not the way in which the revaluation is undertaken in one billing authority, two billing authorities or nationwide relevant to the amendment? I favour a pilot scheme for revaluation in my own area, but I would not if I thought that regulation-ridden, form-filling, pen-pushing nincompoops were going around with cameras photographing my constituents' properties.

Mr. Forth: Indeed. My right hon. Friend knows all about his constituents' dwellings. Accuracy is important and there is a contradiction in section 22B. It refers to steps which are "reasonably practicable", goes on to talk about "the time available" and ends with a reference to accuracy. In many circumstances, the three requirements could well prove contradictory. The practicality is one thing and the timing another, but where does that leave the accuracy? Those contradictions have not been resolved, and even the amendment does not resolve them.

Labour as well as Conservative Members need to ask themselves to what extent they want to keep faith with the new mantra of localism. The practice has become popular among politicians of constantly reasserting how strongly they support the concept of local decision making, whether in schools, hospitals, local authorities or anywhere else. On the face of it, that is one of the attractions of the amendment. In some ways, it seems to move us in that direction by providing an opportunity for much more local decision making than has been

available hitherto in this great valuation exercise. That in turn, however, poses a number of questions, some of which have already been touched on today.

The most fundamental of those questions is whether we believe that, in the whole business of valuation of properties to establish a tax base, a national approach is preferable to a local approach. I must admit that, having listened to the debate so far, I have not yet made up my mind. I can see both sides of the argument, which is rare for me. As many of my right hon. and hon. Friends pointed out, there must surely be a strong case for saying that, because this is potentially such a local matter, we must give priority to the local decision-making element that the amendment would allow. Many examples have been given, ranging from new build to demolition.

The new build case is clear. My expert friends have observed that, with new build, the valuation tends to be at current market rates, if I have understood them correctly. Some doubt has been raised about the effect of demolition, however. It could perhaps move us in either direction. While demolition in a blighted area that was then cleaned up and made into a community facility would undoubtedly enhance the area, I am sure we can all imagine other circumstances in which the effect would be the reverse.

Anne Main: I am glad that my right hon. Friend is exploring the anomalies. The Lyons report does not refer to assessment triggers such as whether a house is in a conservation area. In my constituency the small, modest two-bedroom cottages are in a conservation area, while the big five-bedroom houses are not.

Mr. Forth: My hon. Friend has, typically, given a good example of problems that feature throughout the valuation exercise, and with which we must all grapple. That is part and parcel of the important debate about the extent to which we believe that local circumstances and variations should override any other consideration. Again, on the face of it the argument is appealing, but I have my worries. I shall say more in a moment about the malign political influence that has already been touched on.

Mr. Hoban: Will my right hon. Friend give way?

Mr. Forth: I do not know whether my hon. Friend wants to talk about malign political influence, but I give way to him.

Mr. Hoban: Perhaps, in a way, I do want to talk about malign political influence. May I return to wholesale demolition and its effect on the charge base in an area? If it reduces the charge base, will not large equalisation payments be made to the local authority to enable it to provide services?

Mr. Forth: That worries me as well. Underlying much of the debate is the assumption that a beneficent Government, aware of the process described by my hon. Friend, would automatically compensate for it from central funds. I am not sure that we can make that assumption. Indeed, a number of my right hon. and hon. Friends have said that we must not make such assumptions about Governments, especially this Government. We have seen ample evidence of the Government's ability to move central funding so as adversely to affect the constituents of Conservative Members, so we have to be very careful about that.

Mr. Francois: There is another issue associated with demolition. With a relatively large-scale demolition, such as that of a big 1960s council estate, when modern properties are to be built, working with a housing association, the people who live on the estate first have to be moved out and found somewhere to live. In the jargon, that is called decanting. Then rebuilding begins, and gradually people start to move back into the new properties as they are built. That process can take several years, so at what point do we revalue? Presumably that will happen when the process is complete, so demolition could be going on for several years, and people would then have to wait for revaluation when the estate had been rebuilt, which could take a long time.

Mr. Forth: I am grateful to my hon. Friend for that suggestion, because he brings me to the timing of such activities, although I shall not myself get to that point quite yet. The "timeline" is, I think the modern phrase, and it is relevant.

Already we can see emerging a kaleidoscope of criteria on which the matter could be judged. There is the question, "How local do we get?" We have not explored that thoroughly yet, although it was touched on earlier. Are we talking about district authorities, counties or regional authorities? The amendment leaves all that open. We could have individual billing authorities, an undefined

"group of adjoining billing authorities",

or, indeed, all billing authorities. Those are all options under the amendment. Who is to decide? I shall come to that rather later in my meanderings, but at this stage we shall leave it as an unanswered question.

Mr. Clifton-Brown: With large-scale demolitions, it is important to get some of the original tenants and owners back to the area to keep the community together. If they thought that their council tax would be increased as a result of a local revaluation, might that not be a disincentive for them to move in the first place?

Mr. Forth: Indeed it would, if people had that information available. However, the process by which that would come about—indeed, the very predictability of it—would depend on the factors that we are now debating with regard to the amendment, the Bill and the underpinning Act. The flow of the sort of information that my hon. Friend mentions would depend on who had the flexibility, and who made the decisions about the nature and timing of the revaluation. Until we can resolve such matters, the innocents will not have the information that they require. That should worry us all very much.

Mr. Mark Harper (Forest of Dean) (Con): When my right hon. Friend mentioned individual billing authorities or adjoining ones, he used the dread word "regional". Given the nature of so much guidance from the Government, would it be possible for a valuation

[Mr. Mark Harper]

officer to consider a group of adjoining authorities in such a way as to cross the magic Government office line, which the Government seem to reluctant to do?

Mr. Forth: One problem with the amendment is that it deliberately leaves that open, which gives rise to the danger that my hon. Friend points out. By using a phrase as vague as

"a group of adjoining billing authorities",

the amendment may leave too much flexibility, for the reasons that he describes. I shall come back to that thought later, because I do not want to get distracted. *[Interruption.]* Not half.

Mr. Francois: I thank my right hon. Friend for his generosity in giving way again. Without wanting to get too bogged down in demolition, may I remind him that there is another important facet? To continue my example, if someone wants to knock down an old housing estate and redevelop it with a housing association, that often involves tenants voting for a transfer—say, from the council to the housing association. For the redevelopment to go ahead, the tenants have to vote for it positively. I have been involved in such cases.

In the real world, the tenants want to know what the additional costs will be—first, what will happen to their rent, and secondly and increasingly, what effect will moving into the new properties have on their council tax? That can affect how they vote in the ballot, and thus whether the whole redevelopment goes ahead. Does my right hon. Friend agree that having such information available could be important in allowing the redevelopment of some of the worst estates in the country?

Mr. Forth: My hon. Friend is right and he displays yet again his intimate and profound knowledge of these matters, but I am not sure whether that takes us in the direction of localism or of national decision making. He poses a very fair question and I suspect that the answer could be found in either of the two options that I am just beginning to explore.

4 pm

We have touched on the tempting potential allure of local decision making in this context, but I am not sure that that necessarily determines the issue; I am worried about anomalies and relativities in a national context. If we are too quick to accept the local solution offered in the amendment tabled by my hon. Friend the Member for Mole Valley, there is a danger that even bigger distortions could be created. Once we allow too much local decision making in this crucial area of valuations and listings, we immediately lose control of the relativities that are so important to the whole process.

Several hon. Members *rose—*

Mr. Forth: I shall give way first to my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer). I do so because he claimed—he is of course correct—that he is one of only three people in the country who understand any of this. For that reason, we are honoured to have him with us today.

Mr. Gummer: Does my right hon. Friend agree that the danger—if it exists—is less than it might otherwise be, given that the revaluation would have to be done within a fixed maximum and that the difference between different local authorities would therefore be maintained? The point that he makes would be much more powerful were it not for that fact. There may be reasons why problems remain—perhaps he would like to adduce them—but I am a rather keen on a bit of variety within those limitations.

Mr. Forth: I of course accept, hesitatingly, my right hon. Friend's guidance on this issue for the reason that I touched on, so perhaps it is now resolved more or less completely and we can move on.

Mr. Bone: At the start of this debate, I was considerably confused as to whether to support the amendment; thankfully, on listening to the speeches the situation is much clearer. My Wellingborough constituents are fearful of any revaluation, and the amendment tabled by my hon. Friend the Member for Mole Valley (Sir Paul Beresford) would allow for an earlier revaluation than they want, so, unfortunately, I cannot support it, because it would make revaluation easier, rather than more difficult.

Mr. Forth: My hon. Friend touches on one of the key issues, which I shall now consider, if I may; it will not distract me from my main argument.

Anne Main: My right hon. Friend touched on localism, so let us consider the very small picture. A large supermarket retailer has bought a considerable number of properties and a small industrial area in a blighted part of my constituency. This situation has been ongoing for several years and under a local system, local people would be pushing the council for a devaluation on the ground of blight. A very local system could lead to the sending of very mixed messages.

Mr. Forth: That illustrates well the inherent dangers. When we vote on the amendment tabled by my hon. Friend the Member for Mole Valley, we will have to weigh up the various factors and decide in which direction we want to go.

Mr. Scott: One problem is that, in areas such as the Thames Gateway, which takes in a number of different authorities, too much localism could lead to completely different revaluation results. A wider approach would need to be taken in such areas.

Mr. Forth: I think that that would depend on the trust that we place in the integrity of the valuation process, a point to which I shall return. First, I want to consider an issue that has been raised a number of times and which we need to discuss in some depth, so that we can establish which is preferable: a central bureaucracy that runs matters nationally; a much more localised approach; or, as we have speculated on throughout this

debate, a staggered approach involving a small, compact, expert unit working sequentially, thus potentially saving money.

Philip Davies (Shipley) (Con): My right hon. Friend is making a typically thoughtful contribution, but I do not want him to get away from the interesting point raised by my hon. Friend the Member for Wellingborough (Mr. Bone). Does my right hon. Friend think that this amendment would lead to revaluations taking place sooner? That is an important issue and I should be grateful for his views.

Mr. Forth: I want to deal with the point made by my hon. Friend the Member for Wellingborough (Mr. Bone), which highlighted what many of us see as an omission or lacuna in the amendment, as it still leaves the discretion with the Secretary of State. The initiation of the valuation process must be a local decision, but the amendment does not allow that. It goes halfway, and then stops. Although my hon. Friend's local people may be anxious for a revaluation in the cause of fairness—or not—they would have no say if the amendment were adopted. The local decision makers would not either, as the matter would rest with the Secretary of State.

As so often happens with this Government's legislation, the Secretary of State will decide everything. The Government pay lip service to local decision making but in the end, according to the Bill, matters will be

"specified by order made by the Secretary of State".

I shall explore that later.

Mr. Clifton-Brown: Will my right hon. Friend spend a few minutes exploring the power that the Secretary of State would have if the amendment were agreed? He could use it as a threat against local authorities in all sorts of ways. I mentioned rate capping, but he could also use performance indicators to force revaluations on local authorities that did not want them.

Mr. Forth: One problem with the debate is that it has revealed so many difficulties that it has become more and more difficult to make progress. That is why I shall soon invite the Minister to guide us through and clarify matters. How do we balance local and national interests? What about costs, and appeals? Many hon. Members consider the appeals process very important, but it remains undefined.

All in all, this has been a useful debate, and we are only halfway through, with another amendment to consider and Third Reading still to come. We are all looking forward to that enormously, as it will allow us to expand our remarks. However, I judge that we are so anxious for the Minister to resolve our difficulties that I shall conclude my contribution.

Mr. Woolas: I am delighted to try and clarify the amendment's possible implications. This has been an interesting debate, with some good points made, but many hon. Members seem to have misunderstood what is involved in the valuation process. It is to that question that I shall try to address my remarks.

Various Opposition Members adopted a partisan approach, and one accused the Government of being responsible for a "corruption of power". I assure the House that the formula is not being manipulated. Interestingly, only one accusation of that sort was made, when the right hon. Member for Suffolk, Coastal (Mr. Gummer) spoke about the allocation of health money and claimed that the pendulum had swung away from the problems of an elderly population and towards health issues. I point out that in areas where people have a lower life expectancy, in general that is due to the incidence of disease and illness. To me, that seems a perfectly reasonable criterion to govern the allocation of money. It certainly does not involve party-political bias.

Mr. Gummer: The Minister has not looked at what the deprivation index covers. The real problem is that the national health service should perhaps be an ill health prevention system, but it is not. It is a treatment system, and as long as that is what it is, the treatment needs to be provided where it is most needed, which is where there are most old people. Deprivation has several other elements that have nothing to do with health.

Mr. Woolas: I disagree, but I doubt that you, Mr. Deputy Speaker, will allow me to stray too far down that road—

Mr. Deputy Speaker: Order. I understand the Minister's difficulty. Many issues have been raised this afternoon that were perhaps not spot on the amendment, but I trust that he will not be tempted down too many of those byways.

Mr. Woolas: I shall direct my remarks to the amendment and its implications. The assumption behind several contributions this afternoon has been, frankly speaking, wrong. It concerns the fear of potential political manipulation, and it assumes that the relative increase in property prices within an area and between areas has taken place only or mainly in areas with higher incomes. However, statistics published by independent bodies show that that is not the case. In layperson's terms, the Conservatives assume for the purposes of this debate that "oop north", we are all poor and live in terraced houses. I should point out to them that Cheshire is the second richest county in the country—and a very beautiful county it is.

The second mistake that has been made is to assume that those areas that have had relative increases in prices, where a revaluation would increase the tax yield, are all under the control of the Conservative party. That is not the case. The Conservatives make the same mistake as my party made in the 1980s, which is to assume that certain parts of the country are naturally aligned with one party and parts are aligned with another. If a revaluation were to increase the tax yield and therefore reduce the resource equalisation element—the hon. Member for Mole Valley (Sir Paul Beresford) covered that point—the implication is that that would take place entirely in non-Labour areas. One could not achieve that outcome even if one wanted to, and I shall explain why. I reject the allegation about the allocation under the formula and I reject the allegation, also made by some Opposition Members, that that would be used in a politically manipulative way.

The Government will ask the House not to support the amendment. I was a little confused when I saw the amendment, but I now have a much clearer

[Mr. Woolas]

understanding of what the hon. Gentleman is trying to achieve. He gave the example of a particular area in the country, but Madam Deputy Speaker ruled it out of order, so I shall not repeat it—but it is by a big river in the south-east of England. The hon. Gentleman seemed to think that all the new properties that are built in that area will be revalued when they are first sold, and that therefore it is necessary to have a local valuation of the existing properties. However, the new properties will be valued and allocated to council tax bands, based on the values of the antecedent valuation date of 1991, the same date at which all properties in the country continue to be valued.

If there were to be a subsequent resale of those properties, they would be revalued only if they had been significantly improved, for example, by the addition of a swimming pool, but perhaps not by the addition of a patio, as some hon. Members have suggested. That is the policy that has been in place since 1991. Even then—this is the crucial point—the revaluation would still be based on the 1991 antecedent valuation date. That addresses the point that was drawn to our attention by the hon. Member for Cotswold (Mr. Clifton-Brown).

4.15 pm

As is so often the case, the devil is in the detail. I have some practical arguments about why the amendment would not work, as well as policy ones. As many hon. Members have said, at first sight, the amendment seems consistent with the policy of devolution, given the flexibility to carry out a revaluation limited to a single billing authority or a group of adjacent billing authorities if a such a revaluation is demanded locally. However, the detail shows the difficulty of the amendment's practical implications.

First, let us consider the implications for the Valuation Office Agency. Perhaps I can give the House some information that will be useful in considering the amendment. Following significant investment in modern technology, which essentially involves the computerisation of manual records, and the development of the automated valuation model, whereby a computer is given the details of different properties, it is true that the VOA could calibrate the system to cope with different valuation and revaluation dates for the billing authorities. Modern technology could allow what the hon. Member for Mole Valley suggests. However, let us consider for a moment the situation that could prevail in years to come.

As a result of the amendment, we could face a national taxation system based on multiple valuation dates and a host of different banding structures. Of course, we cannot revalue without rebanding. That is an essential point. If we assume that each valuation would involve a transitional scheme—the hon. Gentleman may want to address that point if he wishes to respond to the debate—we would be left with a hotch-potch of systems operating in different parts of the country and the confusion for the public would be too dire to contemplate.

Mr. Harper: In my constituency, which is adjacent to the border with Wales, the situation that the Minister describes already exists. There is a different system in Wales, where a revaluation has already taken place. Many of my constituents already face such confusion because there is a different system on each side of the River Wye. The systems on either side of the border differ under this Government.

Mr. Woolas: I appreciate that point. I thought of it myself when I was preparing for the debate last night. As the hon. Gentleman knows, the difference is caused by devolution, but the answer can be drawn out by considering what happened when the poll tax was introduced. The amendment would allow different valuations and bandings across boundaries in the same communities. In other words, the borders of Wales and England are well known and understood. Huge confusion was caused by the difference between one side of Narbonne avenue, which is in Lambeth, and the other side, which is in Wandsworth—I think that that was the boundary—and the danger of the amendment is that such boundaries would be drawn not just in communities and neighbourhoods, but along streets.

Mr. Binley: Is not the real confusion created by the different rates that are levied, rather than by the base on which the rate is levied? That will always be the case, so the Minister's argument does not work.

Mr. Woolas: The hon. Gentleman says that that will always be the case, but if he were to read the 1992 Act and, more importantly, the *Hansard* report of the debates on that legislation, he would understand that an essential part of resource equalisation—the notional effort made by banding to equalise the system—would not be possible, so the amendment would throw out the baby with the bathwater. There would thus be a confused situation with different banding systems operating in different billing authorities. If the hon. Gentleman stays with my argument, he will understand the position.

Sir Paul Beresford: Perhaps I should have explained a little more clearly that I thought that the power would be used in relatively isolated cases and that it would still be maintained by the Secretary of State, which my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) would perhaps deplore. However, local people would feel a difference if the revaluation were reflected in the assessment of ability to pay in the funding formula. If that were changed, the difficulty that the Minister cites would be offset.

Mr. Woolas: I understand the hon. Gentleman's point and assume that that is why the amendment provides for groups of billing authorities. If he will allow me to stick with my argument for a moment longer, I hope that he will understand why the amendment is not workable.

The hon. Gentleman argued that such small-scale revaluations could help with the costs of revaluation, which the hon. Member for Christchurch (Mr. Chope) also mentioned. Taken in isolation, he is, of course, right, but taken in aggregate, across all the many different revaluations that could ensue, I believe that he is mistaken. There is a widely accepted theory that economies come from scale. Under national revaluation, even with the automated valuation model,

that is still the case. The VOA could gear up to deliver one national revaluation and would calibrate its software with one valuation date in mind in such an event before revaluing in one concentrated effort.

Mr. Clifton-Brown: The fact that any revaluation creates winners and losers has not yet been mentioned. Those who are losers will call for transitional arrangements under section 79 of the Local Government Act 2003. Does the Minister agree that it is almost certain that such revaluations would trigger transitional arrangements?

Mr. Woolas: I mentioned briefly my assumption that a transitional relief scheme would be needed in such circumstances, as was the case when the poll tax was abolished and the council tax brought in. That was also the case with the business revaluation, which proved to be successful and did not cause the controversy of the Welsh revaluation.

Under local or local area revaluations, the VOA could be faced with a constant cycle of recalibrating, revaluing and publishing draft lists, and then providing compiled lists to individual billing authorities. That would inevitably lead to more costs and, in the long term, the use of more staff resources.

Let me turn to the impact that the amendment would have on the finance settlement and the grant distribution system. Imagine for a moment a scenario in which one billing authority was revalued. Let us say that in that case revaluation led to a reduction in its overall tax base because properties, on average, moved to lower bands—hon. Members have cited examples of circumstances in which that could happen. At the outset, that appears to be entirely desirable for the householders concerned.

The expectation would be that the grant distribution system would compensate the billing authority for its reduced tax base by shifting a larger proportion of the overall grant pot into that area. However, we encounter a problem at that point because the grant pot is of course finite. Without another authority revaluing and increasing its tax base at the same time, which would effectively rebalance the whole system, we would not have the extra funds that would be needed. Everyone else would thus get less, effectively on the say so of the authority concerned.

Without any compensation through the grant distribution system, the billing authority would be faced with two options: either cover the deficit through efficiency savings or service reductions; or increase its tax rate, which would effectively mean asking its council tax payers to pay the same amount of council tax overall as they did before the local revaluation ever happened. Any overall benefit from revaluation would therefore be cancelled out. On the other hand, a billing authority with an increasing tax base going through a similar revaluation would be handed a windfall increase in tax yield, which would be left unadjusted until the next three-year settlement period.

We have gone on record on many occasions saying that we accept the case for revaluation and that it is right to maintain a fair alignment between house prices and council tax bands. The amendment implies that it might be right to realign one subset of properties while leaving all the others unaligned, but how can it be fair that one person benefits from a reduction in band through a revaluation while their neighbour, who happens to be in a different authority that is not revalued, does not? As some speakers noted, we would be faced, I fear, with a flood of appeals as the public became increasingly concerned and confused by the ensuing unfairness.

The amendment appears to be based on an assumption about the factors influencing the housing market—an assumption that is fundamentally flawed. It is that influences on the market could—indeed, must—operate at a local level in isolation from national factors. Why else would we ever conceive that revaluation could be justified in one billing authority separately from all others? Micro-economic factors play their part, but to revalue only on the basis of such factors would destabilise what is, after all, a national tax system based on relative values across the whole housing market.

Mr. Binley: My major concern is the enforced growth imposed by the Government themselves. If the Government enforce growth, they should at least give the local authorities affected the ability to have a say in revaluation and its timing.

Mr. Woolas: I answered that point when I said that valuation was based on an antecedent valuation date of 1991.

There is a wider policy at stake. The right hon. Member for Suffolk, Coastal said that he was against growth areas, and other speakers complained of a problem because of increased house prices. The argument that revaluation is needed has arisen from the increase in the differential between earnings and house prices that is caused by the excess of demand over supply, which is precisely why growth areas have been proposed.

Mr. Gummer *rose—*

Sir Paul Beresford *rose—*

Mr. Woolas: I am prompting interventions, but we have more amendments to deal with and Third Reading to come. Perhaps right hon. and hon. Members can make their points then.

Mr. Gummer: The Minister did mention my speech.

Mr. Woolas: I give way to the right hon. Gentleman.

Mr. Gummer: I rise to correct the Minister. I did not say that I am against growth; I said that I am against piling growth into the south-east of England instead of spreading it over the whole of the United Kingdom when modern techniques of transport and IT make that possible.

Mr. Woolas: I understand that the right hon. Gentleman said that. I muttered across the Chamber to the Liberal Democrat spokesman that I was not sure that local people in the right hon. Gentleman's constituency who wanted to buy a home in the area would necessarily agree with that point. Of course they are welcome to move to Oldham and Saddleworth, but I have to point out that house prices in some parts of my

[Mr. Woolas]

constituency are as high as, if not higher than, prices in his. It is not true that all housing growth areas are in the south-east, or that the relative increase in prices has occurred exclusively in the south-east, yet that was the assumption implicit in many of the speeches made by Opposition Members this afternoon. I am more than happy if they continue to make that assumption, because it does them electoral damage.

I conclude my remarks on the amendment by asking the House to reject it. I thank the hon. Member for Mole Valley for tabling it because it has allowed us have a clearer debate on the purposes of revaluation and the methods involved, but I hope that he understands that his proposal has the potential to create significant problems for local government finance and the operation of the council tax system.

Sir Paul Beresford: I thank the Minister and all Members for the support—mixed support. We have had a substantial discussion, much more so than I anticipated, and the spread of knowledge of local government finance has been incredible—from next to nothing to absolutely everything. As my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer) pointed out, the subject is difficult for people to understand. Clarity is needed, and that was part of the inspiration behind the amendment. The difficulty, however, is that because of the wording of the Bill, the amendment had to be very tight. I could only touch on some of the consequential effects and answer them in a way that would enable the amendment to be carried forward. I shall study the amendment and the Minister's comments carefully, and we can return to the matter another day. For the moment, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

4.30 pm

David Howarth: I beg to move amendment No. 4, in clause 1, page 1, line 8, at end insert—

'(1B) The Secretary of State shall decide at least once in each calendar year whether to exercise the power granted by subsection (1A), and shall give reasons for his decision.

(1C) The reasons referred to in subsection (1B) shall include, but shall not be restricted to, the Secretary of State's assessment of the degree of divergence in relevant property values since the original valuations made under this Act or since any subsequent revaluation.'

The amendment is about giving reasons, and its origins lie in the different reasons that various people have for being in favour of the Bill. Our reasons are simple. Since we will replace council tax with a different tax system altogether—local income tax—we have no need of any revaluations, and therefore believe that any expenditure on revaluation would be wasted.

There is more dispute about the Government's reasons for introducing the Bill. Their stated reasons are to do with the expansion of the remit of the Lyons review, but even Sir Michael Lyons said that a delay of only one year would be justified by the extension of his remit to function rather than just finance. In any case, there is no obvious connection between Lyons and revaluation, since Lyons has been told that council tax is Government policy—the Minister repeated that in Committee—so I see no reason to stop work on a revaluation as council tax will continue, under the Government's policy, to be the central tax for local government purposes after the review.

The addition of structural change to the remit of Lyons and the announcement of a White Paper that includes structural change make no difference, as far as I can see. I welcome the announcement of a White Paper, which will increase the amount of policy direction given to the Lyons review. Since council tax is Government policy and will continue to be Government policy throughout the White Paper stage and the Lyons review stage, there is no reason for them to abandon revaluation.

The second possible reason for the Government's move is the accusation that there are political reasons that explain the Bill. Throughout its consideration hon. Members in all parts of the House have pointed out that the problem with revaluation is that the political costs almost always outweigh the technical merits of conducting one. That is true even of this revaluation. The New Policy Institute estimated that under the revaluation as proposed for 2007, the winners would outweigh the losers by 5.5 million to 3 million. The trouble with that is that in such exercises the winners tend not to be very grateful, as they think they have been overpaying for many years, whereas the losers are furious, so the political cost is always very great.

There is a rather less cynical reason contained in the New Policy Institute's analysis of the possible reasons for a revaluation, and that is a reason of fairness—the revaluation would tend to benefit better-off people in some areas of the country at the expense of worse-off people in other areas. That is not a simple north-south divide, as some people think, but a geographical change and a change in the distribution of wealth and income that would be adverse. The problem of the unpopularity and the unfairness of revaluations is confirmed by the history of revaluations that the right hon. Member for East Yorkshire (Mr. Knight) partially recounted in his remarks on the previous amendment. He did not get to the last example, when the threat of revaluation caused the poll tax, which is perhaps the most impressive error ever committed in the history of local government finance.

A third possible reason to support the Bill is that property values have not diverged significantly. Until about 2001, property values diverged throughout the country, which was followed by a convergence, but in itself that is not enough to explain calling off revaluation, because the subsequent convergence has not yet outweighed the previous divergence. If we take property values in 1991 as a base and count that as an index of 100, London was at 557 in 2004, whereas the north-west was at 466.5. Although there has been convergence in property values since about 2001, it is not yet sufficient to outweigh the previous divergence.

As the Minister said several times in previous debates, in particular areas of the country convergence and divergence do not follow the regional pattern. Is that the reason why the Government have introduced the Bill? The problem is that the Government refuse to take that point. Before the Bill was introduced in the autumn,

they had not commissioned a study of divergence or convergence in property values. There is a lack of clarity on why the Bill was introduced.

The amendment's purpose is not to decide the debate about what has happened in the past or to explain why the Government have introduced the Bill, but to put any future debate on the same issue on to a more rational and informed basis. The amendment states that the Government must give reasons for not only going ahead with a revaluation—if they decided to go ahead with a revaluation, one imagines that they would be keen to give the reasons why—but a decision to decline to go ahead with a revaluation. We believe that that would help Parliament and the public distinguish between technical reasons and other reasons for a decision not to go ahead with a revaluation.

The amendment also states that the reasons that the Government give must include a statement on divergence in property values, but it would not require them to state only their view on divergence in property values. The point is to obtain the Government's view of what the divergence has been and of what level of divergence would be intolerable, given the other possible factors.

We moved a similar, although not identical, amendment in Committee, where a number of reasons were given for opposing it. The Minister said that the amendment appeared to require an objective view on when divergence in property values is enough for a revaluation, but that was not its purpose. It was designed to seek not an objective view whether divergence has become too much, but the Government's view of when divergence has become too much.

Mr. Forth: Does the hon. Gentleman have any worries about the cost of that part of his amendment? If we are to have an annual statement by the Secretary of State giving reasons, and if, by implication, there will be an annual assessment of the degree of divergence, the exercise could be very costly.

David Howarth: I was about to come to that point.

The second objection mentioned in Committee was that the amendment implied that divergence is the only reason why a revaluation might or might not proceed, but that is not what we are saying. We are saying that divergence is one reason that must be dealt with in the debate, whether or not the Government think that it is their central reason.

The third point concerned cost, which the right hon. Member for Bromley and Chislehurst (Mr. Forth) mentioned. It was said in Committee that there would be a cost in officials' time. However, the figures are generally available from the Land Registry and from the series maintained by the Halifax building society and by the Royal Institution of Chartered Surveyors. There would be no great cost in compiling the figures, but it would involve a good deal of effort from Ministers in constructing their reasons based on the information available to them. That is not an unreasonable burden for the political heads of Government Departments to bear in the interests of greater openness.

I do not want to detain the House any further. The amendment is a proposed addition to the Bill from a party that is generally friendly to it. It would increase transparency and allow us to have a better debate, were these questions to arise again, than we have had on this occasion.

Angela Watkinson (Upminster) (Con): The Liberal Democrats' amendment would require an annual decision to be made, with reasons, on whether a revaluation exercise should be undertaken, with an assessment of the divergence in property values. Such an undertaking would involve enormous cost and administrative time. Conservative Members oppose the amendment.

Mr. Woolas: As the hon. Member for Cambridge (David Howarth) said, the amendment is similar, although not identical, to the one that we debated in Committee. The Government's position remains the same. Let me emphasise that the Bill obliges the Secretary of State to come before the House at the time of a revaluation date and subject the order to debate and, no doubt, a vote. I assure the House that that will give it the opportunity to consider and challenge his reasons.

The amendment has been slightly reworded to make it clear that the duty on the Secretary of State to consider at least once each year whether to set a date for revaluation and to give reasons should include, but not be restricted to, an assessment of the degree of divergence in property values. Not least because it still refers to an assessment of the degree of divergence, I ask the House to oppose it if the hon. Gentleman wishes to press it to a vote.

Although we readily accept the argument for a revaluation of council tax to maintain a fair alignment between house prices and council tax bands, we can see no case for the regular publication of statements. When we debated the similar amendment in Committee, it received no support from the official Opposition. Indeed, the hon. Member for Poole (Mr. Syms) said that he was not sure that it would be terribly helpful and that it was probably unnecessary. I would go slightly further than that. The mere fact that there would have to be a statement at least once a year would undoubtedly stir up excitement and controversy among hon. Members, particularly Opposition Members, the press and the general public, and that would in turn lead to considerable uncertainty and anxiety for council tax payers.

Even more of a problem is the specific requirement for an assessment of the degree of divergence in property values. Whatever the hon. Gentleman may say, that would simply encourage the view that there must be some sort of objective "golden rule" that would lead, or even require, the Secretary of State—or anyone else—to determine whether a particular level of divergence justified a revaluation.

4.45 pm

I appreciate that the hon. Member for Cambridge said in Committee that the similar amendment that we considered there did not assume the existence of any such golden number. He also said that he and his party were not trying to get an objective view of the conditions for revaluation. However, publication of the sort of assessment that he envisages would inevitably

[Mr. Woolas]

encourage people to think that if, for example, X per cent. of houses in band Y had increased in price by more than Z per cent., there would be a case for revaluation more or less automatically. Furthermore, they would infer that, if the Government then decided for whatever reason not to proceed with revaluation, notwithstanding that evidence, they would somehow be flunking the issue. Conversely, it would be inferred that, if a specific level of divergence had not been established, an insufficient case would have been made for revaluation.

The Government reject the notions that a specific level of property price movement necessarily justifies revaluation and that divergence that falls short of that level of property price movement precludes any case for it.

David Howarth: The main point of the amendment is to encourage the Government to be consistent from one year to the next so that the reasons they give one year are not contradicted the following year. Those reasons do not have to constitute an objective rule but they should be consistent over time.

Mr. Woolas: I understand the hon. Gentleman's point. I believe that the provision to require the Secretary of State on the appropriate occasion to justify his or her decision or proposal to the House is sufficient. I stress that I studied the points that he made in Committee after that debate and that I understand them, but I believe that the amendment would inevitably lead people to conclude that there must be a golden rule.

Revaluation is not simply about reflecting divergence in prices across the property market. The case for revaluation is simply to ensure that property values are fairly reflected in council tax bandings and that values are up-to-date and can be sensibly handled by the Valuation Office Agency and other interested parties.

Above all, we are interested in fairness but it does not depend on passing some sort of arbitrary test on the level of divergence. Indeed, if the focus were to be too heavily weighted towards divergence as the overriding factor predicating a revaluation, according to the amendment, a virtual annual revaluation of all properties would have to take place in order to assess divergence.

I agree with the hon. Member for Upminster (Angela Watkinson) about the resources implications. The assessment would have to consider not only the national but the regional and local picture to reflect the fact that divergence can and does happen, and has an impact at the micro level—the billing authority level—as well as regionally and nationally.

I have no doubt that many individual householders would be tempted by the process to enter into some sort of annual debate about whether the Government should revalue that particular year according to whether they would win or lose—the hon. Gentleman mentioned winners and losers—by that specific set of figures. That would not offer any prospect of a sound basis on which to make the important decision of when to revalue.

The right way forward is for the Government, in the light of the Lyons inquiry and our response to that, to propose and justify a date for revaluation to Parliament, and for Parliament to consider the merits of the date and the justification by the process of debating the affirmative order for which the Bill provides. On that basis, I ask hon. Members to oppose the amendment if the hon. Gentleman pushes it to a Division.

Mr. Forth: The amendment has a superficial attraction. If one reads it quickly and not too deeply, it sounds rather good, especially to those of us who would love Secretaries of State to come to the House as frequently as possible to give an account of themselves. Goodness knows, some of them do it little enough. However, on reflection I am not sure whether the amendment would work in that way. On what basis would the Secretary of State report after having made the decision? How would the reasons that the Secretary of State would be obliged to give, under the amendment, be communicated to the House? You and I can bet, Mr Deputy Speaker, that it would not be through an oral statement, because these days we have the trendy new process, which was sold to us as an improvement, called the written ministerial statement. More and more ministerial statements are smuggled on to the Order Paper in written form, which means that nobody can question them. I can predict with absolute certainty that that will be the vehicle chosen by Secretaries of State to fulfil the requirements of the first part of the amendment.

One immediately runs into a difficulty. If I thought that there was any way of getting any Minister to come to the House, give a proper account of himself and be questioned, I would be all for it. I would not mind if the House spent almost all its time questioning Ministers on this and that—it would give us less time to pass increasingly silly Bills from the Government and elsewhere. I have no objection in principle to mechanisms whereby Ministers must come to the House and give reasons, but that is not what the amendment says. It leaves unspecified the way in which reasons would be given to the House for the decision taken once a year.

Mr. Chope: My right hon. Friend refers to once a year, but does he accept that, if we read the amendment carefully, it will be possible for the review to be done in December of one year and in January the following year, thereby negating the whole purpose of it?

Mr. Forth: That would be possible. As my hon. Friend and I know, when one drafts such an amendment, one must try to think through all the possibilities.

David Howarth: That point is dealt with by using the term "calendar year". I do know what I am doing when I am drafting.

Mr. Forth: I am not sure that that answers my hon. Friend the Member for Christchurch (Mr. Chope), but we should not get bogged down as it is not the most important aspect that we should consider.

In relation to subsection (1C), we must confront the issue of cost, which the Minister raised. If we read the subsection quickly, it does not sound too bad, but its reference to

"the Secretary of State's assessment of the degree of divergence in relevant property values since the original valuations made under this Act",

gets us into difficult territory. If the exercise is to be meaningful, the information will have to be comprehensive and accurate, and one is immediately confronted with the problem of the mechanism and the cost of doing that because, otherwise, it would be extremely counter-productive. The Minister rightly pointed out that we are talking about national, regional and, I presume, local variations, all of which would have to be covered to make the provision of any use. That cannot be done without cost.

It is one thing to wave one's hand and say that the job can be done with existing staff, but I am not sure that that is the case. Under the amendment, a mandatory annual exercise would require an annual assessment of the degree of divergence in relevant property values—

David Howarth: Relevant.

Mr. Forth: I will help the hon. Member for Cambridge (David Howarth), who is speaking from a sedentary position, and get him into *Hansard* again, thereby making his long afternoon worthwhile. He seems to think that the word "relevant" solves the problem. I am not sure that it does. It raises a host of other questions as to what would be relevant. Perhaps he would like to tell us what is in his mind when he uses the word "relevant". He said that he was a superb drafter of amendments, so I shall give him the chance now to demonstrate that skill.

David Howarth: That would be a question for the Minister.

Mr. Forth: So the hon. Gentleman will now touchingly trust the Minister to interpret the words in his amendment. Perhaps the Minister will tell us what would be relevant.

Mr. Woolas: Were price divergence the criteria, the relevant property information would include every property, which, I presume, would involve a national valuation exercise every 12 months.

Mr. Forth: This might be a little moment in parliamentary history. We have had the hon. Member for Cambridge proposing an amendment to the House without knowing what his own words meant. He then told the House, through me, that he would trust the Minister to interpret the amendment, and the Minister immediately obliged us by telling us from the Dispatch Box what it meant. This is an exciting development in parliamentary procedure.

David Howarth: Now that the Minister has said what is in his mind he can be held to account for it, which he could not be previously.

Mr. Forth: This Minister has obliged us with his interpretation of the hon. Gentleman's amendment, but that will be relevant only for as long as this Minister is in post, which we all hope will not be terribly long. In any case, this Minister is exercising powers presumably delegated to him by his Secretary of State to give his interpretation, but we do not know whether the Secretary of State agrees with it. Until we can tease out from the Secretary of State whether the Minister's view is the departmental view, I am not sure that we are any further forward.

Mr. David Heath (Somerton and Frome) (LD): The Minister cannot have views that are separate from those of the Secretary of State; the right hon. Gentleman suggests a constitutional enormity.

Mr. Forth: I am not sure that in this Government such constitutional certainty applies, but I shall not be tempted into that subject, Mr. Deputy Speaker. I know you well enough to know that you would prevent me from doing any such thing.

Let us assume that we all now know what "relevant" means. The Minister has helped us. He said that in his view—and the hon. Member for Cambridge has told us that that is the only view that matters at this stage—for this purpose the relevant property values are every property in the kingdom. We now know the scale of the exercise with which we are confronted—to fulfil the requirements of the amendment, a gigantic bureaucratic exercise would have to be undertaken every year. Why? So that the Secretary of State could slip a little written ministerial statement on to the Order Paper giving the reasons for his decision on whether there should be a revaluation.

I am not sure that that takes us much further forward. All too often, that is the trouble with amendments that are supposed to add value. I am not talking merely about technical faults or drafting errors, which are entirely forgivable as we do not all have the resources behind us that the Government have. And, goodness knows, even when the Government try to draft a Bill these days, they end up having to make hundreds of amendments due to errors here and there. We are simply talking about the efforts of humble Back Benchers who try to improve Bills with amendments such as this one yet, sadly, on this occasion the amendment does not pass muster.

I cannot claim to have analysed the amendment in great depth. I merely glanced at it, but if I can identify such a degree of deficiency by that superficial approach, goodness knows what would happen if we had the time—alas, sadly, we do not—to look at it in any depth or at any length. This is but the briefest analysis.

When I read the amendment I wished I had tabled one of my own. It would have been more interesting, and probably more relevant, if instead of the Secretary of State initiating the process and carrying it through, some impartial body, detached from Government, could have been charged with that responsibility. We are in an era—are we not?—of quangos, NGOs and all the other acronyms that are supposed to give a view different from Government. I have doubts about that, as usually if bodies are Government-funded their view is not terribly different from the Government's. However, if we used that approach, we might at least be able to rely somewhat more on the process outlined in the amendment.

[Mr. Forth]

All in all, I am not terribly impressed with the amendment. I am not very taken with it, and if the hon. Member for Cambridge is rash enough to try to put it to a vote I suspect that he may find that he has embarrassingly little support.

David Howarth: I have heard no reasons of substance, as opposed to superficial analysis, to make me change my mind about the wisdom of the amendment. I shall, therefore, press it to a vote.

Question put, That the amendment be made:—

The House proceeded to a Division.

Mr. Deputy Speaker (Sir Alan Haselhurst): I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The House having divided: Ayes 25, Noes 346.

Division No. 113] **[4.59 pm**

AYES

Alexander, Danny
Barrett, John
Beith, rh Mr. Alan
Breed, Mr. Colin
Brooke, Annette
Bruce, Malcolm
Burstow, Mr. Paul
Cable, Dr. Vincent
Carmichael, Mr. Alistair
Davey, Mr. Edward
Foster, Mr. Don
Goldsworthy, Julia
Hancock, Mr. Mike
Harris, Dr. Evan
Heath, Mr. David
Hemming, John
Holmes, Paul
Howarth, David
Huhne, Chris
Laws, Mr. David
Opik, Lembit
Pugh, Dr. John
Russell, Bob
Smith, Sir Robert
Willis, Mr. Phil

Tellers for the Ayes:
Andrew Stunell and
Mr. Roger Williams

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Ainsworth, Mr. Peter
Allen, Mr. Graham
Amess, Mr. David
Anderson, Janet
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Bell, Sir Stuart
Bellingham, Mr. Henry
Benton, Mr. Joe
Beresford, Sir Paul
Berry, Roger
Betts, Mr. Clive
Binley, Mr. Brian
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Blunt, Mr. Crispin
Bone, Mr. Peter
Borrow, Mr. David S.
Boswell, Mr. Tim
Bradshaw, Mr. Ben
Brennan, Kevin
Brokenshire, James
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browning, Angela
Bryant, Chris
Burden, Richard
Burnham, Andy
Burrowes, Mr. David
Burt, Alistair
Butler, Ms Dawn
Butterfill, Sir John
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Ronnie
Carswell, Mr. Douglas
Cash, Mr. William
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Chope, Mr. Christopher
Clapham, Mr. Michael
Clark, Greg
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clifton-Brown, Mr. Geoffrey
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Conway, Derek
Cook, Frank
Cooper, Yvette
Corbyn, Jeremy
Crabb, Mr. Stephen
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davies, Philip
Davies, Mr. Quentin
Dean, Mrs. Janet
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Djanogly, Mr. Jonathan
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Duddridge, James
Duncan Smith, rh Mr. Iain
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ellwood, Mr. Tobias
Ennis, Jeff
Etherington, Bill
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, rh Mr. Frank
Fisher, Mark
Flello, Mr. Robert
Flynn, Paul
Follett, Barbara
Forth, rh Mr. Eric
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francois, Mr. Mark
Gale, Mr. Roger
Gardiner, Barry
Garnier, Mr. Edward
Gauke, Mr. David
Gerrard, Mr. Neil
Gibb, Mr. Nick
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hague, rh Mr. William
Hall, Patrick
Hamilton, Mr. David
Hammond, Stephen
Harman, rh Ms Harriet
Harper, Mr. Mark
Harris, Mr. Tom
Havard, Mr. Dai
Heathcoat-Amory, rh Mr. David
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hendry, Charles
Hepburn, Mr. Stephen
Heppell, Mr. John
Herbert, Nick
Hermon, Lady
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hillier, Meg
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Hood, Mr. Jimmy
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howarth, Mr. Gerald
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Iddon, Dr. Brian
Irranca-Davies, Huw
Jack, rh Mr. Michael
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Mr. David
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Ann
Kelly, rh Ruth
Kennedy, rh Jane
Khabra, Mr. Piara S.
Khan, Mr. Sadiq
Kidney, Mr. David
Knight, Jim
Ladyman, Dr. Stephen
Laing, Mrs. Eleanor
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Linton, Martin
Lloyd, Tony
Loughton, Tim
Love, Mr. Andrew
Lucas, Ian
Luff, Peter
MacDougall, Mr. John
Mackay, rh Mr. Andrew
Maclean, rh David
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Main, Anne
Malik, Mr. Shahid
Mann, John
Maples, Mr. John
Marris, Rob

Marsden, Mr. Gordon
Marshall, Mr. David
May, rh Mrs. Theresa
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh Mr. John
McGuire, Mrs. Anne
McIntosh, Miss Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McLoughlin, rh Mr. Patrick
Meale, Mr. Alan
Mercer, Patrick
Merron, Gillian
Miliband, rh Mr. David
Miliband, Edward
Miller, Andrew
Milton, Anne
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Mudie, Mr. George
Mullin, Mr. Chris
Mundell, David
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, Mr. Mike
O'Brien, Mr. Stephen
Olner, Mr. Bill
Osborne, Mr. George
Ottaway, Richard
Paterson, Mr. Owen
Pearson, Ian
Pelling, Mr. Andrew
Penning, Mike
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prisk, Mr. Mark
Prosser, Gwyn
Purnell, James
Randall, Mr. John
Raynsford, rh Mr. Nick
Redwood, rh Mr. John
Reed, Mr. Andy
Riordan, Mrs. Linda
Robathan, Mr. Andrew
Robertson, John
Robertson, Mr. Laurence
Robinson, Mr. Geoffrey
Robinson, Mr. Peter
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Ryan, Joan
Salter, Martin
Sarwar, Mr. Mohammad
Scott, Mr. Lee
Seabeck, Alison
Shapps, Grant
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Short, rh Clare
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andrew
Smith, rh Mr. Andrew
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Spicer, Sir Michael
Starkey, Dr. Phyllis
Steen, Mr. Anthony
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stuart, Ms Gisela
Swayne, Mr. Desmond
Swire, Mr. Hugo
Tami, Mark
Taylor, David
Taylor, Mr. Ian
Thornberry, Emily
Timms, Mr. Stephen
Tipping, Paddy
Touhig, Mr. Don
Turner, Mr. Andrew
Turner, Dr. Desmond
Turner, Mr. Neil
Tyrie, Mr. Andrew
Ussher, Kitty
Villiers, Mrs. Theresa
Vis, Dr. Rudi
Walker, Mr. Charles
Waltho, Lynda
Ward, Claire
Wareing, Mr. Robert N.
Waterson, Mr. Nigel
Watkinson, Angela
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Williams, Mrs. Betty
Winnick, Mr. David
Winterton, Ann
Winterton, Sir Nicholas
Winterton, Ms Rosie
Wood, Mike
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Jeremy
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Mr. Ian Cawsey and
Mr. Alan Campbell

Question accordingly negatived.

Mr. Heath: On a point of order, Mr. Deputy Speaker. May I draw your attention to an announcement on the website of the Office of the Deputy Prime Minister? It states that the Deputy Speaker of the House of Commons has announced in Parliament that the statements on the provisional 2006-07 and 2007-08 settlements will be made on 5 December by the hon. Member for Oldham, East and Saddleworth (Mr. Woolas). I am confident that you made no such announcement today, and nor did any of your colleagues. What worries me is that the office of Deputy Speaker might be sullied by the squalid manoeuvrings of the ODPM. Is there anything that you can do to direct the Minister to change the website forthwith?

Mr. Woolas: Further to that point of order, Mr. Deputy Speaker. We have already had some confusion this afternoon, when the right hon. Member for Suffolk, Coastal (Mr. Gummer) referred to the Deputy Speaker as the Deputy Prime Minister. It seems that a mistake has been made and I will correct it immediately. The website should of course refer to the Deputy Leader of the House, who made the announcement during business questions—hardly the secret slipping out of an announcement.

Mr. Deputy Speaker (Sir Alan Haselhurst): I am grateful to the hon. Member for Somerton and Frome (Mr. Heath) for drawing the House's attention to this error. I had no idea that my influence stretched so far. At the end of a busy parliamentary week, perhaps we should content ourselves with the thought that to err is human, to forgive is divine.

Mr. Forth: On a point of order, Mr. Deputy Speaker. This is emphatically not the end of the parliamentary week because as you well know, important legislation will be before the House tomorrow. I am sure that all Members present will be present tomorrow for that important work.

Mr. Deputy Speaker: I am grateful to the right hon. Gentleman. I perhaps slipped into the thought that it is drawing to the end of my parliamentary week. The House's arrangements are good enough to allow one Deputy Speaker not to be on duty on a Friday. I know that, as ever, the right hon. Gentleman will be assiduous, as will other Members.

Order for Third Reading read.

5.19 pm

Mr. Woolas: I beg to move, That the Bill be now read the Third time.

I can assure you, Mr. Deputy Speaker, that your influence reaches to the very heart of the Office of the Deputy Prime Minister.

This is of course not the biggest Bill ever to come before this House, but its provisions are important to the future of local government in England. That importance derives from the time and space that they give us to allow Sir Michael Lyons to complete his inquiry into local government function and funding. The Bill also enables the Government and Parliament to consider his recommendations properly. We will be able to consult on them and debate them fully before we move forward with a reformed council tax system and the revaluation that follows from that.

We debated the Bill extensively on Second Reading—

Mr. Deputy Speaker: Order. I am sorry to interrupt the Minister, but perhaps the hon. Member for Alyn and

[Mr. Deputy Speaker]

Deeside (Mark Tami) could conduct his business arrangements outside the Chamber, if he is not taking part in the debate.

Mr. Woolas: Thank you, Mr. Deputy Speaker.

We also had some interesting exchanges in a short but nevertheless productive Committee stage. Sadly, however, the sensible debate in the House of the principles of revaluation and the relative merits of different timings—and indeed of local area revaluations, the subject of the amendment moved earlier by the hon. Member for Mole Valley (Sir Paul Beresford)—has been in contrast in recent weeks to a stream of the most ridiculous misinformation and scaremongering promulgated through certain sections of the popular press.

It is sad, Mr. Deputy Speaker, that I have to inform you and the House that I am told by the Valuation Office Agency that those stories have given rise to serious concerns amongst agency staff. They are worried that, in going about their legal business and carrying out the duties given to them by the House—and by the Opposition when they were in power and introduced the Local Government Finance Act 1992—they may face verbal, and at worst physical, attack by members of the public. Perhaps not surprisingly, in the circumstances, those members of the public have themselves been fired up and worried by ridiculous stories about allegations of snooping and invasion of privacy.

Mike Penning (Hemel Hempstead) (Con): Will the Minister give some examples of incidents of physical or threatened abuse?

Mr. Woolas: I took care to say that the stories have led VOA staff to fear such attacks, but I will give examples of intimidation in a moment. For example, my officials have received calls from worried householders, most recently an 84-year-old gentleman. He had read the confused and confusing stories and wanted to know why "inspectors" would be coming to his home, forcing their way in and taking photographs of his bedroom and personal belongings. One article said that those photographs would be given to burglars to help them target properties.

In all conscience, I cannot allow this situation to remain unchallenged. With your indulgence, Mr. Deputy Speaker, I should like to attempt to put the record straight once again, for the benefit of the House, of members of the public who take such misinformation to be true, and of VOA staff who are daily faced with the consequences of these grossly unfair and misleading reports.

Sir Paul Beresford: The Minister will accept that most hon. Members who understand this matter know that what he is saying is correct. Does he agree that the problem may have more to do with journalistic licence than with statements made by hon. Members?

Mr. Deputy Speaker: Order. Before the Minister replies any further on this point, I must remind him that, although I understand what he is anxious to do, an amendment on this matter was ruled out of order. On Third Reading, we should concentrate on what is in the Bill, and not on what might have been in it.

Mr. Woolas: Thank you, Mr. Deputy Speaker. I hope that you will allow me to give the hon. Member for Mole Valley the assurance that he asked for. I deliberately said in my opening remarks that we had had a sensible and principled debate as the Bill made its way through the House.

The Bill does three things, and three things only. It effectively postpones the 2007 council tax revaluation exercise. Despite the confused messages coming from Opposition spokesmen and spokeswomen, we are postponing revaluation. We have made it clear that we do not believe that it will happen in the lifetime of this Parliament.

The Bill removes the requirement for subsequent revaluations to take place at intervals of no more than 10 years. Finally, it gives the Secretary of State power to set the date of revaluations by order, subject to affirmative resolution in the House. That is all that it does. There are no proposals for new powers for VOA staff. Indeed, the existing powers to carry out inspections have been in place since before the second world war and were affirmed in the Local Government Finance Act 1992. One of the reasons why those powers exist is to help the VOA to stop people avoiding paying their tax.

Sir Paul Beresford: Many of us feel that a property-based tax for local government purposes has some positive advantages, but one difficulty with the vague way in which the Minister approaches the issue—we do not know whether there will be a revaluation—is that it could make one suspect that he is sliding away from a property-based local government tax.

Mr. Woolas: I thank the hon. Gentleman for that intervention, because it gives me the opportunity to say again in the House that the Government's policy is to postpone, not to cancel, the revaluation. The property-based council tax is the basis of the review by Sir Michael Lyons and I referred again to the desirability of reforming the council tax system and the measures that go with it.

The important thing to recognise is that the staff and contractors of the Valuation Office Agency have no powers to forcibly inspect a property for council tax valuation purposes. The VOA does not forcibly enter people's homes—it does not have either the legal power or the desire to do so. For a member of the VOA to take photographs of the inside of a property would be extremely rare and it would only ever be done with the express permission of the householder. In fact, the VOA has clear guidance for its staff about on-site inspections. It expressly states that photographs can be taken only with the permission of the householder, and must not show people, details of security systems, or valuable possessions.

The basis on which property is valued for council tax purposes is the same now as it was when the council tax was introduced. The VOA seeks to assign a market value based on the variables that operate in the market. If one property has a scenic view and another overlooks

a chemical plant, it is likely that the one with the scenic view will attract a higher relative market value than the one with the view of a chemical plant. There is nothing new or surprising about that. If one property has an attribute that leads to its market value being higher than its next-door neighbour, it is only fair that that should be reflected in its banding. This has always been the case and nothing has changed since 1992.

As I mentioned in Committee, the fact that the VOA is capturing property attributes in a database using codes does not indicate some sinister, new, Big Brother database. It is simply the most effective and efficient way of capturing data in a form that can be used by the valuation model to come up with a fair and justifiable valuation, on computers, rather than on paper. That process has previously been done manually by a valuation officer. I recall that estate agents had to be hired quickly to ensure that the council tax could be introduced to replace the unpopular poll tax. The only difference now is that the valuation officers have the benefit of modern technology to support them in their task.

I wish to use this opportunity to reassure hon. Members and members of the public—I hope that they have paid attention to the debate or will read the reports of it—that suggestions that people who are unable to pay their council tax will be sent to prison are not true. People who wilfully refuse to pay may be imprisoned under powers that have existed for many years, but that is entirely different from the position of someone who is unable to pay. Nobody has ever been jailed for being unable to pay, nor would they be.

Only last weekend, at the very time that winter fuel payments and £200 cheques for pensioners' council tax rebates were landing on the doormats of millions of pensioner households, there were stories touting a survey about the impact of council tax increases on the elderly. That survey was mentioned by the hon. Member for Christchurch (Mr. Chope)—incidentally, he was the Under-Secretary who introduced the poll tax in the late 1980s—and by its own admission, it excluded council tax benefits and rebates for the elderly. I should say in acknowledging the point made by the hon. Member for Mole Valley that the reports of that survey have led to yet more anxiety among the elderly.

The Government have already said that we will use our capping powers against councils with excessive council tax increases and budgets, as we did this year and last year. I give that reassurance to those who may be anxious about council tax.

Almost 2.5 million people aged 60 or over now receive council tax benefit, which provides a rebate of up to 100 per cent. of their bills. In addition, £100 was given to households with someone aged 70 or over in 2004–05, to help them with their council tax bills. For 2005–06, households with someone aged 65 or over are receiving £200, which is paid with the winter fuel payments unless they are already entitled to a 100 per cent. council tax rebate.

Mr. Bone: Will that payment continue in future years?

Mr. Woolas: We will have to wait and see. When we consider council tax bills, we must bear in mind the council tax benefit and rebate system to get a fair picture. We can then debate the policy on the basis of the facts, not false assumptions.

Finally, I do not understand why Conservative Members continue to undermine the council tax, when the Conservative party introduced it and when they have no alternative tax policy—yet they campaign to seek to undermine it every week. I hope that we can have a proper debate and dialogue based on the facts of the Bill and recognise that the council tax system has received support from both main parties since it was introduced. I commend the Bill to the House.

5.33 pm

Angela Watkinson: The Bill is very narrowly drawn, but it enables the Government to delay revaluation and to choose when it will take place in the future. It has aroused so[illegible]ery strong feelings in the debates this afternoon. This debate on Third Reading is the last opportunity for hon. Members to raise their concerns and put them on the record.

The Minister's first major decision after taking up his post was to put off the revaluation and refer the issue to the Lyons inquiry—much to the dismay of his predecessor, the right hon. Member for Greenwich and Woolwich (Mr. Raynsford). The Government have essentially ensured that the revaluation will not take place before the next general election. So this is not goodbye to revaluation but au revoir, and the British people are highly likely to face a revaluation that significantly increases their council tax bills sooner or later, unless they show their disapproval in the ballot box at the next general election.

Amendment No. 3 sought to introduce local revaluation, and we had a long and interesting debate that raised more questions than it answered about the great complexity of revaluation and how to make it fair.

As hon. Members know, the level of council tax is one of our constituents' main concerns, and it occupies much of our time in correspondence and advice surgeries. That makes council tax one of the most explosive political issues that the Government face. Bills have already increased by 26 per cent. since 1997. As one person said to me only today:

"I feel as though Dick Turpin raids my bank account every week".

It was noted on Report that the value of a property is not always a reliable indication of ability to pay. I am sure that the Minister and other hon. Members know of examples of people who are cash poor, yet live in valuable properties. Elderly people, such as surviving spouses, may remain in a family home that has risen in value over the decades, although they have a modest disposable income. However, four working adults might live in a more modest property, so the value of a property is not always a reliable indication of its residents' ability to pay their council tax.

The Bill will postpone the revaluation of properties for the purpose of council tax that was to have occurred on 1 April 2007, with council tax bills being based on the updated valuations that year. Conservative Members oppose the revaluation, not least in the light of the outcome in Wales. The revaluation in Wales was used as a tool to increase the overall tax take, so it was a stealth tax. If a typical house in England were moved up a band, it would become liable for an extra £257 a year on top of any other changes to the council tax bills. Of the 21 million homes in England, 7 million would be moved

[Angela Watkinson]

up a band, but only 1.5 million would move down a band. The Minister is looking puzzled, so I should explain that those figures have been extrapolated from the experience in Wales.

The Bill does not go far enough. It only postpones revaluation, rather than scrapping it altogether. Approximately £60 million of taxpayers' money has already been spent in preparation for revaluation—including on a new computer system—much of which will be wasted. It is ironic that an information technology project that the Government claim is excellent will not be used for its intended purpose. It is not clear whether the cost of the reduction of 1,020 staff by June 2006 is included in that £60 million figure. Perhaps the Minister will clarify that point later.

Even more alarming to council tax payers is the worrying fact that revaluation procedures will allow inspectors to enter people's homes. It is a great pity that the amendment on that matter was not selected for consideration on Report. I do not know whether you will indulge me, Mr. Deputy Speaker—

Mr. Deputy Speaker: Order. I think that the hon. Lady is verging on criticism of the Chair. I do not advise her to pursue that line.

Angela Watkinson: That would be unthinkable, Mr. Deputy Speaker, but one or two hon. Members raised the subject on Report.

If the revaluation is not to proceed, why are the Government still collecting data on dwelling codes, as the Minister confirmed to my hon. Friend the Member for Meriden (Mrs. Spelman) in *Hansard* yesterday? What use will those data be in five years' time?

Countless people make enormous sacrifices to buy a home of their own. It often leaves them with little disposable income, so they go without holidays and other forms of leisure activity so that they can afford their mortgage payments. Such people are by no means rich, but the Government see them as the milch cow of the nation.

Improvements and maintenance must be budgeted and saved for. If the implication is that improvements to, and the maintenance of, houses will put people in a higher council tax band in the future, will we see falling general standards of upkeep as people wish to avoid paying more council tax? Some of my constituents—ordinary law-abiding people—have already expressed their concern to me about the likelihood of someone knocking on their door and demanding access. That is a worrying element of the revaluation exercise.

Under this Government, an Englishman's home is no longer his castle. The Bill will allow the Government to impose a revaluation date through secondary legislation with little debate in Parliament, although that could change the entire funding of council tax. Such a change must be carefully thought through and prepared so that we have a properly balanced tax on property and services, not simply property.

5.39 pm

David Howarth: Last Thursday, in answer to a question that I put to him during business questions, the Leader of the House said that he thought that the idea of programming Report stage and Third Readings raised constitutional questions. I am not sure that I agree. A lack of strict programming of this afternoon's business might have made things much worse. During the debate on amendment No. 3, I was fascinated to see what it is like to attend a meeting of the 1922 committee, but the Bill survived that unfortunate experience.

The Minister of Communities and Local Government emphasised on Second Reading, and the Minister for Local Government repeated in Committee, that the context of the Bill was the revision of the remit of the Lyons review of local government to encompass function in addition to finance. That context has now changed and we are looking forward to a White Paper on local government which will take into account not only finance and function, but structure. I welcomed that announcement, especially as I called for a White Paper last Wednesday in Westminster Hall. I had no idea that the Government were so responsive to Opposition calls made in Westminster Hall debates. The Bill started out as a small part of a large picture and has now become a very small part of a very big picture. I hope to see a much more long-term constitutional approach to local government, rather than the short-term political approach that produced the Bill.

As we have said all along, the Bill has its uses. We stated our support for it on Second Reading and we shall continue that support on Third Reading. We support it largely because our proposed reform of local government finance would involve the cancelling of the next revaluation, for the obvious reason that a local income tax requires no property valuations of any sort. Whether the Bill is passed or not, council tax will remain a bad tax. As the hon. Member for Upminster (Angela Watkinson) said, one of the great problems of council tax is its weak relationship to ability to pay, and revaluation does not affect that much. A group of people who are rarely mentioned in our debates are tenants, especially tenants of councils or local housing associations. It is often assumed that council tax is a type of wealth tax—that it is related to the wealth of the taxpayer. In fact, for a quarter of the population that is not so and any revaluation does not affect that.

Sir Paul Beresford: Will the hon. Gentleman reflect on what was said on Second Reading and consider the possibility of changing the way in which ability to pay is assessed, combining that with a broad-scale income assessment, and feeding it into the funding formula in place of the current banding system? The resulting tax would have the advantages in terms of collectability that council tax has because it is property based. I believe that that would blow the Liberals' suggestion out of the water.

David Howarth: The hon. Gentleman's proposal is a halfway house. It is technically possible—in fact, it would be part of a reform that would introduce a different sort of taxation; it would be part of the equalisation necessary for the introduction of a local income tax. However, it does not go far enough. Collectability was discussed in Committee, but a point that is often missed, although the hon. Member for Manchester, Blackley (Graham Stringer) made it, is that often the published statistics on collection assume that

the tax is properly due as recorded, but if a lot of people claim falsely to be living as single people there is a lot of evasion going on that the statistics do not pick up.

Mr. Francois: I do not wish to misrepresent the hon. Gentleman, but I think he said a few minutes ago that there was very little discussion of housing association and council tenants during consideration of the Bill. May I correct him? On Report, some of us mentioned such people, not least in the context of housing redevelopment. Does he accept that some of those people at least get full or partial council tax benefit, which helps to ameliorate the effects of council tax on people in those categories?

David Howarth: What the hon. Gentleman says is, in part, true. Council tax benefit partly offsets the regressive nature of the tax, but the tax remains the most regressive major tax in the Government's taxation armoury, even after the use of council tax benefit.

Revaluation would probably make the council tax even more unpopular. That is presumably why the Bill allows revaluation to be called off. On the other hand, failure to revalue makes the council tax more unfair and more out of date. That sums up one of the reasons why we oppose council tax. It is simultaneously bad to revalue and bad not to revalue.

I am still puzzled by the Conservative party's position on the Bill. Conservative Members voted against Second Reading. The effect of voting against, if it had been taken up in all parts of the House, would have been to defeat the Bill. If the Bill had been defeated, the present law would remain. The present law mandates a revaluation in 2007. By contrast, when the Committee considered whether clause 1, which is really the only clause in the Bill, should stand part of the Bill, the official Opposition failed to divide the Committee. I shall be fascinated to see what they do tonight on Third Reading. I hope they discovered the error of their ways on Second Reading and have realised that others may have noticed that what they proposed was, in effect, to carry on with revaluation, which is the opposite of their announced policy.

I shall not detain the House further. We are happy to speed the Bill on its way to another place. It is a very small part of a major reform of local government finance, which we all wish to see, and we wish to see the Bill pass through the House tonight.

5.47 pm

Mr. Francois: I declare something of an interest in an historical sense at least, having served in local government in the mid-1990s. I am pleased to follow the hon. Member for Cambridge (David Howarth), and I listened carefully to what he said. I was slightly disturbed to hear earlier this afternoon that his hon. Friend, the hon. Member for Brent, East (Sarah Teather), was not able to be with us as anticipated, because unfortunately she is not very well. The hon. Gentleman may not know that I was the Conservative candidate in Brent, East at the 1997 general election, when I fought against a chap called Mr. Ken Livingstone, who was then a Member of Parliament. I ran him fairly close—just another 16,000 little votes and I would have defeated him. Having some familiarity with the hon. Lady's constituency, I should be grateful if the hon. Gentleman would pass on my regards and, I am sure, those of all other hon. Members, and wish her a safe and healthy return to us next week.

It is a pleasure to speak shortly after my hon. Friend the Member for Upminster (Angela Watkinson), who worked in local government in Essex earlier in her career. Her knowledge of these matters was clearly reflected in the quality of her contribution a few minutes ago.

The Bill has just two clauses. It is one of the shortest that I have debated in my time in the House, but it serves an important purpose in that it delays the revaluation of properties for council tax purposes in England. In a briefing note that was produced in October, the Royal Institution of Chartered Surveyors pointed out that the proposed revaluation which was to be undertaken by the Revaluation Office Agency would have represented "the largest exercise of its kind in the world".

As such, the decision to delay it, which the Bill facilitates, represents one of the first major post-election climbdowns by the Government—although given recent events, I trust that it will by no means be the last.

It is a truism that no one likes paying taxes, but the level of council tax, even on the existing valuations, which will run for several more years at least, is one of the major features of my constituency mailbag. That is particularly true in the spring, when council tax demands go out, and in responses from pensioners, many of whom live on relatively fixed incomes and find that their council tax bill is their biggest single monthly outlay, particularly if they have paid off their mortgage. Many people experience considerable difficulty in meeting those bills, so at least they will not face the added burden of a revaluation in the short term.

As part of the debate on this Bill has related to the subject and process of billing, I want to make a few brief points on how changes in the billing system have affected public attitudes to the spending of funds by precepting authorities. The breaking-down of components on the overall council tax bill into individual line items, such as policing and fire and civil protection, has, I think, been a positive move on the whole. It certainly tends to concentrate constituents' minds on how money is actually spent on those particular services, once they are itemised.

For instance, when I was first elected to this House back in 2001, I think that some of those items were still effectively subsumed within the overall totals. However, it is interesting to note that now that those have been broken out, constituents have started to ask more specific questions about how such itemised money is being spent. I see that one or two Labour Members are nodding in assent to that proposition.

Policing precepts, for example, have generated quite a bit of correspondence from my constituents in the past few years. Indeed, one of the reasons why I am so opposed to the regionalisation of police forces in East Anglia is that Essex has a relatively low police precept compared with other East Anglian forces, so any regional merger would probably lead to a rounding-up of precepts, which could lead to proportionately higher increases in Essex on the policing precept and thus on the overall bottom-line level of council tax. I shall say nothing more about that subject this afternoon for fear

[Mr. Francois]

of straying out of order, Mr. Deputy Speaker, but suffice to say that people pay enough council tax in Essex as it is, without having to pay an even higher bottom-line figure to prop up unpopular reforms that have little or no public support.

I suspect that part of the Government's rationale behind backing away from short term revaluation has been the howl of protest that followed the change to the formula determining the level of grant paid to local authorities by Her Majesty's Treasury. Because between two thirds and three quarters of the eventual council tax is determined by that level of grant, however the individual properties within the local authority are banded, any changes to the formula clearly have important implications for the remaining element, which has to be raised directly by the local authority. That then falls across the council tax base, which we now know is not likely to be revalued in the short term.

I must challenge the Minister on a point that he raised on Report. Any alteration in the grant formula normally creates winners and losers, and the change, which took place a few years ago, from the standard spending assessment system to the revised formula spending share system certainly did that all right. The Minister contended on Report that there are very few specific examples where that has been a problem. I shall answer his point directly: most of the losers in the transfer of resources that took place in the switch from SSA to FSS were not exclusively, but overwhelmingly local authorities—both county and district councils—concentrated in the south-east of England; most of the gainers, although not exclusively, were urban and metropolitan authorities in the midlands and the north of England. There was effectively an important shift of resources from the south-east to the midlands and the north, which had important knock-on effects on the council tax bills subsequently levied on council tax payers.

In the year in which the switch took place, the county council precept in Essex went up by 16 per cent. in one hit, because millions and millions of pounds in grant were removed from Essex and given to Labour's friends in the midlands and the north.

Mr. Neil Turner (Wigan) (Lab): Does the hon. Gentleman accept that the vast majority of deprived areas are in central London, the west midlands and the north? The resources were shifted to recognise the deprivation in those areas.

Mr. Francois: I am grateful to the hon. Gentleman for admitting that the switch took place. I am pleased that a Labour Back Bencher has been honest enough to put that on the record in the House of Commons.

Mr. Woolas: The hon. Gentleman would be fairer if he acknowledged that the level of grant to Essex has increased in line with inflation or above it in every year since 1997. He can hardly say, therefore, that the increase in council tax was the result of taking away funding. He says that the Government were accused of having an underlying political motivation. That implies that all the areas that lost out on some of the funding changes, relative to what they would have received, were controlled by his party, which is not the case.

Mr. Francois: The Minister is well aware of what happened, as am I and all Members of this House. The public reaction to the change was reflected in the subsequent local elections, when the Labour party was slaughtered in Essex. I confidently predict that it will get another hiding in May.

Sir Paul Beresford: Perhaps part of the answer is that even if the Minister is right that Essex got more in percentage terms, its proportion of the total sum available dropped, while many of the northern councils, especially in urban areas, received more money through the change to the SSA, particularly as many of the indices were subjective rather than objective and therefore able to be manipulated.

Mr. Deputy Speaker: Order. Perhaps in the last few minutes of the debate we could return to the terms of the Third Reading motion.

Mr. Francois: I apologise for my hon. Friend tempting me to stray, Mr. Deputy Speaker, although I would just say, in obeying your instruction, that he is absolutely right.

We heard several good speeches on Report. My right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer) made a thoughtful speech in which he raised the possibility of voluntary revaluation in certain limited geographical areas if residents wanted to be revalued for some pressing local reason. He did not give his argument a name, but I would characterise it as revaluation by consent.

During the debate on the amendment tabled by my hon. Friend the Member for Mole Valley (Sir Paul Beresford), we discussed whether, if we do eventually revalue at some point in the future, there would be any merit in running pilot revaluations in a few parts of the country to test the effects. I cannot imagine that many areas would rush forward to volunteer for that. Nevertheless, I suggest to the Minister that there might be some merit in doing it, not least to try to persuade people that the system is not bent. Whatever the Government were trying to do, a lot of the resistance arose because, given what had happened in Wales and with the grant shift, many people genuinely felt that the revaluation would not be fair. I think that the Minister would privately concede that. I make this as an entirely non-partisan suggestion.

Local government finance is the 21st century equivalent of the Schleswig-Holstein question. We have to come up with a grant formula that everyone can agree is equitable. Some people liked SSA and did not like FSS; some liked FSS and did not like SSA. It has been argued that some authorities needed more help with the process. I hope that the Lyons review will come up with an equitable formula, but if it is unable to do so, I hope and trust that an incoming Conservative Government will solve the problem.

Question put and agreed to.

Bill accordingly read the Third time, and passed.

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

NORTHERN IRELAND

That the draft Legal Aid (Northern Ireland) Order 2005, which was laid before this House on 15th November, be approved.—*[Mr. Roy.]*

Question agreed to.

ESTIMATES

Motion made, and Question put forthwith, pursuant to Standing Order No. 145 (Liaison Committee),

That this House agrees with the Report [30th November] of the Liaison Committee.—*[Mr. Roy.]*

Question agreed to.

NHS Dentistry (Durham)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Roy.]*

5.59 pm

Dr. Roberta Blackman-Woods (City of Durham) (Lab): I am grateful to have obtained the Adjournment debate for which I asked because I am concerned about the present and future availability of national health service dental services in Durham.

Twenty dentists in Durham provide NHS care but some of them do so only for the under-18s and other exempt cases under a personal dental services contract. All practices in my City of Durham constituency have currently closed their lists to new NHS patients. I understand that the nearest open list is at Chester-le-Street community hospital.

Problems with the availability of NHS dental care in Durham are unfortunately not new. In response to previous representations from me and my predecessor, the primary care trust agreed to employ a salaried dentist directly. That appointment was made but that NHS list is also closed, albeit temporarily.

The PCT intended to take on another salaried dentist and confirmed that in a meeting with me in the summer. In the event, that did not happen for a variety of practical reasons and the PCT does not currently have the financial resources to support it. Discussions with dentists about expanding their NHS provision are currently being held up until further details of the new general dental services contact are known.

Durham, like many commuter towns, faces a problem of the demand for dental services being higher than the size of its population base would suggest was necessary because many people who work in the city but do not live there register with a dentist. The PCT argues that that makes planning for the correct amount of dental services difficult. It also has the effect of pricing local, low-income people out of dental care because many of those who come into the city for employment can afford to be private patients.

The problem of "privatisation" has been happening for some years, with several dentists "encouraging" or forcing their NHS patients to become private ones. Sometimes lists are completely closed to NHS patients.

Mr. Peter Bone (Wellingborough) (Con): I am glad that the hon. Lady has secured such an important debate. When I listen to her speaking about Durham, I realise that her comments apply to Wellingborough, which suffers from exactly the same problem of dentists opting to go private. My constituents have to leave the constituency to find an NHS dentist.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. We cannot widen the debate by intervention. The debate, which the hon. Lady has won, is about dentistry in Durham.

Dr. Blackman-Woods: I thank you, Mr. Deputy Speaker, but I have enormous sympathy for the hon. Member for Wellingborough (Mr. Bone).

As I said, several patients are forced to register as private patients. There was an unfortunate example in the summer, when a dentist gave two weeks' notice to his

[Dr. Blackman-Woods]

patients, did not inform the PCT, and told his patients that if they wished to re-register with him, they would have to do that on a private basis.

I would like the Minister of State for Health, my hon. Friend the Member for Doncaster, Central (Ms Winterton), to make some comments about how we can encourage dentists to take their social responsibilities to provide NHS care more seriously, especially as they are trained and supported by the NHS. I know that that applies only to some dentists, but I would welcome her comments on that.

I can see that the Government have taken action to try to address the problem of a shortage of NHS dentists by employing more dentists, setting and recently achieving a target of 1,000 new dentists, and I know that there are 170 extra training places this year in dental schools—a 25 per cent. increase on 2004–05. I also understand that additional capital money is being made available, and discussions are taking place about a new dental school. But those measures, welcome though they are, are not delivering on the ground for the people in Durham.

In addition to the extra resources now being put into NHS dental services, I understand that the Government are placing a great deal of faith in the general dental services contract being introduced from April 2006, which they say is a large part of the solution to current problems. Feedback from the Durham and Chester-le-Street PCT, however, does not fill me with optimism. Already the PCT has received one letter of resignation giving the reason as the introduction of the new contact. The primary care development manager has stated that she has had many discussions with dentists over the past few months and she has yet to hear a positive view of the contract.

Orthodontists are also very unhappy with the proposals relating to them. Incidentally, Durham has only one orthodontist practice, and the waiting time for treatment is currently 20 months, which is also very unsatisfactory. Anecdotal evidence suggests that once dentists receive their contract values and activity levels from the Dental Practice Board, which I understand is happening soon, most will not wish to renegotiate their NHS contracts. The majority are unwilling to commit themselves without that information.

Obviously, I find this information very worrying. Faced with a potential sudden large reduction in the amount of dental capacity available on the NHS, the PCT will need to provide a direct PCT service, but currently the PCT does not have the capacity either in terms of dentists or surgeries to be able to re-provide that service.

Patients involved in a PCT consultation exercise also had some difficulties with the new contracts. They seemed to be concerned that dentists would no longer hold lists of registered patients as there would be no long-term responsibility for the quality of care provided. They were concerned that patients might not be able to receive continuity of care.

Patients also feel that the way that charges are structured in the new contract—with a fixed price for fillings, for example, no matter how many they have—would encourage people to wait until they require a large number of fillings before visiting the dentist? That would probably apply more to those on lower incomes, creating inequality in dental care. That sentiment was also reflected in consultations with the professionals.

The PCT and the British Dental Association acknowledge that the new charging system is simpler, and that there will be winners and losers in terms of cost—those requiring one-off, more intensive treatment are likely to be the winners, and those needing regular lower-level treatment are likely to be the losers. The British Dental Association maintains that we shall need to train yet more dentists and other dental team members. It notes that demand for dentists is outstripping supply, which is why dentists are closing their books.

According to the BDA, in 2005, 15 per cent. of general dental practitioners were not taking on new child patients, 37 per cent. were not taking on new exempt adults, and 15 per cent. were not taking on new paying adults—a significant rise since 2000. It is also concerned that additional funding might not reach front-line dental services when PCTs become responsible for commissioning from April 2006.

The BDA acknowledges that the value of the private market has grown rapidly over the past 10 years and that NHS care still outstrips private practice, but it suggests that the move towards private care is prompted by a lack of investment in NHS dentistry. Evidence shows that dentists do not typically earn more in private practice than in the NHS, but that they can earn similar amounts of money while being able to spend longer with patients.

I think that it is fair to say that reaction to the new general dental services and personal dental services contracts has been mixed. More than anything, dentists appear to want a break from the treadmill so that the link is broken between treatments provided and remuneration received. The view being expressed by the BDA, however, is that under the new contracts dentists will lose the flexibility to work at their own pace but will be unable to get off the treadmill. The basis of the new system is that the contractor will complete a number of units of dental activity, set by the local PCT, in return for a set monthly payment.

Dentists are also concerned because the new proposals do not encourage disease prevention or the maintenance of good oral hygiene, as preventive care does not specifically attract units of dental activity. They are also of the view that the new system has not been sufficiently piloted before being rolled out across the country. They note that although one or two aspects of the new GDS contract proposals have been tested in the PDS agreements, the UDA output system is, they contend, as yet entirely untested. The BDA maintains that the shortage of dentists is likely to continue for some time.

I raised those more general points about the contract and work force planning matters because I should like reassurance from the Minister about the likely impact of the new contracts in terms of improving access to NHS dental services in Durham. I should like her to comment on the steps that she might take to alleviate the current unacceptable problem in Durham—that no NHS facility is available to new patients. What support will be given to PCTs directly to employ dentists if the mixed economy of dental care does not deliver enough NHS capacity post-April 2006 and they need to employ salaried dentists to achieve NHS output?

I hope that the Minister will accept that my overriding concern is to ensure that the people of Durham have a first-class NHS dental service, which reflects the Government's commitment to the NHS.

6.11 pm

The Minister of State, Department of Health (Ms Rosie Winterton): I congratulate my hon. Friend the Member for City of Durham (Dr. Blackman-Woods) on securing the debate. The topic is not only important but timely. As we speak, general dental services dentists' individual contract values are being sent to them and details of the new system of charges for patients and the regulations governing the new GDS and personal dental services contracts will be released shortly. My hon. Friend pointed out that many dentists were waiting for some of that information before committing themselves. They will now be able to see exactly what the new contract means for them. I hope that that will address many of the issues that she raised.

My hon. Friend referred to the situation in Durham and I want to touch on some of the improvements that have been made there, bearing in mind that there are still some difficulties, as she pointed out. I want also to talk about how local commissioning will give all primary care trusts assistance in developing local dental services.

As my hon. Friend rightly said, there have been severe access problems. We have tried to address them through a variety of means, including domestic and international recruitment and the expansion of personal dental services. In Durham, the PCT took various steps to deal with the problems. It appointed two salaried dentists a year ago and expanded personal dental services. In Durham and Chester-le-Street, six of the 23 practices—about 26 per cent.—are in PDS, which is close to the national average of about 28 per cent.

Dr. Blackman-Woods: Will the Minister give some further clarification about the two dentists directly employed by the PCT? Only one of them is employed in City of Durham. The PCT had intended to employ two salaried dentists in my constituency, but for the reasons I gave earlier it was unable to do so.

Ms Winterton: The PCT area may be wider than that of the constituency.

The PDS practices have a combined contract value of £1.78 million, which includes growth funding of £558,000. That is new money, and it has been made available by the Department of Health to my hon. Friend's local PCT. As she said, there are problems, but those practices were treating almost 24,000 patients at the end of October. The roll-out of the new dental contracts will provide an opportunity for the PCT to look at the PDS agreements and make sure that the units of dental activity agreed with the practice reflect significant recent growth. May I emphasise the fact that the PDS contracts are pilots from which lessons have been learned? In the next few months, we will sit down with dentists to look at levels of activity under PDS contracts to see whether there is room for growth in certain areas. The PDS pilots, combined with the new guidelines from the National Institute for Health and Clinical Excellence, provide greater flexibility. For example, patients do not necessarily need to see their dentist every six months—the time between check-ups can be up to 24 months. The lesson of the PDS pilots is that there is flexibility and room for growth in certain areas. That is one of the benefits of the new system, and it gives PCTs local flexibility.

My hon. Friend's PCT received £65,000 from the £50 million that the Government made available to improve access last year. That sum funded 1,300 additional patient contracts across 10 local practices in the area. The PCT must await details of next year's budget before it makes further NHS dentistry commitments. However, I can assure my hon. Friend that those details will be released shortly, allowing the PCT and local dentists to look at the way in which local commissioning can be used for local investments. They can look at local priorities to ensure that dental services meet all local oral health needs.

Sir Paul Beresford (Mole Valley) (Con): I have a slight interest in our debate, although it is becoming slighter and slighter as I continue my parliamentary career. I hope that we can apply a little lateral thinking. At the moment, we look at the number of patients who are seen, contacts and so on. However, we have a mixed dental service, and patients can be treated on the national health service or privately. Dentists can offer different treatments for the same disease, but most of those treatments are available only outside the NHS. It is important that dentists remain with the NHS, because patients should have a choice as to whether they receive treatment on the NHS or privately. A treadmill system has been introduced—I know that the Minister does not entirely agree—and I urge her to reconsider the proposals and provide flexibility so that more patients can approach more dentists for NHS treatment if they wish to receive it.

Ms Winterton: I contest the notion that this is another treadmill. It is important that, under the new system, dentists can continue to undertake a mix of private, public and NHS work. The new contracts will reflect the way in which they have previously worked. We expect dentists who have recently undertaken units of activity or interventions to make a reasonable commitment to the same level of activity with the same cohort of patients, although we accept that they may undertake a mixture of private and NHS work.

My hon. Friend is concerned about access problems caused by the fact that people outside the city are registered with local dentists. That has been the case for many years, and we have no plans to replace the system because doing so would require many people to find different dentists from those to whom they have become accustomed. It is true that the system is not based on residency, but changing it could affect continuity of care for existing patients.

My hon. Friend asked what would happen if dentists did not take up the new contract. The point of the changes that we are making is this: in the past, when a dentist has left the NHS the money has returned to the centre; now, the primary care trust will retain it locally. That money must be spent on NHS dentistry, which means that more dentists can be brought into the area if there is a shortage. It can be spent on salaried dental services if the PCT thinks that appropriate, although such services usually involve community dental acces

[Ms Winterton]

centres and the like. PCTs can also commission additional services from existing dentists. The money will be there to meet local needs.

As my hon. Friend said, in the longer term we are reversing the closure of two dental schools. The British Dental Association has spoken of the need to increase the number of dentists, and there is such a need—although more dentists are registered, fewer of them work for the NHS.

My hon. Friend is right about what we hope to achieve with the new system. We have discussed with dentists the need to move away from the drill and fill treadmill and to introduce a much simpler charging system. I hope that that will result in a commitment to NHS dentistry. We want to rectify many of the problems that dentists say they have experienced with earlier contracts. Our recruitment of some 1,400 more dentists over the past year demonstrates that there are dentists out there who wish to work for the NHS, but we will continue the programme if some dentists do not want to join in our reforms.

Dr. Blackman-Woods: Will my hon. Friend give way?

Ms Winterton: I will, although my hon. Friend made many points with which I want to deal.

Dr. Blackman-Woods: I am grateful to the Minister. Will she say a little more about why she and her Department are so confident that the dentists will be happy with the contract? The consultation in Durham revealed that no dentists were in favour of it.

Ms Winterton: Over the past few months, the acting chief dental officer has met a number of dentists who have been awaiting further information about the contract values and the regulations that will accompany the contract. I think that there has been a certain amount of misinformation about exactly what is expected. For instance, dentists thought that they would no longer be able to have children only or exempt only lists.

The aim of the regulations that we have submitted for consultation is to ban an unacceptable practice that has been raised by many Members in the House. Dentists were saying "We will treat your children if you will register as a private patient." It will be perfectly possible in future for PCTs to say to dentists "Yes, you can have a children only list." PCTs should be able to look at what is happening locally and say whether it is acceptable. We have tried to tackle a position that we considered unacceptable. Dentists thought that none of them would be able to have those lists under the new contract, which was not the case.

One of the other issues that came up was a feeling that dentists would no longer be able to do some private work and some NHS work. Again, that is not the case. They will be able to mix the two. We must be clear that we are offering a contract under which if NHS dentists give a reasonable commitment to the NHS, they will be able to earn about £80,000 a year, and up to another £60,000 can go towards the expenses of their practice. That is guaranteed for three years, for something like 5 per cent. less activity. We are anxious to ensure that if there is room for expansion, the units of dental activity would cover it. I do not think that that is an unfair deal. Nor do I think that it is bad that we are simplifying the system of patient charges.

My hon. Friend suggested that preventive care might not be possible, but the new system of banded charges specifically allows for preventive oral health advice. That is clearly covered as part of the treatment provided, which is exactly what dentists have been asking us to do.

My hon. Friend asked about the current provision of orthodontic services in Durham, which I accept is not ideal. The strategic health authority is looking into the matter and there has been a big increase in the number of orthodontic treatments over the past few years, although there is no doubt that there are problems in some areas.

Today, the Department has issued guidance on commissioning specialist services, with particular reference to orthodontics. There is clear guidance on determining need, on targeting resources and on how to use the new contract arrangements both for general dentist practitioners and dentists with specialist orthodontic expertise. We hope that that will go some way towards relieving the problem.

I hope that my hon. Friend will be assured that we are moving forward very quickly. I accept the fact that some of her local dentists may have been anxious to know the details of the new contract and what their own contract values were, but I hope that in the coming period we will be able to show them exactly what the benefits are.

I reiterate that this is all about making the charging system simpler and taking dentists off the drill and fill treadmill. I think that it is a good deal in return for a good commitment to the NHS, and will ensure that dentists can do preventive work. That is built into the contract and the charging system. It is guaranteed for three years and it replaces the 400 current charges and the way in which dentists have been paid for those, with fixed monthly income.

I feel that that is a good deal and it goes alongside the increases in training that we have already started and the fact that we will increase dental schools. Altogether, I hope that dentists in my hon. Friend's constituency, while recognising that there are still concerns, will be able to benefit from the changes, and that patients in her area will be able to benefit as well. It is a good deal, it will be good for patients and I think that it will put an end to some of the problems that my hon. Friend has experienced in her constituency.

Question put and agreed to.

Adjourned accordingly at twenty-nine minutes past Six o'clock.

House of Commons

Friday 2 December 2005

The House met at half-past Nine o'clock

PRAYERS

The First Deputy Chairman of Ways and Means took the Chair as Deputy Speaker, pursuant to the Standing Order.

[SYLVIA HEAL *in the Chair*]

9.33 am

Mr. Eric Forth (Bromley and Chislehurst) (Con): On a point of order, Madam Deputy Speaker. I beg to move, That the House sit in private.

Question put forthwith, pursuant to Standing Order No. 163 (Motions to sit in private):—

The House proceeded to a Division.

Madam Deputy Speaker (Sylvia Heal): I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The House having divided: Ayes 0, Noes 37.

Division No. 114] **[9.34**

AYES

Tellers for the Ayes:
Mr. Eric Forth and
Mr. Mark Harper

NOES

Ainsworth, rh Mr. Bob
Anderson, Janet
Austin, Mr. Ian
Baldry, Tony
Bellingham, Mr. Henry
Bone, Mr. Peter
Bottomley, Peter
Brady, Mr. Graham
Bryant, Chris
Byrne, Mr. Liam
Campbell, Mr. Alan
Conway, Derek
Cook, Frank
Dismore, Mr. Andrew
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Featherstone, Lynne
Fitzpatrick, Jim
Gale, Mr. Roger
Gray, Mr. James
Greenway, Mr. John
Grieve, Mr. Dominic
Hendry, Charles
Herbert, Nick
Hollobone, Mr. Philip
Khan, Mr. Sadiq
Luff, Peter
Maclean, rh David
Mactaggart, Fiona
Marris, Rob
McIntosh, Miss Anne
Mercer, Patrick
Paterson, Mr. Owen
Pearson, Ian
Randall, Mr. John
Skinner, Mr. Dennis
Touhig, Mr. Don

Tellers for the Noes:
Mr. Parmjit Dhanda and
Mr. Tom Watson

Question accordingly negatived.

Points of Order

9.50 am

Mr. Mark Harper (Forest of Dean) (Con): On a point of order, Madam Deputy Speaker. Can you help me? Yesterday, at business questions, the Deputy Leader of the House stated that there would be no opportunity to debate the police restructuring proposals before Christmas, yet on Wednesday the Home Secretary, when challenged at a regional newspapers lunch by Ian Mean, the editor of *The Citizen*, said that the House would have three opportunities before the Christmas recess to debate those proposals. I have written to the Home Secretary but have not yet had a reply, and I gave his office notice that I would raise this point of order. Could you help me, Madam Deputy Speaker, in letting me know how I can progress the matter to make sure that the record is corrected?

Madam Deputy Speaker (Sylvia Heal): The hon. Gentleman will recall that Mr. Speaker suggested that the matter should be pursued through the usual channels, so I advise him to do just that.

Mr. Eric Forth (Bromley and Chislehurst) (Con): Further to that point of order, Madam Deputy Speaker, and very much in that context. Are you aware of any contact between the Home Secretary and the Government Chief Whip, so that the Chief Whip can deliver what the Home Secretary has apparently promised us? It would be helpful to the House if we could be reassured that undertakings apparently given outside this place by the Home Secretary to provide debating time will be delivered as promised.

Madam Deputy Speaker: I regret to inform the right hon. Gentleman that I am unable to reassure him on that point.

Mr. Owen Paterson (North Shropshire) (Con): Further to that point of order, Madam Deputy Speaker. Has it been brought to your attention that of the first 3,000 people who replied to the consultation undertaken by West Mercia police, 88 per cent. want the status quo on the area and strategic force—

Madam Deputy Speaker: Order. That is not a point of order for the Chair.

Orders of the Day

Criminal Law (Amendment) (Protection of Property) Bill

Order for Second Reading read.

9.52 am

Miss Anne McIntosh (Vale of York) (Con): I beg to move, That the Bill be now read a Second time.

It gives me great pleasure to introduce the Bill. In doing so, I pay tribute to my illustrious predecessors, not least my hon. Friends the Members for North Thanet (Mr. Gale) and for Newark (Patrick Mercer), who set the scene for the measure. I also pay tribute to the work of my hon. Friend the Member for North-West Norfolk (Mr. Bellingham), who has joined me today to lend his support for my attempt to take the Bill to its next stage. He has done much work for his constituent, Tony Martin, whose case was probably the one that instigated our attempts. I pay tribute to my three colleagues.

I am delighted to tell the House that I enjoy the support of the whole Conservative parliamentary party, and there is much support for the measure in the country. It has indeed proved to be the people's choice. Seldom in one's parliamentary career does one have the opportunity to make a difference to people's lives and I feel that this is my moment—my parliamentary moment. Normally, I do not win on the lottery, either the national lottery or the lottery of life—

Chris Bryant (Rhondda) (Lab): That is because the hon. Lady does not buy a ticket.

Miss McIntosh: I knew there must be a reason. However, I am delighted to have secured fifth place in the ballot for private Members' Bills.

I want to explain why we need a change in the law. The law is not clear and we need a deterrent to show burglars why they will meet more force and resistance than may have been the case hitherto. Undoubtedly, fear of crime, and of burglary in particular, is increasing and the violence used by burglars is increasing, too. Only this week, on 30 November, *The Birmingham Post* reported that a shop assistant had been shot twice in the face during a robbery in Birmingham and that he could lose his eye. The report stated that the father of two, Imran Shah, who is only 21 years old

"was serving in the 24-hour Hamza Food Store in Sparkbrook at 2 am . . . when two masked men swooped."

The time has come to redress the balance.

Mr. Nigel Evans (Ribble Valley) (Con): My hon. Friend may remember that about three years ago in my store in Swansea I confronted a shoplifter who attacked me. Had I used force to retaliate and if he had fallen backwards and sustained head injuries, I might have found myself in court facing charges of using disproportionate force to protect myself. Is not the problem in such cases that when someone is confronted by a burglar the last thing that they should be thinking about is whether they will end up in court? They need to protect themselves, and the Bill will allow them to do that.

Miss McIntosh: I bow in admiration of the heroic efforts of my hon. Friend. He has illustrated the problem more graphically than most Members could do.

Chris Bryant: I am glad that the hon. Lady is bowing in admiration and praise to the hon. Member for Ribble Valley (Mr. Evans). However, I think I am correct in saying that in the example he gave the shop was open and the hon. Lady, too, referred to an incident in a shop that was open. In neither case had trespass occurred, so her Bill would have been of no use whatever.

Miss McIntosh: I am tempted to ask whether we are boxer shorts or briefs today.

Two successive Metropolitan Police Commissioners, Sir John Stevens and Sir Ian Blair, have said that this change in the law is needed. Sir John Stevens said that "householders should be presumed to have acted legally, even if a burglar dies, unless there is contrary evidence".

Mr. Andrew Dismore (Hendon) (Lab) *rose—*

Chris Bryant *rose—*

Miss McIntosh: I want to make some progress.

Mr. Dismore: Will the hon. Lady give way?

Madam Deputy Speaker (Sylvia Heal): Order. The hon. Lady is not giving way at the moment.

Miss McIntosh: When we consider recent case law we can see that the reasonable force defence is not satisfactory. The case of Tony Martin captured public imagination. Most of us would prefer, if we were being burgled, to phone the police and receive, as we would expect, a prompt response. However, as we have just heard in points of order, we are faced with a restructuring of the police force and in areas such as North Yorkshire and Norfolk we shall undoubtedly lose our rural police forces, as officers will be asked to serve in urban areas on anti-terrorist or security duties and will have even less time to attend to burglaries. People such as Tony Martin will thus regrettably be faced with the prospect of having to take the law into their own hands.

Mr. Henry Bellingham (North-West Norfolk) (Con): I congratulate my hon. Friend on bringing forward this excellent Bill. She rightly mentions the case of my constituent, Tony Martin, who was driven to desperation due to the lack of a police response. He should not have been charged with murder; I feel strongly that when burglars break into a house they should leave their rights outside, except in the most extreme circumstances. Does my hon. Friend agree that the Tony Martin case has sparked a huge national debate and that there is a large amount of public support for her measure? Why are the Government not listening to her and supporting her Bill?

Miss McIntosh: I am grateful to my hon. Friend. Perhaps we shall all get a surprise this morning and find that the Government are willing to support my reasonable proposals.

The Tony Martin case captured public imagination. Regrettably, however, a threshold was crossed and the burglar was fleeing the building, possibly not with stolen property—that could not be proved—and Tony Martin ceased to be acting in self-defence and was an aggressor. The modest provisions in my short three-clause Bill set out precisely where grossly disproportionate force would kick in.

Mr. Peter Bone (Wellingborough) (Con): Let me cite an example of something that happened to my family. My wife returned home one day to find burglars in the house. If she had set the dog on them, would she have been safe under the Bill? If she had done that and a burglar had been injured terribly, I am not sure whether she could have been charged under the current law.

Miss McIntosh: We would rely on the courts to decide what grossly disproportionate force would be.

Dr. Nick Palmer (Broxtowe) (Lab): Will the hon. Lady give way?

Miss McIntosh: May I make some progress?

I wish to cite two recent cases that demonstrate how the criminal justice system is failing the victim—the home owner and the property owner. Persistent offenders can be released early and then go on to commit burglaries, which can lead to the death of innocent victims, as these cases show. Marian Bates was innocently going about her business as a jeweller in her shop in Nottingham. The persistent offender in that case was let out on licence. He was meant to be tagged and under the supervision of a security firm, but he released himself from the tag and went on, with tragic consequences, to commit a horrendous burglary during which he murdered Marian Bates. The case of John Monckton was equally tragic. It is a matter of fact that the main perpetrator in that case had been released after serving only seven years of his 12-year sentence for attempted murder.

The people of England feel badly let down by the Government not only because the police are not in a position to attend burglaries as quickly as would be liked, especially in rural areas, but because it is perceived that burglaries are on the increase. When burglaries do occur, they are virtually risk-free because there is little chance of a burglar being detected, prosecuted or convicted.

Nick Herbert (Arundel and South Downs) (Con): I fully support my hon. Friend's attempt to change the law on the use of reasonable force against people who are found in others' homes. Given the inadequacy of the law and the prevalence of burglary that she describes, may I draw her attention to the case of one of my constituents? He woke one early morning to find two people in his house and chased them off. When the case went to court, those people offered the defence that they had been in the house looking for their cat. Incredibly, the case fell because of lack of evidence that they had the intent to steal. Is it not absurd that they were able to offer that defence? Should not the law be changed further so that there is a presumption that if people enter premises with no reasonable excuse, they commit a crime?

Miss McIntosh: My hon. Friend makes a valid point and echoes the sentiments expressed by the former Metropolitan Police Commissioner, Sir John Stevens.

Against the background of an increase in violence, we need a recognition that the concept of reasonable force is simply not understood. When the Crown Prosecution Service guidelines were issued earlier this year, Sir Ian Blair said that for a person faced with an intruder in their home at 4 am, the concept of reasonable force is difficult to understand, yet the concept of grossly disproportionate force would be more obvious.

We are not asking for the Oklahoma law and we are not saying that anything goes. However, people should not be prosecuted for force that is less than excessive or grossly disproportionate. The Government used that test when they introduced a provision in the Criminal Justice Act 2003 to allow burglars to sue home owners or property owners for damages if they had been subjected to such force. I argue strongly that the same test should apply under criminal and civil law.

Mr. Philip Hollobone (Kettering) (Con): Constituents in Kettering are fully behind my hon. Friend's reasonable proposals because in Nottingham, as recent Home Office figures show, there is a rising fear of crime and a worryingly low burglary detection rate. Local people want extra protection against criminals.

Miss McIntosh: I entirely agree with my hon. Friend.

The Crown Prosecution Service guidelines do not go far enough. They refer to people doing what they

"honestly and instinctively believe is necessary in the heat of the moment",

but that could cover a multitude of things, some of which could well lead to the death of an intruder. However, under the heading "Will you believe the intruder rather than me?", the guidelines say:

"We hope that everyone understands that the police have a duty to investigate incidents involving a death or injury."

It is still the case that an innocent victim will be subject to a police investigation and thus public attention.

Mr. Tobias Ellwood (Bournemouth, East) (Con): Does my hon. Friend agree that burglars are well aware of their rights before they commit a burglary? If the Bill is passed, it will send a strong message to all burglars. Does she have any evidence that some people might not have committed burglaries if the terms of the Bill had been in place?

Miss McIntosh: I hope that we can examine that matter in Committee. My hon. Friend is right that most burglaries that were examined in the context of the Bill were not opportunistic, but well thought out and designed for a specific purpose.

Let me move on to the definitions in the Bill. I paid tribute earlier to my hon. Friends the Members for North Thanet and for Newark. My Bill is different from their Bills, and especially the Bill that was introduced earlier this year by my hon. Friend the Member for

[Miss McIntosh]

Newark, because it would extend to all properties, both commercial properties and homes. It is interesting to note that the Bill enjoys the considerable support of members of the Federation of Small Businesses and members of the National Neighbourhood Watch Association. I was staggered to discover that Federation of Small Businesses statistics show that 58 per cent. of small firms are the victims of crime each year. I wanted to take account of excellent points made in the Standing Committee that considered the Bill of my hon. Friend the Member for Newark. It would be wrong to limit the Bill's provisions purely and simply to homes, so I want to extend it to all properties, including commercial properties, such as shops and retail premises.

As my hon. Friend the Member for Newark recognised, we want a threshold for when prosecutions should be brought. I thus argue that no prosecution should be brought against a person without the permission of the Attorney-General. In preparation for the Committee stage of the Bill introduced by my hon. Friend the Member for Newark, the flawed trawl of the Crown Prosecution Service found that there had been 26 cases in a 15-month period, of which 11 had been brought to prosecution. The measure in my Bill would dramatically limit future prosecutions.

Clause 1 would amend the Criminal Law Act 1967. Proposed new section 3(1C) says:

"'building or part of a building' shall have the same meaning as in section 9 of the Theft Act 1968"

The Bill thus covers all buildings, homes, commercial vehicles and vessels. It is worth considering the provisions of the Theft Act 1968 because it makes the good point that the offence of burglary is a serious crime that involves not only a threat to property, but a threat to the privacy of one's own home. That factor differentiates the offence from simple theft. Over time, the offence has been understood to cover a dwelling place and to encompass any building. Under the Theft Act, someone is guilty of burglary if

"he enters any building or part of a building as a trespasser and with intent to commit any offence"

They are also guilty if, having entered the building or part of it, they steal or attempt to steal anything in the building or inflict grievous bodily harm on anyone in the building. The Act includes in those offences the offences of

"stealing . . . of inflicting . . . grievous bodily harm or raping any woman . . . and of doing unlawful damage to the building or anything therein."

References to "a building" in the Act also apply to vehicles and vessels.

Mr. Dominic Grieve (Beaconsfield) (Con): I am grateful to my hon. Friend for defining the nature of the offence. It was suggested earlier that if someone entered premises such as a shop and committed an offence, those provisions would not apply. Is she aware that someone who enters and exceeds the term of their licence for entering premises becomes a trespasser ab initio and can be charged with burglary?

Miss McIntosh: The whole House has benefited from my hon. Friend's astute clarification which, I hope, will lead to even greater support for the Bill. I asked the Home Office for the level of burglary detection in each of the past eight years. Incredibly, it has fallen dramatically. When the Conservatives left government in 1997, 23 per cent. of burglaries were detected by the police in England and Wales. As of 2001–02, that rate had reduced to 12 per cent., and the detection rates for offences of burglary recorded by the police in England and Wales was only 13 per cent. in 2004. Right hon. and hon. Members will know that many people who report burglaries, particularly of vehicles, are simply given a police number. Those burglaries are not investigated or detected, so the offenders are never brought to book. Even more worryingly, only 3.6 per cent. of defendants were convicted of burglary in the courts in 2004–05. In the same year, only 1.6 per cent. of defendants were sentenced to immediate custody or given a custodial sentence for burglary.

What message are we as legislators giving victims and, indeed, potential burglars other than suggesting that burglary is completely risk-free? To receive a criminal sentence and be designated a criminal someone must be accused, and their crime must be detected, recorded and prosecuted. The figures show that that is simply not happening. In clause 2, I seek to extend the provisions of the Bill to Northern Ireland, and I pay tribute to my hon. Friend the Member for Newark, because when his Bill was in Committee he said that such measures should be relevant to Northern Ireland as well as to England and Wales. I would like the provisions of my Bill to extend to Scotland, as I am qualified as a Scottish advocate, albeit a non-practising one. I hope to pursue that proposal if I am fortunate enough to see my Bill proceed to Committee. Under proposed new subsection (1A), a property owner is not guilty of an offence unless they use "grossly disproportionate" force and unless the excessive nature of that force is apparent to them.

Mr. Owen Paterson (North Shropshire) (Con): Can my hon. Friend confirm that the phrase "grossly disproportionate" originated in the Government's own amendment to civil law?

Miss McIntosh: My hon. Friend has been listening closely, as the Criminal Justice Act 2003 sets out the test for an offence to be grossly disproportionate. The Government had to revisit the issue in the light of the claim by Brendan Fearon against Tony Martin in the constituency of my hon. Friend the Member for North-West Norfolk. Brendan Fearon was granted legal aid, reportedly to claim compensation of £15,000 for the injuries that he received. I am delighted that in September 2003 the case was settled out of court when Brendan Fearon dropped his claim and Tony Martin therefore dropped his counter-claim. Such cases make a mockery of the law. I am arguing, with the support of my hon. Friends, that we need a consistent test. Burglars should not be able to sue us for damages that we may inflict on them when they intrude and trespass on our property and commit a criminal act so, under the Bill, there is a higher test of grossly proportionate force for the householder.

Mr. Bellingham: My hon. Friend has alighted on a very important point indeed. When Brendan Fearon sued Tony Martin for damages for the injuries that he

sustained, that provoked outrage. Does my hon. Friend agree that any burglar who breaks into a property and commits a serious criminal offence should not be able to profit in a civil court?

Rob Marris (Wolverhampton, South-West) (Lab): Brendan Fearon has not profited.

Miss McIntosh: Brendan Fearon would have profited if his civil action was successful. I am delighted that my hon. Friend the Member for North-West Norfolk has clarified the point for us.

The arguments for the Bill are forceful. Burglary is virtually risk-free, and detection rates are at a 25-year low. Fewer than one in seven burglaries are cleared up by the police. Only three in 100 burglaries result in conviction. Public fear of crime in general and burglary in particular has increased, yet police in rural areas are severely stretched. My right hon. Friend the Member for Haltemprice and Howden (David Davis), the shadow Home Secretary, said:

> "The term 'grossly disproportionate' was actually introduced by the present government in 2003 when it amended the civil law. I believe that it would be beneficial to amend the criminal law act in the same way, restoring the balance to the victim rather than the criminal. At a time when just three out of every one hundred burglaries results in a conviction, people need to be able to feel that they can protect their lives and property."

Dr. Palmer: *rose—*

Miss McIntosh: In conclusion, I am grateful for the wide support that the Bill has received.

Dr. Palmer: On a point of order, Madam Deputy Speaker. Is it in order for the hon. Lady to strangle debate by giving way only to Conservative Members?

Madam Deputy Speaker: It is entirely the decision of the Member making the speech as to whether they choose to give way or not.

Miss McIntosh: I am mindful of the wide interest in the Bill, Madam Deputy Speaker, and I want to allow as many colleagues as possible to speak. I have been generous in giving way to Government Members.

I thank everyone who supports the Bill in every part of England, Wales and Northern Ireland. I thank the Federation of Small Businesses, the Security Institute, the National Neighbourhood Watch Association and the former burglar Bob Turney, who has lent his not insignificant expertise. I humbly submit that the Bill is very much needed. It would extend to both residential and commercial property owners the right to defend their lives, property and belongings without fear of prosecution. It would allow people to take action only where that was deemed not to be grossly disproportionate to the threat that they faced and, in such circumstances, they would not face criminal charges. It would bring criminal and civil law into line, restoring the balance in favour of the victim rather than the criminal, and it would increase protection for people throughout England, Wales and Northern Ireland, who expect the House to vote in favour of its provisions.

10.19 am

Dr. Nick Palmer (Broxtowe) (Lab): Initially, I shall ask some of the questions that the hon. Member for Vale of York (Miss McIntosh) did not allow me to put during her own presentation. The first is that the crucial distinction made by her Bill by comparison with the current state of affairs is to replace the test of reasonableness with the test of gross disproportionality. She was asked by the hon. Member for Wellingborough (Mr. Bone), who left the Chamber immediately afterwards, what would happen if his wife set the dog on an intruder. The hon. Lady responded—with respect to her—evasively, saying that that was a matter for the courts to decide. Is that not a classic example of the state of uncertainty, about which she and her hon. Friends complain, in the current situation?

At present, if the hon. Lady were to break into my house and I had to decide how far I could deter her, I would have to consider what would be deemed reasonable. Under her Bill, I would have to consider what was grossly disproportionate. It is possible to imagine situations where behaviour is unreasonable but not grossly disproportionate, or cases where it is grossly disproportionate but not unreasonable.

Let us take, for example, the case of the British tourist who, in one of the southern states of America, one dark night got lost. He went up the path to a remote house and wanted to ask the way. As he approached, the nervous householder, who I believe had been burgled several times, thought he was another intruder and shot the tourist dead. We could all agree that that was grossly disproportionate—[HON. MEMBERS: "Some of us would."] Unlike the hon. Lady, I shall be glad to give way if she wishes to intervene, but I hope she would agree that that was grossly disproportionate.

Could we also say that that was unreasonable? Looking at the case, at least through British eyes, we would say, yes, it was unreasonable. But suppose the householder had not shot the tourist dead, but merely wounded him. An American court, and, I submit, a British court might in that case have said, "Well, this is grossly disproportionate—using a firearm to attack somebody who has not yet done anything worse than walk up the drive—but is it unreasonable?" One could argue that with a history of burglaries, it is understandable if the householder feels nervous.

Here we have a case where the householder would be prosecuted under the hon. Lady's Bill, but not under the current law. Her Bill would replace one uncertainty with another uncertainty. That is being done not to resolve the uncertainty—if that was her intention she would merely adopt the formulation that the householder can do anything on his own premises—but to seek partisan advantage, by pretending to bring forward a different form of words which in practice would do nothing to reassure the householder that they would be able to operate. The householder would have exactly the same dilemma: to judge what a court might think of his or her behaviour—

Mr. Roger Gale (North Thanet) (Con): The hon. Gentleman has just made a disgraceful statement and he knows it. For him to suggest that the Bill is being moved for partisan advantage rather than in response to public

[Mr. Roger Gale]

concern is about as sensible as Conservative Members trying to pretend that every Labour Member who opposes it is a burglar's friend.

Dr. Palmer: I am afraid I cannot share the hon. Gentleman's synthetic indignation. I note that not very many Opposition Members have bothered to turn up to take part in the debate. There are seven. Each of the Conservative Members present have pursued the issue in what seems to me a partisan spirit which is alien to what ordinary people in Britain want. What ordinary people want is a degree of certainty.

Mr. Paterson: Would the hon. Gentleman reflect that the hon. Member for Ealing, North (Stephen Pound) had a poll on the "Today" programme last Christmas and a measure like the Bill got overwhelming public support? His reply, which perhaps represents the view of the hon. Member for Broxtowe (Dr. Palmer) as well, was, "The people have spoken, the ********". I am afraid the hon. Member for Ealing, North then used an unparliamentary word on the public airwaves.

Dr. Palmer: It is a common phrase that was used. It was used by a Conservative colleague of the hon. Gentleman on the website yesterday when he heard about the Labour gain in the constituency of Thurrock. Such partisan remarks are not unknown.

The fundamental question that we all have to answer is whether we have a degree of trust in the British jury system or not. If we examine a typical case, as evinced by several hon. Members who have spoken so far, we have great difficulty in imagining a British jury in the case described—the hon. Member for Ribble Valley (Mr. Evans), who attempted to stop a shoplifter, or the hon. Member for Wellingborough, whose wife released a dog against an intruder—saying, "Yes, we are going to convict this person."

Mr. Robert Flello (Stoke-on-Trent, South) (Lab): Will my hon. Friend give way?

Dr. Palmer: With reluctance, but yes.

Mr. Flello: My hon. Friend is very kind. He mentioned the apprehension of, say, a shoplifter—someone who has gone into a premises and stolen something. The thief may have left the premises and may be on the street outside. He would no longer be covered by the Bill. Would the security guard giving chase have to stop and think, "I have moved from grossly disproportionate to reasonable force. Hang on a moment. Let me think back to the case law before I carry on apprehending this person."?

Dr. Palmer: I apologise to my hon. Friend for frivolously hesitating. He makes a good point.

If we are honest about it, in all these situations people are operating at the edge of law and are not sure where they stand. That is the problem which, to be fair, the hon. Lady's Bill purports to address, which the Bill introduced by the hon. Member for Newark (Patrick Mercer) attempted to address, and which the Home Office guidance on the existing law attempted to address. It is a genuine difficulty. I share with the hon. Lady, though not, I think, with the hon. Member for North Thanet (Mr. Gale), the view that Tony Martin moved beyond the stage of preportionate response, even to the point of grossly disproportionate response.

Chris Bryant: My hon. Friend may have detected in the presentation by the hon. Member for Vale of York (Miss McIntosh) of her Bill today that there has been quite a significant shift from the way the hon. Member for Newark (Patrick Mercer) presented his Bill a year ago, when he made it clear that he did not think that Tony Martin was acting properly and lawfully, and that his Bill, as then drafted, would have made no difference to his case. The hon. Lady seems to be suggesting that he would be let off.

Dr. Palmer: I am grateful to my hon. Friend. I am not aware of the details of the position of the hon. Member for Newark. If he wishes to intervene, he is welcome to do so.

Patrick Mercer (Newark) (Con): When I presented a similar Bill, I made no bones about my view that Mr. Tony Martin would be guilty of grossly disproportionate behaviour. My ears were fully open and, I trust, clean when I heard my hon. Friend the Member for Vale of York (Miss McIntosh) make precisely the same point.

Dr. Palmer: Fine. Whatever positions may or may not have been taken in the past, we, with the exception of the hon. Member for North-West Norfolk (Mr. Bellingham) who represents Tony Martin and who is in a particularly difficult position, are approaching unanimity on that point. Unless someone wants to contradict me, the rest of us agree that Tony Martin exercised grossly disproportionate force.

Mr. Flello: Was it not also the case that the court found that Tony Martin had not used reasonable force and was therefore guilty under the existing legislation? In that case, what is the point of introducing the Bill?

Dr. Palmer: That is right. The Tony Martin case is useful because it illustrates one element of the grey area. We all agree that Tony Martin used excessive, grossly disproportionate force, and we disagree with a number of members of the general public, which is perhaps because the general public have not studied all the aspects of the case. For example, some members of the general public are not aware that the person who was shot was fleeing at the time, and they are not aware, as I understand it, that Mr. Martin left that person to die before calling the emergency services. Those elements clearly influenced the jury to convict Tony Martin. We must avoid going too far up the side alley of the Martin case, because as my hon. Friends have said, it was adequately covered by current legislation.

Conservative Members need to be careful, to use an outmoded metaphor, that they are not running with the fox and hunting with the hounds. The hon. Member for Vale of York and other Conservative Members cite the Tony Martin case as an example of strong public feeling, but if we agree that those elements of the public who

sympathise with Tony Martin are mistaken, then it is not evidence to support her Bill or any other change in the law.

Mr. Ian Austin (Dudley, North) (Lab): Is my hon. Friend aware that Tony Martin's defending barrister, Anthony Scrivener, described the current arrangements as

"simple and weighted overwhelmingly in favour of the householder"?

Dr. Palmer: I did not know that, but that is my understanding of the current law. However, we must be open about the point that some people are unsure whether that is the case. That is why it was particularly valuable when the Home Office issued a clarification last year—it is reasonable to say that the Bill introduced by the hon. Member for Newark prompted the Home Office to issue that clarification. Many people who, until that point, had felt that the law needed to be changed, looked at the clarification and said, "In that case, the current law is probably about as good as it gets."

Mr. Sadiq Khan (Tooting) (Lab): Does my hon. Friend agree that one of the reasons why misunderstandings have occurred and further clarification is required is the outrageous scaremongering by some Conservative Members on the past three occasions on which this Bill has been introduced?

Dr. Palmer: Yes; that returns me to my dialogue with the hon. Member for North Thanet. The issue has been exploited for partisan purposes, and it has also been whipped up by elements in the press. If one reads the *Daily Express* every day, and one reads only the *Daily Express*, it is very difficult to retain the will to live. *[Laughter.]* Every day, the front page contains a new catastrophe, a new sell-out, a new betrayal and a new threat to the existence of the British human race. Among the terrible catastrophes that the *Daily Express* describes is an alleged failure of the law to give due account to the position of the householder.

Mr. Paterson: The hon. Gentleman has underestimated the absolute exasperation in the countryside at the thin level of policing and the impact of regular burglaries. In the Martin case, people concentrate on the grossly disproportionate use of force, but Tony Martin had been driven to total distraction and almost irrational behaviour because he had been burgled 10 times. The forces of law and order did not support him, because they were not there. Does the hon. Gentleman not see that the Bill would have a deterrent effect? If the criminal law were brought into line with the civil law, there would hopefully be less burglaries and less Tony Martins who have been driven to total distraction and irrational behaviour.

Dr. Palmer: Before I respond to the hon. Gentleman, will he clarify whether he feels that Tony Martin should not have been convicted?

Mr. Paterson: The use of force was grossly disproportionate. I am trying to get away from the physical action and into the state of mind of a man living in an isolated farmhouse in a rural area where the forces of law and order were unable to help him. Tony Martin had been burgled 10 times, and I repeat that he was driven to distraction and irrational behaviour. The hon. Gentleman must not underestimate the real fear on that front in rural areas. If the House were sensible enough to pass the Bill, which I wholeheartedly support, I hope that it would lead to less burglaries and people thinking twice before setting out to burgle a lonely farm such as Mr. Martin's.

Dr. Palmer: I will not correct the hon. Gentleman's grammar. [HON. MEMBERS: "Go on."] We all support the new literacy drive.

We all accept that the more isolated the property, the more people worry that they will not get an immediate response from the police. If we are honest, that worry will always exist, regardless of the level of policing. We will never have a policeman within immediate reach of every isolated farmhouse.

Mr. Flello: Does my hon. Friend agree that the way to make sure that the good people in rural areas are protected in the same way as the good people in more built-up areas is to ensure that we have proper and full policing in this country, which we have achieved thanks to the investment in policing under this Government? And does he agree that the greatest harm that we could do to people in rural communities would be to introduce the £35 billion of cuts suggested by the Conservative party?

Madam Deputy Speaker: Order. I hope that hon. Members will concentrate their remarks on the Bill.

Dr. Palmer: I shall follow your instruction, Madam Deputy Speaker, and draw a veil over the matter.

Because I was asked directly about policing, it is probably in order to say that I agree that part of the solution that people want is a reasonable level of policing across the countryside. However, people are not unrealistic about that matter, and they do not expect a policemen to be within a couple of minutes of every isolated farmhouse, which is why we must accept that increased policing is not the whole solution. If we are treating the Bill seriously, it is probably not a complete answer to say that we should not worry because we have got more police, and I think that my hon. Friend the Member for Stoke-on-Trent, South (Mr. Flello) probably agrees with that point.

Janet Anderson (Rossendale and Darwen) (Lab): The hon. Member for North Shropshire (Mr. Paterson) has mentioned the alleged deterrent effect of the Bill. Did my hon. Friend notice that when the hon. Member for Vale of York (Miss McIntosh) introduced her Bill, she prayed in aid two tragic cases—that of Marian Bates, who was shot by a burglar, and that of the Monckton family? Does my hon. Friend agree that the hon. Member for Vale of York provided no evidence that her Bill would have prevented either of those tragedies?

Dr. Palmer: Yes, I do agree. That is one of the fundamental difficulties about the Bill. Frankly, it is an example of gesture politics. If the Conservative party were in government, we would be sitting on the

[Dr. Palmer]

Opposition Benches saying that it is an example of the Government trying to be seen to do something. However, there is no evidence that it would make any concrete difference. I do not believe that a British jury would make this very fine distinction between unreasonable behaviour and grossly disproportionate behaviour. In a case such as that of Tony Martin, the jury would convict in either event. The hon. Member for Ribble Valley described his experience with a shoplifter. In a case such as that, the jury would acquit in either event. Indeed, I do not think that the Crown Prosecution Service would attempt to prosecute in such cases. As I understand it, it was not only the hon. Gentleman's immunity that protected him from prosecution.

Mr. Paterson: It is most important that the hon. Gentleman address the question of deterrence. We will never have enough police to cover remote farmhouses in rural areas, so it is in the interests of the police and of the general public that before burglars set out they have a really hard think. Is it worth it? Is the risk higher? Surely if the Bill deters burglars, that is in all our interests, and the hon. Gentleman must agree that it will have a deterrent effect.

In response to the hon. Member for Rossendale and Darwen (Janet Anderson), my hon. Friend the Member for Vale of York mentioned those violent cases merely as evidence that violence is increasing. My point is that there is a much broader public good to be gained from the Bill if burglars think twice and stay at home watching the telly, or preferably reading a book and doing something constructive.

Dr. Palmer: There are two tests of the Bill: first, whether it would have the effect that the hon. Gentleman hopes, and secondly, whether the incidence of mistaken injury done to innocent people would increase. It is reasonable for the House to consider both those issues. So far I have concentrated on whether it would have an effect.

Mr. Flello: On deterrence, does my hon. Friend agree that there is a possibility of the said burglar sitting at home and thinking, "Hang on a second. If I go burgling, I may get shot or stabbed—I had better arm myself."

Dr. Palmer: That is right. There is a real risk of an arms race. That takes us back to the argument, which is outside the scope of today's proceedings, about whether we should arm the police. It is traditionally argued that if we arm the police we are likely make it more probable that criminals will also be armed.

Mr. Paterson: That is irrelevant, because all the statistics show that violent crime is increasing. We all know that, regrettably, the vast majority of guns are held and used illegally.

Dr. Palmer: Despite the citing of several examples of violence, we are primarily discussing not violent crime but burglary. Under every form of measurement, the incidence of burglary has been falling since 1995. To make a non-partisan point, it started to fall under the last Conservative Government, because the sky-high rates of unemployment that had been reached were just beginning to come down, and it has been falling ever since. It is important that we do not give the public the false impression that they are more at risk of burglary than they were before, because everyone who has considered the issue seriously knows that that is not the case.

Mr. Khan: Is not the intervention by the hon. Member for North Shropshire (Mr. Paterson) a classic example of leading people astray in a partisan way? Aggravated burglary—that is, where the burglar has a weapon—accounts for less than 1 per cent. of burglaries. Furthermore, the chance of someone being burgled is at its lowest point for 20 years.

Dr. Palmer: Yes, that is right. It is not a question of reported crime. It is generally accepted that burglary is usually reported, if only to get a crime number for insurance purposes. We are comparing like with like—police statistics with police statistics and the recorded crime survey with the equivalent survey. If we are having a serious discussion, we should accept that burglary is becoming less common. That is not only because of Government action, although that has a great deal to do with it, but because people are getting better at ordering their security—alarm systems and so on. It is also because some criminal gangs are diversifying into activities such as smuggling where the pay-off is higher and the risk is lower.

Mr. Khan *rose—*

Dr. Palmer: I shall give way to my hon. Friend once more, and then I should like to make some progress.

Mr. Khan: It is asserted that the figures are inaccurate because fewer crimes are reported. What about the British crime survey, which asks people about their actual experiences and so gives a more accurate picture of crime levels and trends across the country? Even according to that survey, the number of burglaries is the lowest for 20 years and aggravated burglaries represent less than 1 per cent. of all burglaries.

Dr. Palmer: I agree.

In order to make progress, perhaps hon. Members will accept for the sake of argument that the issue is not that the number of burglaries is going up—it has been going down for some time—but that people are still concerned about what they should do and what their legal position would be if a burglary were to occur.

I want to move on to the risk of injury to innocent persons. I gave the extreme example of the tourist in America who was shot dead. There are obviously many other possibilities that are much milder. In our densely populated cities, there is every chance that trespass, in the formal legal sense of the term, will happen many times a day in every city. We all have constituents who complain that youths whom they do not know have wandered into their garden. They are worried by it because they do not know what those youths, who have perhaps kicked a football over the wall or are just being insolent, have in mind. They feel uncertain and uneasy—and who can blame them? It is entirely

reasonably that they should. The problem is that under the hon. Lady's Bill any response that was not seen as grossly disproportionate would become legal.

Let us consider what that means. For example, if a 14-year-old were to wander into the garden of a householder who had a history of being aggravated by local kids, and who then assaulted the child and bundled him off the premises, causing him bruising and minor injuries, would that be seen as grossly disproportionate? I am not sure that it would. Under the present law, it would certainly be seen as unreasonable, because it is unreasonable for someone to use force against a person who has merely strayed on to their property, unless they have first asked them to leave and taken all reasonable steps to get them to do so. Would it be grossly disproportionate? As a householder, I would have great difficulty in deciding whether it would be grossly disproportionate.

Lynne Featherstone (Hornsey and Wood Green) (LD): Does the hon. Gentleman agree not only that it would be difficult to decide if a response was grossly disproportionate, but that there is an implication that it would be okay to be disproportionate?

Dr. Palmer: The hon. Lady makes a good point. If we changed the law in this way, we should be saying that it was okay to be disproportionate or unreasonable, so long as we were not grossly disproportionate. I would be very reluctant to anchor that principle in the law of Great Britain. The principle of reasonableness, which we apply to enormous swathes of the law, is very valuable. It has stood the test of time, and juries have traditionally interpreted it in a way that most of us would accept. If we were to move from the concept of what a reasonable person would do, and to adopt a concept of what a not-grossly-disproportionate person would do, I submit that we should be moving on to dangerous territory. We should be moving into the area of frontier law.

I hope that I am not misrepresenting the hon. Member for North Shropshire—he will correct me if I am—but I understood him to say that, because people in remote farmhouses, for example, cannot realistically expect the police to dash round at two minutes' notice, they need to take other measures to deter burglars and make them think twice before intruding on their property. I assume that such measures would include the possession of some kind of weapon with which the householder could defend themselves in the event of what they saw as a dangerous intruder entering their property. That would say to people across the countryside, "We encourage you to equip yourselves with weaponry, and, if you see someone who you believe to be an intruder, you can use those weapons on them so long as you are confident that a jury will not find that you have behaved in a grossly disproportionate manner." That would be dangerous in the extreme. I do not believe that the general public want it to be the norm in the British countryside for people to arm themselves in order to assault potential intruders. That is not where we want to go; it would lead to more trouble than we have at the moment.

Patrick Mercer: What the hon. Gentleman is saying makes a great deal of sense. There is nothing in the Bills introduced by my hon. Friend the Member for North Thanet (Mr. Gale), my hon. Friend the Member for Vale of York or myself that aims to aggravate the situations that the hon. Gentleman has mentioned. That is precisely why we have included new subsection (1B).

Dr. Palmer: I am grateful to the hon. Gentleman for his intervention, which was, as always, measured and restrained. None the less, as the hon. Member for Vale of York said in her introduction, the Bill would be significant in the sense that it would send a message to householders. There are two possible messages that we could send. One is that nothing much has changed; we might have changed the wording a bit, but basically people are still in the same legal grey area as before, in that they will not know whether they are going to be prosecuted or not. I suggest that, if we send that message, people will be quite fed up with us. They will say that we just mess about and do not change anything.

The other message that we could send is that people can take additional measures to arm or protect themselves against intruders. That is what people would understand by the Bill if it were passed. All the clarification in the world would not make a difference to that conclusion, and the result would leave the peace and quiet of the British countryside in a much worse position than it is today. There is a tradition in the British countryside, as I am sure the hon. Member for North Shropshire will confirm, that if someone gets lost or needs help, or if the weather turns unpleasant, they can go to a stranger's house and ask for assistance. People might be a little wary if they were to do that in central Nottingham—"Who is this stranger knocking on my door? What does he want?"—but the tradition still exists in the countryside. It would be a great pity if we were to tilt the balance away from that because of the increasingly rare cases of violent burglary. We must not put that balance at risk by starting what my hon. Friend the Member for Stoke-on-Trent, South referred to as a sort of arms race. We should not encourage householders to buy knives, to set traps, or to build barbed wire or electric fences in order to fight off intruders by themselves.

We all appreciate that people who choose to live in a remote area might be worried about the time that it can take for the police to respond when they are called. However, the measure proposed by the hon. Member for Vale of York would make no difference to the probability of conviction. It would instead risk sending a message that would be counterproductive to law in order in Britain. That is the fundamental risk that the Bill creates.

If the Bill had been presented in a non-partisan way, I would merely have thought it a mistake. As it stands, however, it seems to me to be a mistake that has been made for political reasons. This subject deserves more serious treatment than it has so far received.

10.57 am

Patrick Mercer (Newark) (Con): Some extremely interesting points have been raised so far. Before I start to make my points, as best I can, I would like to pay tribute to my hon. Friend the Member for North Thanet (Mr. Gale), who introduced the issue in the first place. I also congratulate my hon. Friend the Member for

[Patrick Mercer]

Vale of York (Miss McIntosh), who has added tremendously to the Bill that I tried, unsuccessfully, to introduce at the beginning of this year.

The Bill before us today contains a number of provisions that are considerably better than those in my Bill, particularly proposed new subsection (1C), which clears up the misapprehensions—which I was partly responsible for broadcasting—about the difference between these provisions and those in the Theft Act 1968. I also want to pay tribute to the hon. Member for North Down (Lady Hermon)—who, sadly, is unable to be present today—for the points that she made in Committee on the parts of my Bill that pertained to Northern Ireland.

I think that I am unique in that I am the only person in the Chamber today who knows and has spoken on many occasions to Mr. Brendon Fearon. Let me remind the court—I mean the House—of the Tony Martin case. When it came to light, it enlivened the whole of my constituency. The two boys who went to try to burgle Tony Martin's farm both came from the crime-ridden estate of Hawtonville, in the north of my constituency. One of them, Brendon Fearon, survives today, despite having sustained gunshot wounds to his left buttock. The other, Fred Barras is, in my view quite wrongly, in his grave.

There is no doubt in my mind that Fred Barras was a criminal and that he should have been deterred. Nor is there any doubt in my mind that his victim could have used a number of methods to stop him burgling his farm. There is absolutely no doubt in my mind, however, that both young men were assaulted in a grossly disproportionate way, and one of them was murdered but should today be alive and—if I can be forgiven the phrase—kicking.

The fact remains that the individual who convinced me of the rectitude of what I tried to do unsuccessfully earlier this year was Mr. Brendon Fearon. He has a long criminal record and he continues to offend. When it became clear to that excellent organ, the *Newark Advertiser*, that I was going to introduce my Bill, it went to interview Brendon Fearon. It knew quite well that he was certain to be found at the magistrates court, which is exactly where it found him. It put the case to him by saying, "If our Member of Parliament manages to introduce this Bill, what effect would it have on you as a persistent offender?" A number of Labour Members, from a sedentary position, have referred to the fact that if Conservative Members thought that criminals would be deterred, we were living in cloud cuckoo land. Mr. Brendon Fearon said that if the Bill were introduced, it would deter him, and would stop him committing the crimes of which he has been convicted on many occasions.

When I introduced the Bill, it seemed that I had the support of the Prime Minister. I will not bore the House by going through the Prime Minister's precise words, but he changed his tune after a little while. It also seemed that I had—hardly, on mature reflection—the support of the brand spanking new Metropolitan Police Commissioner, Sir Ian Blair. He also changed his tune after a matter of hours.

Janet Anderson: Is the hon. Gentleman aware that Sir Ian subsequently retracted the comments that he made on the "Today programme" and gave his support to the Association of Chief Police Officers' position?

Patrick Mercer: I am grateful to the hon. Lady. I do not know whether she heard Sir Ian Blair's words on the radio in January this year, but, unfortunately for him, it was his first day in post, and I have no doubt that he had not had time properly to be briefed on the Government's line. The fact remained, however, that in the early hours of that day, he said, although I paraphrase him, that grossly disproportionate was a reasonable test. Later in the day, he changed that, and the hon. Lady will remember that the Prime Minister had to express his confidence in him on his very first day in post.

Dr. Palmer: When the hon. Gentleman says that it was Sir Ian Blair's first day in post and he did not know the Government's line, is he suggesting that Sir Ian is a sheep who automatically follows the Government's line?

Patrick Mercer: I would not dream of suggesting anything about such an eminent police officer. He seemed to change his tune very quickly, however, between appearing on the "Today" programme, on which his comments were unequivocal, and the ACPO briefing, which followed a few hours afterwards and which I am sure the hon. Gentleman will remember.

With the support of a convicted criminal, a persistent offender, the outgoing Metropolitan Police Commissioner, Sir John Stevens, the incoming Metropolitan Police Commissioner, the apparent support of the Prime Minister and the overwhelming support of the public, I thought I had a compelling case when the Bill came before Parliament earlier this year. Sadly, that proved to be incorrect. Much to my regret, the Bill was hijacked by politicians and turned into a party political issue, and I genuinely regret its proximity to the general election. We were robbed of a useful measure that would deter burglars, help and assist policemen, support householders and, most importantly, shift the balance from householders feeling that the law was against them to burglars and other intruders knowing that the law was against them. At the same time, we might achieve a lessening of the possibility of bloody affray either in shops or houses. I hoped that the Bill's deterrent effect would stop confrontation, lessen the fear of householders and increase the fear of burglars. Clearly, I failed.

Proposed new subsection (1B) states:

"No prosecution shall be brought against a person subject to subsection (1A) without the leave of the Attorney General."

A few moments ago, the hon. Member for Broxtowe (Dr. Palmer) skirted over my point when I intervened on him—whether that was intentional, or whether he had not had time to look at the Bill, I am not sure. Many of his good points, however, are addressed by that provision. The point is that the arbiter of whether people are taken to court is not some policeman or the

Crown Prosecution Service but the Attorney-General, who must decide what is grossly disproportionate as opposed to reasonable or unreasonable.

Dr. Palmer: I am glad that the hon. Gentleman appreciates the importance of including the Attorney-General in the decision-making process, and I look forward to his supporting our Racial and Religious Hatred Bill on similar grounds. I also agree with his earlier point that it is a great pity that this issue has become so politicised. Will he tell us whether his party urged him to introduce his Bill just before the general election?

Madam Deputy Speaker: Order. I hope that we will spend more time on the current Bill than on the previous one.

Patrick Mercer: I take your point, Madam Deputy Speaker, and if I have strayed from the letter of the Bill before us, I am in error, and I apologise.

The hon. Member for Broxtowe, of course, comes from crime-locked Nottinghamshire, as I do, and he makes some very good points. I hope that he knows me well enough now, however, to understand that I will always try to put the good of my constituents before any petty party political advantage. I hope that I have made a reasonably compelling case that this subject is close to my heart. Perhaps the subject did not originate in Newark, but it has a strong bearing on my constituents, not because it is a mainly rural constituency such as the Vale of York, but because it has a combination, as the hon. Member for Broxtowe knows, of inner-city and rural problems, which are exacerbated by the lowness of numbers of the excellent Nottinghamshire constabulary.

The Parliamentary Under-Secretary of State for the Home Department (Fiona Mactaggart): There are more now than under the Conservative Government.

Patrick Mercer: In response to the Minister's comment from a sedentary position, no, there are not.

The importance of the Attorney-General being the arbiter is highlighted by the case of Charlie Mayall.

Mr. Khan: The hon. Gentleman's justification in relation to lack of certainty is that the Attorney-General would be the arbiter of what is grossly disproportionate. If so—and that is the logic, as I understand it—why did he and his colleagues find it so offensive for the Attorney-General to be the arbiter of incitement to religious hatred? In that case, he argued that people would not know how far they could go. Similarly, in this case, a householder would not know how far he or she could go.

Patrick Mercer: The hon. Gentleman tempts me, but I have already been cautioned about straying off the point of this Bill. If he wants to speak to me afterwards, I will be delighted to take that up.

Under the Criminal Justice Act 2003, the Government introduced the phraseology of gross disproportionality—that is Government wording in civil law. All that my hon. Friend the Member for Vale of York is trying to do now is to bring criminal law in line with that designed by the Government under civil law.

The Minister has asked who Charlie Mayall is. Charlie Mayall lives in a crime-ridden area of Newark called York drive. He resisted an armed break-in by a number of hoodlums some months ago. When he struck one of them, who then made off, the police arrested him immediately. They believed at the time that they could secure a prosecution against him because he had acted unreasonably.

As a result, Mr. Mayall appeared in court on three occasions, was dragged to and from Newark police station on many different occasions, lost his job, was subjected to all sorts of personal pressures and lost earnings. Only after seven months of that process was he told by the police that the case had collapsed through lack of evidence and that there was no case to answer. How often, in such cases, do the jury and judge eventually say, "This is nonsense, there is no case to answer and you have acted perfectly reasonably"? The fact remains that the individuals involved are treated as criminals. They are put under the most enormous pressure yet are ultimately not found guilty.

Mr. Flello: Does the hon. Gentleman believe that, if this Bill were enacted, police should arrest someone in similar circumstances, or should they not investigate the case, automatically thinking, "It is obviously not grossly disproportionate"?

Patrick Mercer: I have no doubt that the police will make an arrest on those occasions and that they will feel much clearer in their own minds that the arbiter will quickly decide whether the individual should be taken to court. The best scenario is that, as a result of this measure, the likes of Charlie Mayall will not be put through months of pressure and indignity.

Mr. Flello *rose—*

Patrick Mercer: I will not give way again if the hon. Gentleman does not mind.

The Bill makes a huge amount of sense. I believe that it has the support of criminals, police officers and, most important, the public. I hope that Labour Members will not view this as a party political issue but will try to view it as something that we are going to do for the good of all our constituents. I commend the actions of my hon. Friend the Member for Vale of York and the articulate and extremely convincing way in which she presented the Bill today, and I commend those Labour Members who speak from the heart, and who feel the rights and wrongs of this case as passionately as I do. I hope today that we can agree in the House that the Bill should become legislation and that, if it does so, it will be for the good of all concerned.

11.13 am

Mr. Andrew Dismore (Hendon) (Lab): I congratulate the hon. Member for Vale of York (Miss McIntosh) on coming so high in the ballot and on introducing the Bill, although I regret to say that I shall not support it today. May I also express my commiserations to my hon. Friend the Member for Ealing, North (Stephen Pound),

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who unfortunately is not in his place to hear this debate—he has the high office of Parliamentary Private Secretary to the Minister with responsibility for police and law and order. This is all his fault in a way. I think that he should be here to listen to the debate.

It all goes back, as has been mentioned, to the "Today" programme listeners' poll at the end of 2003—

Rob Marris: Rigged.

Mr. Dismore: I will mention something about that later. My hon. Friend the Member for Ealing, North was somewhat hoist by his own petard as a result of that. He was rescued by the hon. Member for North Thanet (Mr. Gale), who picked up the issue later. I suspect that "Today" listeners were probably exercising disproportionate force on my hon. Friend, bearing in mind the number of times he appears on the programme, to try to teach him the error of his ways and persuade him that he should be a little less of a media junkie and a little more restrained about some things.

Mr. Khan: What are my hon. Friend's views on Her Majesty's official Opposition having what listeners of a radio programme think as the main platform of their home affairs policy?

Mr. Dismore: My hon. Friend is right. I shall say a little more about the populist approach, or otherwise, of the Opposition a little later.

This is the third Bill that has come before the House on the issue. My hon. Friend the Member for Ealing, North chickened out, rightly, after the poll came out. It was interesting to hear how he wriggled on the "Today" programme afterwards to get out of the difficulty. He was got out of the hole by the hon. Member for North Thanet, who introduced his own Bill, the Criminal Justice (Justifiable Conduct) Bill, in 2004.

In the last Session of the previous Parliament, that was followed by the Bill introduced by the hon. Member for Newark (Patrick Mercer), the Criminal Law (Amendment) (Household Protection) Bill. He is right in saying that that Bill got a Second Reading but that was only because the Opposition decided to exercise their whip on a Friday, which I regard as a real breach of parliamentary practice. It is a private Members' day and should not be subject to party political whipping.

Mr. Khan: As a new boy who has been here only six months, I am slightly confused because we do not have Whips on our side on a Friday. Will my hon. Friend explain what he means by his last comment about Opposition Members being whipped into line the last time such a Bill was before us?

Madam Deputy Speaker: Order. I hope that the hon. Member for Hendon (Mr. Dismore) will not stray too far in replying to that intervention.

Mr. Dismore: Of course. Basically, the convention is that Fridays are a private Members' day. The Whips should keep out of the business and we should, as private Members, progress with the business. Occasionally, rather peculiar results occur as a consequence. If a party whips on a Friday—not individual Members whipping but a party whipping—that is a gross disrespect to the House and private Members.

Dr. Palmer: My hon. Friend will have noticed that the hon. Member for Newark (Patrick Mercer) did not respond directly to my question about whether he was asked by his party to introduce his Bill. Has my hon. Friend speculated whether the same may be the case with this Bill?

Mr. Dismore: One can but speculate. My hon. Friend is right. We see on a Friday the same Bill coming back time after time. Earlier this Session, we again had a Bill on reform of pensions, for example. A Bill on food labelling has been brought back time after time by different Opposition Members. One wonders sometimes where they get their ideas from—let us put it as neutrally as that.

Madam Deputy Speaker: Order. Perhaps we can now get back to discussing the Bill that is before the House.

Mr. Dismore *rose—*

Mr. Gale: Will the hon. Gentleman give way?

Mr. Dismore: Of course.

Mr. Gale: As the hon. Gentleman and his colleagues are so determined to try to turn a cross-party issue into a partisan issue, perhaps he will tell me on behalf of his colleagues which of his parliamentary colleagues he condemns—the right hon. Member for Birkenhead (Mr. Field) or the hon. Member for Vauxhall (Kate Hoey), neither of whom sits on the Opposition Benches?

Mr. Dismore: I would simply say that on a Friday there is a free vote. Hon. Members are entitled to have their own views. I disagree with the position of my right hon. Friend the Member for Birkenhead (Mr. Field) and my hon. Friend the Member for Vauxhall (Kate Hoey) on this issue, as I have on a number of other private Members' Bills and Government Bills.

One of the consequences of whipping on the previous occasion was that I was not able to make my speech on the Bill introduced by the hon. Member for Newark. I am grateful to the hon. Member for Vale of York for giving me the opportunity to explain my views on the issue. I shall be as brief as I can, concomitant with my duty to the House, and to the public, to ensure that the Bill is properly scrutinised on Second Reading. The right hon. Member for Bromley and Chislehurst (Mr. Forth) is not in his place at the moment but I am sure he

would expect nothing less of me, bearing in mind his views on the importance of parliamentary scrutiny, particularly of private Members' Bills.

Mr. Evans: The hon. Gentleman will know that the Bill is a popular measure. How many of his constituents has he spoken to about it, and does not he believe that they would want it to pass?

Mr. Dismore: The hon. Gentleman is not alone in raising the popular sentiment behind the Bill, which I shall of course deal with a little later in my introductory remarks.

Mr. Khan: Will my hon. Friend comment on the Bill's compatibility with the European convention on human rights? I am, of course, aware that he chairs the Joint Committee on Human Rights.

Mr. Dismore: Of course I shall. I have taken a particular interest in that, and although the Committee has yet to review the Bill, it issued a report on the Bill previously proposed by the hon. Member for Newark and there is very little difference in the human rights implications

Dr. Palmer: In answer to the hon. Member for Ribble Valley (Mr. Evans), may I say that I conducted a survey of my constituents, some 2,100 of whom get e-mails from me on current issues? I asked about their views on the Bill. I was undecided at that stage and asked whether they would be interested in a reformulation of the law. I was really quite surprised that the majority of responses said that that would be mistaken and that they wanted a reaffirmation of the current position.

Mr. Dismore: I am sure that my hon. Friend's constituents are intelligent people who took the opportunity to read the background explanation of the present position that he doubtless offered them. Part of our problem with the current law is that people do not understand where they stand.

What difference is there between today's Bill and that previously proposed by the hon. Member for Newark? The short title is different, and I shall say something about that later. There is a definition of "building" in clause 1(2), the Bill extends, through clause 2, to Northern Ireland, and there is a technical amendment to clause 3(2). There has been no attempt, however, other than in the definition of "building", to address any of the criticisms advanced on the previous Bill on Second Reading or in Committee. I am extremely surprised that that opportunity has not been taken as it means that I shall have to remind the House of some shortcomings, which may make my speech a little longer than it might otherwise have been.

We all recognise the legitimate concern of a householder who has to defend himself or herself and his or her property against intruders. That is clearly a dreadful prospect for anyone to face, particularly when they are isolated or vulnerable or if they live in remote areas where help may not be close at hand. Whatever our differences over the Bill, we all recognise that those concerns are real and should be dealt with seriously and sympathetically. We all have a right to expect that our families should feel safe and secure in their own homes.

Mr. Khan: Bearing in mind the seriousness with which most of us take this Bill, will my hon. Friend confirm that the parliamentary colleagues to whom he has spoken reaffirm and support wholeheartedly the right of householders, shopkeepers and others to defend themselves, their families and their properties with reasonable force?

Mr. Dismore: My hon. Friend is absolutely right. The issue between us is whether people should be able to defend their property reasonably and within the law or to make a disproportionate response.

Being burgled is a frightening experience, and householders who react instinctively and attack intruders will be prosecuted under the existing law only if they use very excessive force. Only in the most extreme circumstances are householders prosecuted for violence against burglars. The Director of Public Prosecutions made it clear on 12 January that prosecution would be considered only in those extreme circumstances. The law also takes account of the fact that a person under attack or being robbed may be frightened or confused. When they find an intruder at 3 o'clock in the morning, a person cannot be expected to judge to a nicety the level of force that might be required to defend themselves against the threat posed. The law quite simply asks that the person should act instinctively and honestly. We must be clear about that: the law, and every part of the criminal justice system, must, and do, support the right to self-defence.

Janet Anderson Is my hon. Friend aware of the press release issued by the Crown Prosecution Service in January, which makes that plain by saying:

"Indeed we routinely refuse to prosecute those reacting in the heat of the moment to finding intruders within their homes. So householders who have killed burglars in this situation have not been prosecuted. Householders who have shot burglars have not been prosecuted. Householders who have stabbed burglars have not been prosecuted. Householders who have struck burglars on the head, fracturing their skulls, have not been prosecuted"?

One wonders what exactly Conservative Members would like householders to be allowed to do.

Mr. Dismore: I am grateful to my hon. Friend for that and may refer later to some other points in that CPS memorandum. She is absolutely right: does the hon. Member for Vale of York want householders to have the right to hang, draw and quarter intruders, for example; or a gentleman in his castle to be able to pour boiling oil on them from the battlements? It is difficult to see what else householders should be permitted to do under the law.

We should not underestimate the emotional impact of burglary. In the British crime survey 2004–05, 86 per cent. of respondents were emotionally affected by burglary, and if there was forced entry, too, the figure was 89 per cent. The responses experienced include: anger, at 56 per cent. for all burglaries and 63 per cent. for burglary with entry; annoyance, at 46 per cent. and 51 per cent. for burglary with entry; shock, for 36 per cent. at burglary and 42 per cent. at burglary with entry; and a loss of confidence or feeling of vulnerability, for 27 per cent. and 30 per cent. That illustrates how serious the offence of burglary is, and we need to take it seriously in the House.

That said, I do not think that the Bill is an appropriate response. Much has been made by the Conservative party of the support that it claims the public have for the

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Bill. That raises the question of what the public actually know about the existing law. The Bill's proponents pray in aid various opinion polls, particularly that on the "Today" programme. Last time we debated this subject, my hon. Friend the Member for Ealing, North—the recipient, to put it neutrally, of the "Today" poll—made it clear that it was not an honest poll. He said that it was not

"the honest listeners of Radio 4—as far as I can gather, they were all on the slopes at Chamonix at the time".

The poll, he said, was in fact rigged by

"a group of website gun fanatics, headed by an organisation called Cybershooters, who orchestrated a campaign against me."—[*Official Report*, 4 February 2005; Vol. 430, c. 1109.]

One must question whether the "Today" programme was the victim of practices that one can compare only with the way in which people vote in "Big Brother", or similar television programmes, such as the dancing one on Saturday nights at present.

It is interesting that the Conservative party is prepared to claim public support for how it has approached the Bill, but when it came to the recent Bill on terrorism, on which 76 per cent. of the public back the police on the 90-day minimum, 72 per cent. supported 90-day detention and 77 per cent. said the police should have the powers that they said they needed, the Conservatives, for purely opportunistic reasons, voted against the wishes of the public. How on earth have they the bottle to come here today claiming the support of the public—with no opinion polls to speak of behind them—given the very clear message from the public on that previous Bill? That smacks, at the very least, of double standards, and I shall not use the unparliamentary term hypocrisy.

Mr. Ian Austin (Dudley, North) (Lab): Is my hon. Friend as surprised as I am that we have been asked today to take seriously the views of a convicted criminal, a thief and a burglar, Brendon Fearon, yet on the 90-day terrorism issue we were asked to ignore the views of the police?

Mr. Dismore: My hon. Friend is absolutely right. The Conservative party prays it in aid that the police back the Bill, when in fact the police do not. The police certainly back the position advanced on a maximum detention period of 90 days, yet the Conservative party was not prepared to support them on that.

Mr. Khan: Will my hon. Friend confirm that he will be accurately reporting the views of the Commissioner of Police of the Metropolis rather than giving an inaccurate summary of what the commissioner said in an interview?

Mr. Dismore: I certainly will refer to the comments of the commissioner, Sir Ian Blair, because I think that he has been misrepresented. During a long interview on the "Today" programme, on one's first day in the job, and given the range of issues relating to policing in London, it is perhaps easy to give an off-the-cuff answer without having had the opportunity properly to consider the response of both the police in London and the Association of Chief Police Officers to the issue in question. To an extent, perhaps Sir Ian was ambushed on his first day in the job.

Dr. Palmer: Does my hon. Friend not feel that, on reflection, he is being a bit harsh on the Opposition? He claims that Opposition Members are aggressively pushing the Bill, but there are no Opposition Back Benchers in the Chamber.

Mr. Gale: I beg the hon. Gentleman's pardon.

Mr. Dismore: My hon. Friend the Member for Broxtowe (Dr. Palmer) makes an important point. I am pleased that the hon. Member for North Thanet is in the Chamber. I have much respect for him. I know that he takes an interest in this matter, given his private Member's Bill. It is interesting that the only two Opposition Members in the Chamber, apart from the Opposition Whip, are those who have promoted Bills on this issue. No other Opposition Back Benchers are present. The only Liberal Democrat Member in the Chamber is the one on the Lib-Dem Front Bench, the hon. Member for East Dunbartonshire (Jo Swinson). Yet there are quite a number of Labour Back Benchers in their places, who are ready to give their views on the Bill.

Janet Anderson: Does my hon. Friend share my concern that the hon. Member for Vale of York (Miss McIntosh), the promoter of the Bill, has not even bothered to stay in her place to listen to the debate?

Mr. Dismore: I think that it is disgraceful that the hon. Lady is not present to listen to the debate.

Madam Deputy Speaker: Order. Perhaps we can now conduct the debate on the Bill rather than commenting on who is or is not present in the Chamber.

Mr. Dismore: Earlier on, Opposition Members were talking about the incidence of burglary. We must examine the true facts and figures. Burglary peaked in the mid-1990s. According to the British crime survey, domestic burglary from 1995 to 2004–05 reduced by 57 per cent. In 2003–04 to 2004–05, British crime survey and police statistics showed that domestic burglary was down by 20 per cent., and that non-domestic burglary was down by 14 per cent.

The risk of being a victim of burglary has halved since 1995. On average, the chance of a burglary on a particular property is at its lowest for 20 years. On average, a property is likely to be burgled once every 50 years. In my constituency, in July, there were 45 fewer residential burglaries than in the previous year, and there were 48 per cent. more detections. That picks up the point made earlier about detection rates.

We need to challenge some of the perceptions about the likely victims of burglary. We have heard a great deal about rural people and so forth. The people most likely to be victims of burglary are those aged between 16 and 24. Those least likely to be victims are pensioners. The people most likely to be burgled are those with household incomes of below £5,000. Those least likely have incomes of more than £30,000. The most likely

victims are those in private rented property, closely followed by social renters. The least likely are owner-occupiers. The most likely are those who are unemployed or economically inactive. The most likely are those who live in flats and not detached houses. The most likely are those who live in urban areas, who are twice as likely to be a victim as those who live in rural areas, particularly people living on council estates. It is probably self-evident that those with high levels of home security are the least likely to be burgled as opposed to those who have no measures of home security. That starts to correct some of the perceptions.

We need to consider also the number of offences in which violence was used in a burglary. In all burglaries, that was about 9 per cent. The prospect of being a victim of violence when a burglary is committed is very low. To an extent, Opposition Members have run a scare story to try to pretend that we are living in a crime-ridden country. In fact, the incidence of burglary is low, and the chance of being a victim of violence during a burglary is extremely low.

Mr. Ian Austin: One of my concerns about the Bill is that burglars, far from being deterred from breaking into people's houses, may arrive at the view that home owners are more likely to be arming themselves with guns and all the rest of it to defend themselves should they be burgled, and that they should arm themselves too. So if the Bill were to come into force, we may end up with an arms race and with more people being shot by burglars.

Mr. Dismore: My hon. Friend has amazing perception. He has raised the series of points that I intended to make.

Mr. Khan: I appreciate how my hon. Friend is allowing those of us who are concerned about the victims of crime to intervene on him.

Does my hon. Friend not think it bizarre and irrational that the Opposition appear willing to give the victims of crime in the home greater rights than the victims of crime in the streets? For example, is it not illogical and irrational that the victim of a rape in a park will be allowed to use only reasonable force to defend herself whereas the victim of a burglary in a house would be able to use grossly disproportionate force?

Mr. Dismore: My hon. Friend is absolutely right. I hope to address that issue at greater length when I come to analyse the Bill. To go into more detail, rape can be part of a burglary. A woman who is raped in her own home can use excessive force whereas a woman who is raped in a park cannot do so. That cannot be a sensible way forward.

To deal with the intervention of my hon. Friend the Member for Dudley, North (Mr. Austin), I think that the Bill defeats its own object. Presumably the object is to make householders feel safer in their own homes and to deter burglaries. I think that the hon. Member for Newark said that the purpose of the Bill was to erode the confidence of burglars. I am concerned that the Bill will encourage people to have a go rather than to call the police. Unfortunately, bearing in mind the profile of burglars, these offenders tend to be younger men. We know that from the crime survey. I have gone through the profile of people who are likely to be the victims of burglary, and I think that the householder is the person who is most likely to come off worst if there is such a confrontation. We have heard examples of that.

The best advice that a householder can be given is to call the police rather than to get stuck in with a burglar. I am concerned that, as a result of the Bill, householders, instead of just losing their jewellery and television, which is serious enough, will end up losing their lives. People will be encouraged to try to defend themselves, but they are likely to come off worst, especially if they are half asleep. Of course, the burglar will be wide awake and will have his senses fully about him.

Mr. Gale: The hon. Gentleman is going down a ludicrous route. Is he seriously suggesting that a burglar will stand by while someone reaches for his telephone to call the police? Has he ever had his home burgled? Has he ever had his home violated? Does he begin to understand the offence that he is causing this morning?

Mr. Dismore: I am sorry that the hon. Gentleman thinks that I am causing offence. I disagree with him on the issue, but for perfectly logical reasons. He has a view of the Bill and I have a very different view. The hon. Gentleman's Bill would introduce the Oklahoma law, which would allow a householder to use whatever force he wanted to use against the burglar. There would be no arguments about disproportionate force or any other force. I shall talk about the Oklahoma law and its consequences shortly.

The best advice should be always to phone the police. Best advice also is, generally speaking, not to mix it with the burglar if that can possibly be avoided.

Janet Anderson: Does my hon. Friend share my concern that the hon. Member for North Thanet (Mr. Gale) might be suggesting that people should not try to phone the police in these circumstances?

Mr. Dismore: I think that that can be the only inference, given what the hon. Gentleman is saying.

Mr. Khan: I am concerned by the contributions of Opposition Members. Given the choice of having a panic button installed in one's home with a burglar alarm or purchasing a gun with a 10-year licence and having a safe in which to keep it, which option would my hon. Friend advise his constituents to take?

Mr. Dismore: My hon. Friend makes an important point about the need for hardening or protecting one's home against intruders. I shall refer to that later.

My hon. Friend is right. Presumably someone who has a firearm will keep it under lock and key, as is required by firearms legislation. Is the hon. Member for North Thanet suggesting that someone should go down the stairs in his home, unlock the case, get the gun out and load it while the burglar stands by waiting to be shot, or is he suggesting that the firearm should be kept under the pillow in complete breach of firearms legislation?

Mr. Gale: We know that the hon. Gentleman is here to filibuster and likely to speak for a long time, so the

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idea of not intervening is nonsense. For the record, he knows perfectly well that no Conservative Member has mentioned firearms at all.

Mr. Dismore: I am not sure that that is right. We will have to check *Hansard*, because I think that firearms have come up several times. I take great exception to the suggestion that I am filibustering. As the hon. Gentleman would expect, I have a lot to say about the Bill, but if I was filibustering, it would be in breach of the rules and you, Madam Deputy Speaker, would call me to order.

Mr. Ian Austin: My hon. Friend was asked whether he had been burgled. I can tell the House that I have been burgled three times and I well understand the shock and fury caused when one's home is invaded and one's private property is gone through. I, too, take great exception to being described, as we were earlier, as the burglar's friend. I do not recall referring to the hon. Member for North Thanet (Mr. Gale) as the terrorist's friend during the terrorism debate. Should he not withdraw the offensive remark that he made earlier?

Mr. Dismore: I do not think that I can add to my hon. Friend's point.

Mr. Gale: The record will show that what I actually said was that it was as ludicrous to describe this Bill as partisan as it would be to describe every Labour Member as the burglar's friend—precisely the reverse of what the hon. Member for Dudley, North (Mr. Austin) suggested.

Madam Deputy Speaker: Order. May I suggest that the "Erskine May" maxim of good temper and moderation in parliamentary language be used for the remainder of the debate?

Mr. Dismore: That is my intention and I am grateful to the hon. Member for North Thanet for clarifying his position. I am sure that he is correct.

Mr. Flello: We were discussing the possibility of someone removing a firearm from a locked case and using it. Is my hon. Friend aware of the case in which armed robbers threatened a pub landlord and barmaid with extreme violence and the barmaid escaped, fetched her employer's shotgun and shot one of the intruders? She was not prosecuted under the current law.

Mr. Dismore: My hon. Friend makes a good point. That case is more exceptional in that the barmaid was able to get the gun than in the fact that she was not prosecuted.

The other way in which the Bill defeats its own object is that it encourages the setting of traps where people lie in wait for a burglar. Perhaps that is what the hon. Member for North Thanet has in mind in talking about how burglars should be confronted. There have been cases where people have been repeatedly burgled and it is a problem, but the answer is not the Bill and certainly not to set traps.

I want to return to the risk of the escalation of violence if the burglar thinks that the householder is likely to have a firearm, knife, sword or other such weapon. In the last debate on this, there was a discussion of the merits of cricket bats and baseball equipment and I was pleased to note that my hon. Friend the Member for Ealing, North equipped himself with a cricket bat in good British tradition. The fact remains that, if householders are likely to have weapons of defence—there is nothing in the Bill to prevent it—burglars are more likely to be tooled up too and there will be an escalation of violence, or, as my hon. Friend the Member for Dudley, North put it, an arms race between the burglar and the householder.

The other risk is that burglars may go for softer targets. They may think it too risky to choose households where people are armed with swords or knives. They will be less likely to confront the firearm-owning toff but more likely to invade the home of the old lady living alone. The Bill would have a disproportionate effect: the lord in his castle armed with his shotgun would mean that the burglar would be more likely to carry firearms, while the old lady in the Burnt Oak estate in my constituency would be at more risk of being severely beaten by an intruder. She would not be in a position to defend herself, not because of the law, under this Bill or the previous one, but because she is frail and the burglar has switched his modus operandi because he is frightened of attacking wealthier homes, which, as the figures I gave earlier show, are less likely targets anyway.

Mr. Flello: Does my hon. Friend accept that many burglars commit burglaries to fuel a drug habit? If a burglar is high on an illegal substance, the last thing they will do is sit down and analyse whether there is a deterrent, be it a baseball bat or whatever. They will commit the crime to fuel the drug habit. The Opposition's argument that the measure will be a deterrent is nonsense.

Mr. Dismore: My hon. Friend makes the point clearly. If someone is under the influence of drugs or alcohol, the mental faculties and the ability to discriminate between right and wrong are inevitably impaired. We all know the phrase "Dutch courage". In those circumstances, the deterrent effect of the Bill would inevitably be significantly reduced.

The Bill sits uneasily with the existing offence of aggravated burglary under section 10 of the Theft Act 1968. A person is guilty of aggravated burglary if he commits a burglary and at the time has with him any firearm or imitation firearm, any weapon of offence or any explosive. "Firearm" in those circumstances includes an airgun, air pistol or imitation firearm. "Weapon of offence" means any article made or adapted for use for causing injury to or incapacitating a person. If a burglar commits an offence while tooled up for violence, he is liable on conviction on indictment to imprisonment for life. The reason given by the criminal law revision committee for the creation of this offence is that burglary when in possession of the articles mentioned is so serious that it should be punishable with imprisonment for life.

The Bill would lead to more offences under section 10 of the Theft Act because more burglars will go around more heavily armed. There will be a significant ramping up of the risk to householders from burglary.

Mr. Khan: Will my hon. Friend comment on the practice of Wandsworth police, particularly in Tooting, who spend much time advising residents about locks on their windows and installing panic buttons and explaining to the elderly how to prevent burglary? That has led to crime figures, especially burglary, going down. Surely that is the advice we should give local residents, rather than telling them how to defend themselves with cricket or baseball bats.

Mr. Dismore: My hon. Friend is right. It is more important that people get adequate crime prevention advice. Protecting one's property against burglary is one of the best ways of defeating it.

For another reason why the Bill defeats its own object one simply has to look at the Bill's long title. It is called the Criminal Law (Amendment) (Protection of Property) Bill. It is not the Protection of Householders Bill, as I think the previous Bill was entitled, or the Protection of Victims Bill. That gives it away. The Bill is about property, not about people, which is one of its most serious weaknesses. The Bill proposed by the hon. Member for Newark was specifically aimed at trying to help the domestic householder, whereas this Bill is aimed at protecting property.

Mr. Ian Austin: On the question of property, will my hon. Friend give me his assessment of the position? As I understand it, one would be covered by the Bill if someone broke into one's house to steal a television, but if someone was trying to steal a car parked outside the house, one would not be covered. It seems to me that there are also grey areas in the Bill's definition of property.

Mr. Dismore: My hon. Friend is absolutely right that the Bill is riddled with anomalies. If it has the fortune—or, rather, the misfortune—to pass its Second Reading today, those anomalies would have to be explored in great detail in Committee. If the Bill were passed in its present terms, it would create significant anomalies in the law and leave victims or those who face crime in the impossible position of not knowing where they stood. I hope to say a little more about that later when I debate the detail.

Dr. Palmer: I apologise for having had to leave the Chamber temporarily. I want to check a point with my hon. Friend about the definition of "building" in the Bill. If one family were in a caravan and another in a tent on a campsite, the family in the caravan would be allowed to use the unreasonable force provision, but the family in the tent would not, because buildings cover caravans and not tents. Is that not another anomaly?

Mr. Dismore: My hon. Friend is absolutely right and he presages some of the remarks that I shall make later in my speech.

The problem of the Bill being a protection of property measure also sits uneasily with the existing offence, which has developed over the years, of burglary in respect of a dwelling—it is set out fully in the eighth edition of the seminal work "The Law of Theft" by Professor Sir John Smith—for which a much more serious penalty is imposed.

Mr. Ian Austin: I am grateful to my hon. Friend for giving way again. On my understanding of the Bill, if one were out shopping and someone tried to steal something while one was in a covered shopping mall, using greater force would be justified because it is a building, but it would not be justified if one were in the high street. People would be covered in an indoor market, but not in an outside market—yet another anomaly on which I would be grateful if my hon. Friend would comment.

Mr. Dismore: My hon. Friend is absolutely right. There is no doubt that a shopping mall or department store, such as those in Oxford street, or at Brent Cross in my constituency, counts as buildings. Someone walking in the concourse area, even if not actually in a shop, would be covered by the provisions, but if they were in an outdoor market in my constituency, they would not. I believe that that is an anomaly.

Mr. Khan: I am grateful to my hon. Friend for giving way so generously. He has already explained that the powers are not limited to houses or homes, but to any building. Does he agree that the person who uses force does not have to be the owner or even a legitimate resident and that the person using unreasonable force could himself be a trespasser?

Mr. Dismore: My hon. Friend is right about that and I intend to expand on the point in a few moments.

I was making a point about burglary in respect of a dwelling. The law already recognises a distinction whereby burglary from a dwelling is a more serious offence. Those who commit such offences are subject to much more serious penalties under the law. It is regrettable that the original formulation proposed by the hon. Member for Newark has not been maintained in the present Bill, which attempts to stretch it way beyond what was initially intended—perhaps beyond what was intended by the people who voted in the listeners' poll on the "Today" programme. That is a problem not helped by the additional anomalies in the Bill.

Reference was made earlier to the Oklahoma law, which it is important to look further into, particularly in respect of what happened as a consequence of that law. It provides an object lesson in what might happen here if the Bill were to find favour with the House.

Mr. Flello: I am grateful to my hon. Friend for allowing so many interventions, which is welcome on the Government Benches. Before he moves on to discuss the Oklahoma law, will he say whether he believes that the Bill could provide an incentive to in-store security guards to be much more aggressive in stopping potential thieves before they leave the premises? It could lead to a disproportionate, but obviously not a grossly disproportionate, response by security guards in apprehending offenders before they pass through the door of the shops and go into the street outside.

Mr. Dismore: My hon. Friend makes an entirely correct and very good point. Currently, if a shoplifter tries to leave the premises—technically, they are committing a burglary under theft legislation—the security guard can use reasonable force to detain them. In other words, if the shoplifter is trying to escape, the guard can grab hold of them and detain them, pending the arrival of the police. Under this Bill, if the shoplifter tried to escape there would be nothing to prevent them from being beaten half unconscious, simply because they had tried to walk out with stolen goods. Of course, the problem is even greater for people who leave the shop by mistake, having picked up an item and forgotten to pay for it. Such people may appear to be shoplifters, but in fact they have made a genuine mistake. By the time the mistake comes to light, however, they could be lying on the floor in a pool of blood.

Mr. Flello: So one could almost say that this Bill is a licence for the beating of grannies who have accidentally put something in their pocket.

Mr. Dismore: Elderly and confused people in the early stages of Alzheimer's sometimes making such mistakes is a well-known phenomenon. My hon. Friend is absolutely right: they could face physical violence from security guards who may go a little over the top, knowing that, under this Bill, they would not be prosecuted.

Mr. Khan *rose*—

Mr. Dismore: I give way to my hon. Friend the Member for Tooting (Mr. Khan).

Mr. Khan: The delay in my rising is the consequence of my just having come to terms with the implications of this draconian and absurd Bill. Will my hon. Friend confirm that in discussing the Oklahoma law, he will talk about the number of people who have been shot dead as a result of it? Will he further confirm that it is referred to locally as the "Make my day" law?

Mr. Dismore: My hon. Friend is right: the Oklahoma law has nothing to do with the musical of the same name; it has been named after Mr. Clint Eastwood's famous line—"Make my day, punk"—from the motion picture "Dirty Harry". Under the "Make my day" law, in effect, anyone who dares to enter someone else's property can be shot dead; any force is permitted. It goes further than the Bill before us today, but in the direction that the hon. Member for North Thanet wanted to go with his Bill, had it made progress.

Although we are not debating the Oklahoma Bill today, we can draw some conclusions from its effect on crime rates, particularly those for burglary, and decide whether it achieve its claimed objective. Given that it contains even tougher measures than those in the Bill before us, if it did not work in Oklahoma, one can only assume that this Bill would make no difference whatsoever to the incidence of burglary. Between the Oklahoma law's introduction in 1987 and 2000, there was a 48.5 per cent. fall in burglaries. Very good, but that is almost exactly the same as the decline in burglary in the United States as a whole, where the law was not nationwide. So in fact, the law made practically no difference whatsoever to that decline. Even more interestingly, under existing provisions allowing homeowners to defend themselves, UK burglary figures have fallen even further, over a shorter period, than those for Oklahoma or for the US in general.

Mr. Ian Austin: Will my hon. Friend reflect on the appalling situation whereby home owners in the US are being attacked and shot with their own weapons? In some instances, the burglar has broken in and the home owner has produced their gun, only for the burglar to grab it and shoot the home owner. I should also correct my hon. Friend's earlier point: I believe that Clint Eastwood actually said, "Go ahead, punk, make my day."

Mr. Dismore: In fact, I think that the film was "Sudden Impact", rather than "Dirty Harry". However, we have the right actor, even if I named the wrong movie and got the quote wrong; the Oklahoma law is certainly known as the "Make my day" law. Perhaps we can move out of the movie theatre, so that I can draw my introductory remarks to a close and turn to the Bill's detail.

The Bill in effect changes the law of self-defence in relation to burglary. The current law of self-defence is set out in section 3(1) of the Criminal Law Act 1967:

"A person may use such force as is reasonable in the circumstances in the prevention of crime, or in effecting or assisting in the lawful arrest of offenders or suspected offenders or of persons unlawfully at large."

That is a very general definition. For a little more detail, one must go to the bible of criminal law, "Archbold"s Criminal Pleadings, Evidence and Practice". I consulted the 2005 edition, which states that the provisions of section 3

"cover the great majority of cases of self-defence and defence of others, and many cases of defence of property"—

which is what we are talking about—

"for in these cases the person who uses lawful force will be doing so for the purpose of preventing crime."

"Archbold" notes that section 3 reflects the common law.

The common law was well set out by the eminent Law Lord, Lord Morris of Borth-y-Gest, in the Privy Council case of Palmer *v.* the Crown in 1971. Lord Morris said that

"the defence of self-defence is one which can be and will be readily understood by any jury. It is a straightforward conception. It involves no abstruse legal thought . . . Only common sense is needed for its understanding. It is both good law and good sense that a man who is attacked may defend himself. It is both good law and good sense that he may only do, but may only do, what is reasonably necessary. But everything will depend upon the particular facts and circumstances. Of these a jury can decide".

Mr. Khan: I am glad that my hon. Friend mentioned the common law defence. He will be aware that "Archbold" also suggests that section 3 would not cover all cases of defence of the person, noting that if a person was attacked by someone who was insane, so as not to be responsible in law for his acts, the common law defence would apply and kick in. Is not one of the problems with the Bill, introduced by Her Majesty's official Opposition, that there would be a difference

between the statutory defence and the common law defence? If the Bill was passed, there would be a differential law that was less generous to an insane person than statutory law.

Mr. Dismore: My hon. Friend makes a good point and I can add nothing to it. I was not planning to raise that issue so I am grateful to him for doing so.

Lord Morris went on to say:

"If there is some relatively minor attack it would not be common sense to permit some action of retaliation which was wholly out of proportion to the necessities of the situation."

That is what the Bill would create: a situation in which a relatively minor attack could be met by something completely out of proportion. Lord Morris continued:

"If the attack is all over and no sort of peril remains then the employment of force may be by way of revenge or punishment or by way of paying off an old score . . . There may no longer be any link with a necessity of defence."

That position is not covered by the Bill, but many people may think that it was and they could be criminalised. Under the present law, they may hold back.

Dr. Palmer: Does not that illustrate the point I made earlier? Although we have to accept that members of the public feel that the current law has grey areas, the Bill would only move us to a new grey area, with new dangers and a different set of circumstances under which people could be prosecuted. We could make the situation worse.

Mr. Dismore: My hon. Friend is right. There would still be a grey area because we would still be arguing about what was or was not excessive force, but there would be a further grey area, perhaps tinged with red blood, in that the issues with which we would be dealing would be the consequences of much greater violence.

Lord Morris also said:

"If there has been an attack so that defence is reasonably necessary, it will be recognised that a person defending himself cannot weigh to a nicety the exact measure of his defensive action. If the jury thought that in a moment of unexpected anguish a person attacked had only done what he honestly and instinctively thought necessary, that would be the most potent evidence that only reasonable defensive action had been taken."

In other words, the current law is rooted in common sense. My concern is that what we are being asked to agree to goes way beyond that. It is not common sense. It would make things far worse.

Janet Anderson: Conservative Members have made great play of the fact that the Bill would act as a deterrent, yet the only evidence they have been able to produce was given by one convicted burglar.

Mr. Khan: Who was shot in the buttocks.

Mr. Dismore: My hon. Friend the Member for Rossendale and Darwen (Janet Anderson) makes the point clearly and my hon. Friend the Member for Tooting also makes the point that the burglar in question was not exactly an objective observer of the situation, as he was a victim, having been shot in the buttocks. His view of what may or may not be appropriate could be rather different from that of a burglar who has yet to experience a response from a householder.

Mr. Khan: I am not sure whether my hon. Friend has moved off Palmer, but my intervention is about the Palmer point. My hon. Friend quotes Lord Morris and refers implicitly to the subjective and objective test. Does he agree that the test of whether force used in self-defence is reasonable is largely objective? However, the last sentence of the quote from Lord Morris emphasises that there are subjective elements that would depend on a defendant's specific circumstances. That means that the safeguards that we all want are in the law at present, so the Bill is clearly redundant.

Mr. Dismore: My hon. Friend makes an important point. He is right that when we consider self-defence, we have a mixed objective and subjective test. There is a slightly different test in the civil law, and I hope to refer to that shortly because the simple alignment of civil and criminal law is prayed in aid by those who support the Bill. However, the measure set out in the Bill is an objective test, so we are all over the place. Are we considering the mind of the person who commits an attack on the alleged criminal, the general reasonableness test, or a mixture of the two? The whole position will be very different depending on the circumstances in which an attack takes place.

Mr. Khan: Does my hon. Friend agree that if those who support the Bill are serious about getting it on to the statute book, it is disappointing that such matters have not been clarified since the last time that the House considered such a measure?

Mr. Dismore: My hon. Friend is absolutely right. A series of criticisms were made on Second Reading of the previous version of the Bill that was promoted by the hon. Member for Newark. I am surprised that the opportunity was not taken in the intervening period to get some of the tackle in order and produce a Bill that at least addressed some of those problems, which might have found more favour in the House today.

Mr. Flello: Does my hon. Friend agree that the existing legislation works and is sound, but is not widely understood by the public? I am sad that the promoter of the Bill, the hon. Member for Vale of York (Miss McIntosh), is not in the Chamber and is thus unable to hear what are hopefully my pearls of wisdom. Does my hon. Friend thus agree that Opposition Members would have done better to direct their energies at making the public more aware of the existing legislation and how it can be used to protect the householder and property owner?

Mr. Dismore: My hon. Friend is right. The Bill has effectively suggested to people that they have a weaker right to defend themselves than they actually do. It is confusing the position to such an extent that people do not know where they stand. If Opposition Members had been acting responsibly, they would have given out copies of the CPS leaflet in their constituencies. I distributed a large number of those leaflets so that people would know where they stood if they faced such

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a situation. It would have been rather more constructive if Opposition Members had explained what the policies of the CPS were and what the law was, instead of trying to frighten people into thinking on the one hand that they cannot defend themselves, and on the other that the country is rife with burglary.

Janet Anderson: Does my hon. Friend agree that this is yet another example of Her Majesty's official Opposition ignoring the advice of the police? We know that the Association of Chief Police Officers does not think that the Bill is necessary, so Opposition Members are behaving in the same way in which they did when they ignored the advice of the police about the Terrorism Bill and refused to support the Government.

Mr. Dismore: My hon. Friend is absolutely right. I made that point a little earlier, but perhaps she was not in the Chamber at that stage. The Opposition have operated somrthing of a double standard—I put that neutrally, bearing in mind Madam Deputy Speaker's earlier constraints on the use of emotive language in the debate.

Mr. Khan: My hon. Friend explained the sensible and mature way in which he behaved as an MP by ensuring that his constituents were aware of the CPS guidance. Is he talking about the joint public statement of the CPS and ACPO that was issued earlier this year? He has not yet referred to guidance in his speech, so as I prepare for my speech, will he confirm whether he will do so?

Mr. Dismore: I hope to deal with that shortly, because it is important that we understand where the law stands.

I was talking about the black letter law expounded by Lord Morris, who was explaining the common law in the case of Palmer. Basically, it is a common sense test, and who can object to that? Many other myths have developed. In paragraph 19.42 in the section on offences against the person in "Archbold", the old rule that a man who is attacked must retreat as far as he can has disappeared. Whether the accused retreated is only one factor for the jury to consider when determining whether force was reasonably necessary. Moreover, the same paragraph states that there is no rule of law that a man must wait until he is struck before striking in self-defence. If another person strikes at him he is entitled to make his blow first if it is reasonably necessary to do so in self-defence. The existing law therefore goes further than most people think.

Moreover, if the defence of self-defence is offered, the burden of disproving it is on the prosecution, not on the defendant facing trial. "Archbold" says that where such a defence is offered, the burden of negativing it rests on the prosecution. If, on consideration of all the evidence, the jury is convinced of the innocence of the prisoner—"Archbold" uses old terminology because it is citing an old case—or is left in doubt as to whether he was acting in necessary self-defence it should acquit. In the Crown *v.* Abraham the Court of Appeal said that a judge should deal with the issue by telling the jury that someone who acts reasonably in self-defence commits no unlawful act. Just as it is for the Crown to show that the plea of not guilty is not acceptable, so the Crown must convince the jury beyond reasonable doubt that self-defence has no basis in the present case. There are therefore many safeguards in the existing law.

We must also look at the charging standard text used by the CPS, which was published on 26 November 2004 and tells CPS staff how they should approach such cases. Prosecutors must consider all assaults in the context in which they were allegedly committed. Particular care must be taken in dealing with cases of assault where the allegation is made by a "victim" who, at the time, was engaged in criminal activity himself. An example relevant to today's debate is a burglar who claims to have been assaulted by the occupier of the premises concerned. Prosecutors are reminded that it is lawful to use reasonable force in the following circumstances—self-defence; to defend another person; to defend property; to prevent crime; and to lawfully arrest someone. Where the use of force in such circumstances is reasonable the assailant—the person about whom we are concerned—has an absolute defence, and charges relating to the assault should not be brought. Paragraph 5 of the CPS charging standard text therefore sets out the position in black and white.

The advice to prosecutors continues:

"In assessing the reasonableness of the force two questions should be asked: was the force used justified in all the circumstances? . . . and was the first force used excessive"?

The courts have shown that both questions are to be answered on the basis of the facts, as the accused—the householder—honestly believed them to be. To return to my exchange with my hon. Friend the Member for Tooting, the test is a subjective one. The issue of whether a reasonable person would regard the force used as reasonable or excessive is the subsequent question, not the primary question.

Mr. Khan: My hon. Friend gave figures for the decreasing number of burglaries in the past 20 years. Last year, there were 943,000 burglaries, which is the lowest figure for 20 years. There have been approximately 10 million burglaries in the past 15 years, but there have been only seven cases in which a householder has been prosecuted for defending himself against an intruder. Does that not confirm that the CPS is applying the guidance that he cited correctly?

Mr. Dismore: My hon. Friend is basically right, and I hope that we can analyse some cases in more detail later. Many of the cases that have been prayed in aid by the Opposition predate the guidance in the CPS charging standard text, which was published in November 2004. They certainly predate the joint statement by the CPS and ACPO, which was first published in January 2005 and subsequently produced as a leaflet.

I am not aware, and I will happily give way to any hon. Member in the Chamber from any quarter who has information to the contrary, of a single case that has been prosecuted against a householder defending himself since those new guidelines and the joint statement were published.

Janet Anderson: I am sure my hon. Friend is aware that the leaflet to which he referred, the joint statement from the CPS and ACPO, makes it clear that householders do not have to wait to be attacked before they can take action. It states:

"... if you are in your own home and in fear for yourself or others. In those circumstances the law does not require you to wait to be attacked before using defensive force yourself."

Mr. Dismore: My hon. Friend is right. The statement was welcome, as it clarified the law. As I said, I was able to obtain a number of copies—several thousand—which I distributed door to door, to people who had raised crime issues with me in my constituency. Letting people know where they stood was a far more constructive way to approach the debate than the Opposition's attempt to change the law.

Mr. Khan: My hon. Friend may wish to point out, for the record, that it is clear from the Library research paper and from other research that I have done that there are no current cases where a householder is being prosecuted.

Mr. Dismore: I am grateful to my hon. Friend for that intervention. That is exactly the case. The guidance from the Crown Prosecution Service and the statement from ACPO and the CPS have made the position much clearer and people now know where they stand.

Mr. Flello: I am disappointed that the hon. Member for Newark (Patrick Mercer) has just left his place. I had hoped to get the intervention in while he was still in the Chamber. I would be interested to hear my hon. Friend's comments on my previous intervention on the hon. Member for Newark, when I referred to the case that was cited. The individual in question was arrested and would still be arrested under the proposal in the Bill. The second intervention, which I sadly was not permitted, was intended to highlight the fact that the CPS guidance to which my hon. Friend refers would address that issue and would not allow that to happen under the current law dealing with reasonable force.

Mr. Dismore: My hon. Friend makes the point clearly. It would be helpful to the House if we looked at what the ACPO and CPS statement says. It accepts at the beginning:

"It is a rare and frightening prospect to be confronted by an intruder in your own home."

By issuing the statement, the two bodies are responding to public concern about householders defending themselves. It goes on to state quite clearly:

"Anyone can use reasonable force to protect themselves or others ... You are not expected to make fine judgements over the level of force you use in the heat of the moment. So long as you only do what you honestly and instinctively believe is necessary in the heat of the moment, that would be the strongest evidence of you acting lawfully and in self-defence. This is still the case if you use something to hand as a weapon.

As a general rule, the more extreme the circumstances and the fear felt, the more force you can lawfully use in self-defence."

It goes on to say, as we heard from my hon. Friend the Member for Rossendale and Darwen, that

"the law does not require you to wait to be attacked before using defensive force yourself."

Dr. Palmer: One point that has not been explored in detail yet is that the Bill states that even grossly disproportionate force can be used if the person using that force was not aware that it was grossly disproportionate. Does that not open an enormous grey area, which is not present in the current law? In the current law there is the test of reasonableness that juries interpret in a reasonable way. Under the Bill, if I can persuade the jury that I was not aware that it was grossly disproportionate to stab somebody who had just walked on to my garden, I would be required to be acquitted. Is that not a very large grey area?

Mr. Dismore: My hon. Friend raises an interesting point which is to do with what the law calls mens rea. To be honest and fair to the promoter of the Bill, I am not entirely sure that my hon. Friend has construed the Bill accurately in that respect, but I hope to come to the issue in due course.

Before that intervention, I was referring to the joint statement by the CPS and ACPO, which deals with what happens if an intruder dies. It makes it clear that if a householder acts in reasonable self-defence and an intruder dies, then the householder will still have acted lawfully. However, it goes on to caution that if, having knocked someone unconscious, a householder decides to hurt or kill an intruder in order to punish them, or if a householder knows about an intended intruder and sets a trap to hurt or kill them, that householder would be acting with excessive and gratuitous force. In such cases, the householder would be prosecuted under the existing law. Even if the Bill were passed, a householder in those circumstances would still be prosecuted. Where is the additional advantage to the public from that change?

One of the concerns that has been expressed today is about what happens if the police turn up and believe the intruder rather than the householder. The statement makes it clear that

"The police weight all the facts when investigating an incident. This includes the fact that the intruder caused the situation to arise in the first place."

However, it also makes the fair point that investigations are necessary, because

"On occasions people pretend a burglary has taken place to cover up other crimes such as a fight between drug dealers."

Importantly, the police and the CPS have said that they are determined that when cases are investigated,

"they must be investigated and reviewed as swiftly and as sympathetically as possible ... An experienced investigator will oversee the case ... and the case will be prioritised to ensure ... a quick decision."

The statement concludes:

"It is a fact that very few householders have ever been prosecuted for actions resulting from the use of force against intruders."

On the day before that statement was issued, the Director of Public Prosecutions, Mr. Ken Macdonald QC, who is in a sense the chief prosecutor in the country, made his position clear:

"The law is on the side of householders ... It is only in the most extreme circumstances that householders are prosecuted for violence against burglars ... the law understands that when people are under attack in their own homes they cannot judge precisely the level of their response ... So long as they do no more than they honestly and instinctively feel is necessary in the heat of the moment, that will be the strongest evidence that the householder has acted lawfully. Indeed we routinely refuse to prosecute those reacting in the heat of the moment ... So householders who have killed burglars ... have not been

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prosecuted. Householders who have shot burglars have not been prosecuted. Householders who have stabbed burglars have not been prosecuted. Householders who have struck burglars on the head, fracturing their skulls, have not been not prosecuted."

Mr. Macdonald goes on to say that the CPS has been able to find only a handful cases in which prosecutions have resulted from domestic household burglaries.

Mr. Flello: Is my hon. Friend surprised to hear that in informal conversations with serving police officers at a level far junior to that which he has just quoted, those officers all expressed the view that cases in which a householder takes reasonable steps in confronting a burglar never even reach the point at which charges are laid, unless the householder in question brags that they were lying in wait? Police officers use their common sense when they see that people have behaved reasonably.

Mr. Dismore: My hon. Friend is right. That is the common sense required by the Crown *v.* Palmer and the dictum of Lord Morris, when he set out the law more than 30 years ago. The present position was best summed up by the Under-Secretary of State for the Home Department, my hon. Friend the Member for Wythenshawe and Sale, East (Paul Goggins), who replied to the debate on the Bill introduced by the hon. Member for Newark:

"There are three levels to the provision: first, we have the law,"

which I have described as the black letter law,

"which the Government believe is perfectly adequate"—

most Labour Members share that view—

"to allow householders to take whatever steps are necessary to defend themselves and their families . . . secondly, the leaflet explains that law in simple, straightforward terms to the general public . . . thirdly, we have the guidance against which the police and the CPS weigh each case."—[*Official Report*, 4 February 2005; Vol. 430, c. 1132.]

That belt and braces approach has borne fruit, which is why we have seen no prosecutions whatsoever since those changes were introduced more than a year ago.

Mr. Khan: There is another safeguard in the event that a case slips through the net and is prosecuted—the common sense of the jury who will consider all the circumstances. My hon. Friend will be aware from his experience in a previous life that juries are very sensible. I am sure that the jury would acquit in a case where a householder had used force that was reasonable.

Mr. Dismore: My hon. Friend is right. Juries have common sense. Most of the few cases that did reach trial resulted in the acquittal of those involved, and I believe that those that did not reach trial would have resulted in convictions under the proposed law.

Why change the law? There is no support to speak of from those involved professionally, who actually have to deal with the problem—although I know that the Conservatives like to ignore professional advice, as we saw in relation to terrorism. My hon. Friend the Member for Stoke-on-Trent, South (Mr. Flello) mentioned police on the beat, and we could cite more senior police.

Perhaps however we should start with the example of an extremely eminent QC who is a Member of this House—the Leader of the Opposition, for a few more days. When he was Home Secretary, he said:

"Specifically on the law on self-defence, I am satisfied that the individual should always be able to defend himself, his family and his property, as long as he only uses force that is both reasonable and necessary. I am not currently persuaded that there is a need to change the law."—[*Official Report*, 14 December 1993; Vol. 234, c. 533W.]

Mr. Khan: Until now I have been with my hon. Friend, but my basic rule has always been that if the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) believes that something is right, I believe that it is wrong.

Mr. Dismore: I am grateful for my hon. Friend's comments. We must wait and see what attitude is taken by the forthcoming Leader of the Opposition. The candidate in question may well believe in consensus politics and working together, and will decide that the existing law is satisfactory. That might assuage my hon. Friend's concerns.

Dan Norris (Wansdyke) (Lab): It is not for me to defend the Leader of the Opposition, but several of his colleagues are here to put the case for the Bill, whereas only one Liberal Democrat Member has been present all morning.

Mr. Dismore: That has been remarked upon before.

The hon. Member for North Thanet challenged me to say why I do not agree with my right hon. Friend the Member for Birkenhead and my hon. Friend the Member for Vauxhall about the Bill. Perhaps I could ask him why he does not agree with the Leader of the Opposition, who made his position absolutely clear.

Mr. Gale: My right hon. and learned Friend expressed a point of view in 1993, as the hon. Gentleman suggests, but changed his view in the light of subsequent experience. That is why he and the Conservative party supported the Bill promoted by my hon. Friend the Member for Newark.

Mr. Dismore: I am pleased to hear the hon. Gentleman confirm a U-turn on the part of the Conservative party, although it may have been in the wrong direction, as was reflected in the local elections earlier in the year. Perhaps that provides my hon. Friend the Member for Tooting with the reassurance that he no longer runs the risk of finding himself in the same Division Lobby as the right hon. and learned Member for Folkestone and Hythe.

Mr. Khan: That allays the minor concern that I had, and I can now confidently, positively and happily support my hon. Friend's stance.

Mr. Dismore: I am grateful to my hon. Friend for clarifying his position.

The position of the Association of Chief Police Officers has not changed since the hon. Member for Newark introduced his Bill. When the leaflet that I mentioned was launched, Chris Fox, the then ACPO chair, said:

"We want everyone to clearly understand that they can use force to protect themselves or others. The force used should be reasonable force."

Sir Ian Blair, the Metropolitan police commissioner, gave his support to the ACPO position after the problems that he had had on the "Today" programme on his first day. The Metropolitan police have since indicated that that remains their position. We already know that the Director of Public Prosecutions is of the same view.

Mr. Anthony Scrivener QC, who was Tony Martin's barrister, has said on several occasions that he believes that the law is right. On 14 December 2004r, he said in the *Eastern Daily Press*:

"The law is simple and weighted overwhelmingly in favour of the householder."

On 15 December 2004, *The Times* quoted him as saying:

"Even if the suggested test of grossly disproportionate force had been used it is likely that the jury would still have convicted."

He went on to say:

"The law is quite right to favour the use of force against them"—

the intruders—

"in such a situation, as it already does".

Mr. Khan: One of the reasons why weight should be given to Mr. Scrivener's comments is that he was the leading counsel for Mr. Martin. Is not another reason why his comments have gravitas the fact that he is a former chairman of the Bar Council?

Mr. Dismore: My hon. Friend is absolutely right. My only difference with Mr. Scrivener was when he decided to take Lady Porter's shilling and to defend her in the House of Lords. We parted company at that point; up till then, I had had a lot of respect for him. That slightly took the edge off my admiration for him in terms of the briefs that he took, although obviously it did not detract from his advice in this particular case.

Mr. Khan: I am sure that my hon. Friend recognises the cab rank rule. I am sure that he understands that Mr. Scrivener's decision to take that case was based on that rule rather than on any personal views he may have had.

Mr. Dismore: I am sure that is so, but perhaps some cabs are more expensive than others—let us put it that way.

I should now like to examine the Bill in detail, because the problems really start to emerge when we try to construe the consequences of the provisions in their present form.

Mr. Flello: Before my hon. Friend moves on from quoting notable individuals, will he tell me his reaction to the point that it is okay for the Leader of the Opposition to have changed his view, but not, it would seem, for the incoming chief constable to have done so?

Mr. Dismore: My hon. Friend has made a good point. I suspect that Sir Ian Blair was caught unawares during a long interview on the "Today" programme, that he took the earliest opportunity to correct the impression that he may have given, and that he then fell in line with ACPO. Unfortunately, it seems to have taken the right hon. and learned Member for Folkestone and Hythe more than a decade to change his position. One can draw whatever conclusions one wishes from that.

Clause 1(2) would introduce a new subsection (1A) to the Criminal Law Act 1967. The very first words in that proposed new subsection create problems. They are:

"Where a person uses force".

What is meant by "person" in these circumstances? It could be anybody. The provision is not confined to a householder, as it was in the Bill introduced by the hon. Member for Newark. It is not confined to a legal resident, or even to a security guard. "A person" could be anyone at all. It could be a squatter taking action against the lawful owner of the property who had come to try to remove his possessions or repossess the property. Under the Bill, a squatter would be entitled to use disproportionate force, so long as it was not excessive, against the legal owner of the property. Is that how the alleged party of law and order believes the Bill should be interpreted?

Dr. Palmer: Could not the person be another criminal, seeking to steal the same property, attempting to deter his rival from getting there first? Would not he be entitled to use disproportionate force in those circumstances?

Mr. Dismore: My hon. Friend is absolutely right. We might see some further examples as the debate progresses.

What would happen when the police turned up and found the body on the carpet, Agatha Christie-style, and drew their chalk line round it? What would happen then? The attacker/householder might say that the victim was a burglar, an intruder, or a trespasser. How could the police check that, especially if both parties had a criminal history, as my hon. Friend the Member for Broxtowe suggested? For example, both might be drug dealers. Such a possibility was highlighted in the ACPO leaflet, which stated that the police had to investigate such cases because things were not always as they seemed.

Alternatively, to give a more innocent example, let us suppose that there was a dispute between two neighbours. We have all had to deal with those in our constituency surgeries. Let us suppose that two neighbours have fallen out and one is found dead on the kitchen floor of the other. The householder says, "Well, he may be my neighbour, but he was coming to pinch my belongings." The neighbour might have come round to argue about the ball going over the fence or the noisy stereo, but we have no way of knowing that, and disproportionate force would have been used. The risk of revenge and pursuit attacks is created by the Bill.

The Bill states that a person can pray in aid the defence provided by the Bill if they are in a building, but also refers to protection of personal property. One of my problems with the Bill is that the person might forget that the law changes the moment they leave the front door. Different rules apply if someone chases a burglar down the street as opposed to when the burglar is inside the property.

Jim Dowd (Lewisham, West) (Lab): My hon. Friend is much more skilled and learned in these matters than

[Jim Dowd]

I, but as I read the Bill, it would apply to any building or part of a building. As I understand it, therefore, the law would change when a person went through the front door but was still on someone's property, let alone on a public highway.

Mr. Dismore: My hon. Friend is right. When we come to consider the Bill in more detail, we will need to spend some time on the definition of "building", because it creates a series of additional anomalies beyond the obvious one that my hon. Friend has rightly and quickly spotted.

Mr. Khan: The problem with the lack of definition is compounded by the point raised by my hon. Friend the Member for Lewisham, West (Jim Dowd). The Bill refers not only to a person in the property that he occupies or owns, but to any person in any building or part of a building. What happens, for example, to a person who happens to exit a property on an estate? If, in exiting the front door, that person is still within the building, let us compare and contrast that with the position for someone who exits a terraced property on to the street. Does not my hon. Friend agree that the position is absurd?

Mr. Dismore: My hon. Friend is absolutely right, and I hope that we shall receive a proper explanation of the definition of "building", which is rather vague in the Bill.

Mr. Flello: Would it not be possible to have a bizarre, cartoon-like nonsense with someone running from building to building, and it is okay to use disproportionate force when they are in a building, but not okay when they are not. The perpetrator might do everything to avoid running into a building so that he cannot have disproportionate force inflicted on him. He will run for the nearest piece of open ground rather than being trapped in any building.

Mr. Dismore: My hon. Friend's suggestion is not as far-fetched as it might seem. When I was a Westminster councillor, my council ward had large blocks of flats that were joined together by walkways. One of the problems experienced by the police was people running from one building along the walkways, which were open and therefore not part of the building, into the next building. They ran round and round the maze of the estate in that way to avoid the police. My hon. Friend is right that if the police or a householder grabbed them in a flat or in the corridor, they could use excessive force, but if they grabbed them on the walkway, they could only use reasonable force. How can that be common sense? That is the consequence of the Bill as drafted, however.

Mr. Khan: My hon. Friend has given examples of crime statistics, showing that our constituents in urban areas are more likely to be victims of crime than those in rural areas. Is not the lack of definition and clarity in relation to "building" another example of the arrogance of Conservative Members who wish to pass a Bill that would only assist, in a limited way, parts of certain constituencies?

Mr. Dismore: I think that my hon. Friend is a little harsh in talking of arrogance; I think that it is probably ignorance of how the other half lives, given the rarefied circles in which Conservative Members might mix. I mentioned earlier that, according to the burglary figures, the most likely victims of burglaries are those living on council estates on modest incomes, rather than the lord in his castle or the detached householder in the country. Conservative Members seem to have overlooked the statistics in favour of a good headline, however.

Dr. Palmer: To be fair, the Bill does attempt to clarify the meaning of

"building or part of a building"

by referring to section 9 of the Theft Act 1968, under which any inhabited vehicle or vessel is covered. Case law has established that a large freezer standing in a farmyard counts as a building. Does the proposed law not bring us into the realm of the ridiculous, where a struggle will vary in its terms depending on whether one has stumbled into a yard or a freezer, got into a car or whatever?

Mr. Dismore: My hon. Friend makes an important point. We must look at section 9 of the Theft Act later when we consider the question of building in a little more detail. We have seen examples of a number of anomalies so far but we are only scratching the surface. When we start to examine what the Theft Act says and wider case law, beyond the example that my hon. Friend provides, we will see how ridiculous the consequences of the Bill may be.

Mr. Flello: If my understanding is correct, a thief running from a building who is desperate not to run into another building will not use a getaway car. He will use a getaway pushbike; otherwise, he could be in a building under the Theft Act and subject to a more disproportionate action.

Mr. Dismore: I think that my hon. Friend is wrong in that respect because—my hon. Friend the Member for Broxtowe may have been highlighting the problem—when one examines all the definitions of "vehicle", one realises that it may not actually mean a vehicle. It is a little more confusing than that, as will become apparent when I look at the definition of "building" later in my remarks.

Chris Bryant: My hon. Friend seemed to suggest that Conservative Members think that they are creating something that meets the needs of those in rural communities. I used to live on a farm in Stanleytown in the Rhondda. On one occasion, I saw people at the other end of the barn, which was at the end of a field. If one were going to investigate that, which many farmers might want to do, one would not want three different sets of laws to be governing what use of force one could use. Therefore, the Bill fails to meet the needs not just of people living in cities, but people living in rural areas.

Mr. Dismore: My hon. Friend is right. The problem with the Bill is that it creates so many anomalies that

people will not know where they stand. At the moment, the law is clear. It is common sense, but under this Bill common sense goes out of the window.

Mr. Flello: If my understanding is correct, members of the general public who are not able to have such eminent and knowledgeable friends on their side at the time of a burglary would not know that they could not use disproportionate force, so where is the clarification that the Bill seeks to introduce?

Mr. Dismore: My hon. Friend answers his own question. There is no clarification; it makes things far worse.

Before that round of interventions, I was construing the term "person" in clause 1(2), which introduces new subsection (1A). The next question I pose is: what if the householder—I will use the broad meaning of the word "householder"—attacks someone by mistake? What if it turns out that the person they attack is not a burglar but a neighbour returning a lawnmower late at night, or a genuine gasman—not the artificer who has come to nick the money out of the teapot—who has come to read the meter?

At the moment, if there is a mistake of fact, the reasonableness, or otherwise, of the mistake is a factor to be taken into account when determining whether the mistake was or may have been a genuine one. Thus, where a defendant was neither under threat nor actual attack but honestly believed that he was, the jury should be directed to consider whether the degree of force used was commensurate with the degree of risk that he believed to be created by the attack. What that means, if that basic principle of law will still apply, is that the gasman or the neighbour returning a lawnmower could be half beaten to death, but it would be all right for the assailant homeowner to say, "I made a big mistake. I'm very sorry and mortified, but that's life and I'm not being prosecuted." That would not be much consolation to the gasman or neighbour lying in a pool of blood. The Bill effectively encourages that level of violence. At the moment, if a mistake like that were made, the gasman or neighbour might get a punch in the mouth or be pushed over, receiving lesser injuries than might be likely if the Bill were enacted when the householder could use excessive force.

Mr. Flello: We are looking at a vigilante Bill in all but name.

Mr. Dismore: My hon. Friend is right. Some of the language used, the circumstances described and the arguments being prayed in aid of the Bill by the Opposition parties have made that pretty clear. We are looking at the introduction of vigilante law, and law, at that, that is unclear and uncertain and would result in people who believe they are doing the right thing facing prosecution when, at present, they would not.

Mr. Khan: My hon. Friend gave the example of a householder making an innocent mistake in the absence of mens rea. Is not it another problem that the Bill will lack the risk jurisprudence and case law we already have under section 3 of the Criminal Law Act 1967? The new subsection (1A)(b), which talks about what

"ought to have been apparent"

to the householder, compounds that error? Before, a subjective element was required, and that is missing here.

Mr. Dismore: I am not sure I entirely agree. If section 3 of the 1967 Act were to be amended, the new subsection (1A)(b) would, as I read, it provide an objective rather than a subjective test, in that it suggests something "ought" to have been apparent to the person using force, rather than relying on what that person believed.

Chris Bryant: I think I agree with my hon. Friend the Member for Hendon (Mr. Dismore) rather than my hon. Friend the Member for Tooting (Mr. Khan) on that point. However, the point surely is that in using the terms "proportionate" or "disproportionate", we do not ascertain what the response would be proportionate or disproportionate to. Is it proportionate or disproportionate to the amount of fear felt by an individual, or to the actual force used, or to the force that might possibly have been used? Surely that is a problem in the Bill.

Mr. Dismore: My hon. Friend is correct, and I hope to explore that issue later. The problem is that there is no common law interpretation of those terms, and nor is there any guidance in the Bill. Nor, for that matter, was there any guidance in the Criminal Justice Act 2003, which introduced the test into civil law, and which has been prayed in aid by the Opposition as they have made their proposals today.

Jim Dowd: To pursue the issue raised by my hon. Friend the Member for Rhondda (Chris Bryant), if there is no legal definition of "disproportionate", is there any legal definition of "grossly"? If we have no definition of "disproportionate", what is "grossly disproportionate"?

Mr. Dismore: My hon. Friend is absolutely right to raise that. I was construing the phrase "grossly disproportionate" jointly, but one can consider it disjunctively as well, which creates two questions. As far as I am aware, there is no guidance in the common law, and there is certainly none in the Bill or any other statute, on the definition of either term. Of course, it is bizarre to say that people should use disproportionate force, never mind grossly disproportionate force. The Bill would endorse people doing something disproportionate either to their fear or to the level of the attack they experienced, and that seems, as my hon. Friend the Member for Stoke-on-Trent, South said, to be a licence for vigilantism.

Mr. Khan: Are there not additional problems with "grossly disproportionate"? The concept is completely alien to the European convention on jurisprudence, which refers to proportionality and disproportionality, not "grossly disproportionate". Secondly, there is the reference to the Criminal Justice Act 2003 in that

[Mr. Khan]

context. "Grossly disproportionate" applies in the civil context, where the burden of proof is quite clearly different from that in criminal law.

Mr. Dismore: My hon. Friend makes a good point. I hope to explore the difference between civil and criminal law later in my remarks. An important issue has been raised by the Opposition when they say, "We are only aligning criminal law with civil law." In fact, they are not. Weird and strange anomalies are created. The differences between the criminal and civil law systems must be explained if we are to ensure that the House has all the facts and arguments before it before deciding whether to give the Bill a Second Reading.

Clause 1 introduces new subsection (1A) to section 3 of the Criminal Law Act 1967 by referring to the definition of "person". There follows the issue of phraseology.

Jim Dowd: The proposed new subsection reads:

"Where a person uses force"

Will my hon. Friend enlighten us about what would happen if someone set a dog upon a supposed intruder? The dog would be using the force, but the person would have some control over the dog—or would they be held not to have that control?

Mr. Dismore: My hon. Friend raises an interesting series of questions by his intervention. In general terms, I think that the dog would be seen as a weapon, if it had been deliberately set on the burglar by the owner. There would then be the argument about whether the dog was, for example, a chihuahua, or a bull mastiff or a pitbull terrier. The answer might be different in those cases.

The position becomes even more complicated. Let us suppose that the dog of its own volition decides to sink its teeth into the burglar's trousers, without it being set upon the burglar by the owner who uses the force. There is nothing in the Bill that amends any of the laws relating to dangerous dogs legislation, which was controversial before I became a Member of this place. The Animals Act 1971 applies to the issue of whether the dog was acting lawfully or unlawfully. My hon. Friend has raised some interesting questions, which go way beyond the Bill that is before us.

Dr. Palmer: If no living creature is involved but the person has set an automatic defence, I think that my hon. Friend would agree that that is an indirect use of force by the person who set the mechanism in place. If that person had reason to fear serious assault—let us say by terrorists—but the mechanism went off to injure someone who had committed a quite harmless trespass, does my hon. Friend think that under the wording of the Bill it could be claimed that although the setting off of the mechanism was clearly grossly disproportionate, given that the intruder had been blown up, for example, it could not be held reasonably to be a parallel? The person would not have been there at the time. An automatic mechanism had been set for a real threat, although it had gone off for some minor occurrence.

Mr. Dismore: My hon. Friend makes an interesting point. The law in relation to setting a trap, as it stands, is clear. We should not do it. That is not to say that we cannot take steps physically to harden a property against intruders. Any physical hardening, in so far as it may cause injury, should be apparent. It should not be a trap. The law goes the other way, perhaps, in that it encourages people to have window locks, burglar alarms and so forth. A burglar alarm is a trap but there were the man-traps that we see in Victorian films, catching the poacher. Such traps clearly would be a trap and would be illegal. If I am wrong about that, what happens where the man-trap is in the grounds of a property rather than inside the building? We end up with a completely different set of circumstances.

If the man-trap is in the grounds of the castle, it would be caught by the existing law of reasonable force and clearly would not be protected. If it is inside the building, I suspect that it would probably be protected because the response is a trap and it is not for the purposes of the Bill. An interesting question has been raised and it is one that may have to be explored in more detail in Committee, should the Bill go that far.

Mr. Flello: My hon. Friend has raised some further thoughts in my mind. What if someone had set a device designed to give a mild electric shock to an intruder at a level where no harm would be expected but the intruder had a heart condition and the shock was sufficient to trigger a heart attack? Under the vigilante Bill as it stands such a system would not be disproportionate. What if something designed to stop an intruder accessing the roof was mounted on the outside of a building but fell into the grounds or the street? It would have gone from being something within a building to something outside a building. Where would that stand under the vigilante Bill?

Mr. Dismore: My hon. Friend makes an interesting point. Properties are often protected by barbed wire, razor wire or the new material called cactus, which is very effective. There is also the old-fashioned use of broken bottles stuck in concrete on top of a wall. Those are not traps because they are obvious. There may be civil remedies if someone is injured by them, but they are certainly not traps.

Mr. Gale: They are illegal.

Mr. Dismore: The hon. Gentleman says that they are illegal. That may be the case, but the issue that we are starting to address is what we mean by "trespasser". I shall go on to consider that because it is important that I make some progress.

Mr. Gale: As a matter of interest, hon. Members were given counselling by security force personnel because of terrorist threats to Members. We were warned that we had to be very careful about how we protected our homes. I fear that the concept that your home is your castle is not true.

Mr. Dismore: I am grateful to the hon. Gentleman. In my property, I have employed security measures such as window locks, deadlocks and burglar alarms that are unlikely to harm anyone. That is the best way to go, as I hope to explain later.

Mr. Khan: The intervention of the hon. Member for North Thanet (Mr. Gale) is useful, because it appears

that the current position is that the use of barbed wire or glass is proportionate if a lad kicks his ball over a wall and is injured. If that is the case, will my hon. Friend comment on what might happen to youngsters going over a wall to get their ball back if a householder was allowed to use disproportionate and excessive means to protect his or her property?

Mr. Dismore: The child might be injured but the householder would not be protected by the Bill because the ball would presumably be in the yard or garden. The householder might not draw the distinction that a QC would between the house itself and its immediate surroundings. People might think that they are protected by the Bill in using disproportionate force in dealing with a lad trespassing while chasing a ball, but find themselves in the dock because the Bill would not protect them. That is the sort of problem that arises when there is a duplicity of standards in respect of the law of self-defence.

Let us consider what we mean by "entered as a trespasser", which is the phrase used in the third line of what would become new subsection (1A) of the Criminal Law Act 1967. I happen to have with me a copy of the eighth edition of Professor Sir John Smith's "Law of Theft", which, if we follow its advice, produces some interesting anomalies in respect of the Bill.

Let us first consider the definition of "enters". The common law rule was that the insertion of any part of the body, however small, was a sufficient entry. If a burglar pushed through a window pane and the forepart of his finger was observed to be inside the building, that was enough. The Theft Act gives no express guidance and it seems to have been assumed in Parliament that the common law rules apply. Under common law, if an instrument is inserted into the building for the purpose of committing the offence, it counts as an entry, even though no part of the body was introduced into the building. Someone who just pokes a finger through the window could be met by disproportionate force when the mad householder with an axe comes along and chops it off. That is disproportionate for sure, but is it excessive? We do not know, but I believe that the House does not really expect or wish to see that happening.

We know that the common law still applies, because Professor Smith, one of this country's leading experts in criminal law, explains it in his book. He goes through a whole series of anomalies that can occur, but he goes on to say at the end of the section that deals with "peculiar effects" that the "best course" is probably to assume "the continued existence" of the "common law rules". He provides some very strange examples. One of the most interesting is the case of transvestites who hooked dresses worth £600 through the letter boxes of shops and pleaded guilty to burglary. Well, if that is committing a burglary and if the essence of burglary is trespass, I dread to think what might have happened if the householder had got hold of them while they were hooking things through his letter box.

Now that we have looked into the question of entering, we have to understand exactly what is meant by trespassing. A trespasser is a legal concept that is rooted in the civil law rather than the criminal law. The basic rule in civil law is that entry with the consent of the occupier cannot be trespass, but obviously the opposite is the case. "Mistake" by the person who enters the property is no defence if, for example, the person accused of being a trespasser and therefore at risk under the Bill were to enter the house next door, mistaking it for his own, on a very dark night. That would still be regarded as an intentional entry in trespass law, even if the person doing the entering had made an honest and reasonable mistake. To revert to my earlier example of the neighbour returning the lawnmower, one wonders whether the full force of excessive force is appropriate in those circumstances.

I can provide an even better example than that. Let us suppose that the person allegedly committing the trespass were separated from his wife and he wrongly supposed that he had the right to enter the matrimonial home of which he was still technically the owner-occupier as he was still paying towards the cost of the home. He thought that he had the right to go in, even though he may not have had that right in law, and enters with the intent of removing some of the belongings. In fact, even in law, he may be a trespasser, but he is not actually a burglar because he can rely on some of the defences that apply in the law of trespass. My concern in that case is that he is potentially a trespasser for the purposes of the Bill, but he is not a burglar for the purposes of the Theft Act 1968. He could be beaten up by whoever happens to be inside the property—by his wife's new partner, for example—and if he were subjected to excessive force, it would be covered by the Bill even though in law he was not really a burglar at all.

Mr. Khan: Is there not a problem with the words "entered as a trespasser"? Earlier, an Opposition Member, who is no longer in his place, referred to an example, in which "but for the law" he would have been a hero for retaliating against someone who came into his shop to commit an act of theft. As my hon. Friend knows, the reality is that if someone commits a criminal act on a property, the licence is revoked and he then becomes a trespasser. If someone enters a shop as an innocent purchaser of an item without the intention of breaking the law, but subsequently decides to commit a criminal act thereby becoming a trespasser, he or she did not enter the shop or property as a trespasser, which is the threshold required for the provisions to apply. Is not that the problem?

Mr. Dismore: My hon. Friend makes a very interesting point, which relates to the Theft Act. If someone decides to commit a theft at a particular stage, they become a trespasser from the moment they entered the building and could theoretically face the charge of burglary; in practice, they are usually charged with theft. Technically, if they were to jump over the counter and raid the till, I suspect that it would be classed as burglary.

Chris Bryant: Let us consider the example given earlier of an estranged husband returning to the matrimonial home, which he still half owns. He might not be entering as a trespasser and may have no intention of committing a burglary of any kind. None the less, in an altercation he might end up offering violence against his wife, and at that point it might be necessary for her to offer violence in return. Of course, this Bill would not protect her in any sense.

Mr. Dismore: To be fair, I am not sure that that is accurate. In that situation, the husband would probably

[Mr. Dismore]

be committing the offence of burglary anyway, because burglary is not just thieving: rape and grievous bodily harm, for example, can constitute burglary. People often think that burglary is just stealing; it is not. It can include other offences linked to breaking into a property. The problem is that the Bill refers not to burglary but simply to people trespassing on buildings. The definitions of trespass in civil law and in criminal law are different, as are the definitions of the motive of the person entering the building. The situation is very confusing indeed, and part of the problem is that the Bill is unclear on the circumstances to which it would apply.

As has been demonstrated in a number of different examples given today, under the Bill, the person defending themselves could be completely unclear as to which test applies: the reasonable force test or the excessive, disproportionate force test. They would not know where they stood, and the creation of such confusion would put them in a very difficult position. There is a very real risk that they might naturally assume that they could use disproportionate force in circumstances where they in fact could not. The consequence could be entirely the opposite of that intended. People could end up appearing in the dock to defend themselves who currently would not need to, because as it stands they would be using reasonable, rather than disproportionate, force. If someone used the latter in circumstances where they were entitled to use only the former, they would rightly be charged with a criminal offence. That could happen under the Bill, simply because it has led them up the garden path.

Mr. Flello: Under this vigilante Bill, burglars could decide to stop committing burglaries and start mugging instead, because the prize is the same but the chances of being beaten up are reduced. In other words, it could push burglars out into the parks to mug people. Moreover, under this very woolly vigilante Bill, somebody threatened with being mugged in the park might rush to the nearest house and hammer on the door to get in, only for the person behind the door to think, "Somebody is trespassing on my premises; I can now use disproportionate force against them." What are my hon. Friend's thoughts on that?

Mr. Dismore: My hon. Friend offers yet another example of how this Bill creates many anomalies. Creating two different laws of self-defence for two different sets of circumstances is dangerous and would lead to serious problems.

Mr. Khan: At the beginning of his excellent speech, my hon. Friend said that the Bill's title, which refers to the "Protection of Property", gave the game away. Will he confirm, in the light of the intervention from my hon. Friend the Member for Stoke-on-Trent, South (Mr. Flello), that under this Bill those who live in gated developments or castles, and who drive everywhere, would enjoy better protection than those of us who walk or commute, and who live in communities? Nor, as my hon. Friend the Member for Rhondda (Chris Bryant) said, would the Bill protect those living in rural areas.

Mr. Dismore: My hon. Friend is right: the Bill is disproportionate and unfair.

In an intervention, my hon. Friend the Member for Stoke-on-Trent, South mentioned the displacement of crime from burglary to street robbery. Well, that may happen anyway if we are able to bear down on the incidence of burglary; indeed, there has been a rise in street crime as a consequence of the fact that burglary has become a more difficult crime to commit. The problem with the Bill is that it may drive people further into that type of criminal behaviour.

I mentioned previously the problem of displacement from properties where the householder may be thought to have weapons to defend himself to the home of a little old lady who could not defend herself. The Bill would inevitably lead to such displacement, and my hon. Friend is right to say that there will also be displacement from burglary to street robbery, perhaps as an alternative way of funding a drug habit. Obviously, we have to deal with street crime, too, but the Bill does not provide the same protection for victims of street robbery as it does for the lord in his castle.

Dr. Palmer: We all admire my hon. Friend's ability to retain the thread of his remarks despite our interventions. I want to take him back to an intervention that he did not fully deal with: my hon. Friend the Member for Tooting (Mr. Khan) pointed out that under the Bill the situation would be different for someone who entered as a trespasser and for an opportunist who went into a shop and then decided to commit a burglary. A householder would not necessarily know which of those two things had occurred, so the exemption in subsection (1A)(b)

"this was or ought to have been apparent to the person"

relates only to the degree of force. If a householder came across someone who had appeared in the building unlawfully but did not know whether they originally intended to trespass, the householder would not know whether they could use disproportionate force.

Mr. Dismore: That is one of the problems. My hon. Friend switched from a shop owner to a householder halfway through his analogy, but I think it would be interesting if we stayed with the shop owner. If somebody enters a shop and tries to steal goods or raid the till, they retrospectively become a trespasser for the purposes of the Theft Act, so technically would fall to be dealt with under the Bill. The problem is that the shop owner may not know that. I suspect that most shop owners do not know the law of trespass well enough to draw that distinction. Yet again, we would be in the difficult position where different rules applied in different circumstances, with a complete lack of clarity for the victim about the extent to which they are entitled to defend themselves—whether the high test in the Bill or the common-sense test in the existing law of self-defence.

A further problem with trespass relates to invitees—for example, friends who visit the house, other tenants in a house of multiple occupation, squatters, a neighbour borrowing a lawnmower or a neighbour in a dispute. They might not enter a particular place as trespassers but they could all become trespassers for the reasons that I have outlined. That creates a serious situation, because most people would not know where the line was drawn, or that the status of someone who had entered the building could change. The arguments that we have

been having during the debate about trespass show that the law of trespass is not as fully understood as it should be even by those who might have read "Archbold's Criminal Pleadings" or "Clerk and Lindsell on Torts"—

Mr. Flello: Bedtime reading.

Mr. Dismore: Only if one is an insomniac. If one wants to know the law, one would have to read those books, but I suspect that most shop owners would not have them on their shelves.

Jim Dowd: Unless they owned a bookshop.

Mr. Dismore: Even most bookshops would not have those books unless they were law bookshops, and there are not many of those about. Of course, whether the shop staff had actually read the books is another question altogether.

The law of trespass gives rise to serious problems, especially in cases where people gain entry by deception. We have all heard about burglary by artifice—the dodgy gas or electricity man whose object is not to read the meter but to rob the teapot. In those circumstances, even if the dodgy gas man was invited in because the householder did not think that he was a trespasser, in law he would be. To pick up the second point made by my hon. Friend the Member for Broxtowe when he switched his analogy, the householder would, under the Bill, be entitled to use disproportionate force to defend themselves but would probably be unaware of that fact. The Bill would create misapprehension about what people could do.

Chris Bryant: My hon. Friend might recall that the right hon. Member for West Dorset (Mr. Letwin) invited a gentleman into his home at 2 o'clock one morning because the man knocked on the door and said that he needed to use the toilet. Even such an esteemed figure as the right hon. Gentleman might not have fully understood the nature of trespass. If the Bill came into law, he thus might not fully understand the precise degree of force that he could use.

Mr. Dismore: My hon. Friend is right. If we are talking about the countryside, there is an interesting point that people who have limited authority to do one thing and may thus enter a place legally can become trespassers if they do something outside the extent of that authority. An example cited under the Game Act 1831 is of someone who had permission to go on to land to hunt for rabbits, but then started hunting hares. It might be splitting hairs to raise the case, but such evidence of trespass under the Game Act 1831 would presumably be evidence of trespass under the Bill if the animals in question were inside a building—we would presumably be considering battery-farmed rabbits or hares in such circumstances.

Mr. Khan: My hon. Friend talks about the householder being unclear about whether someone is a trespasser. One of the arguments for the Bill that is being pressed by members of Her Majesty's official Opposition is the fact that it would reduce the number of burglaries committed, because possible burglars would be scared off and deterred by the draconian powers open to a householder. However, would not a possible burglar also be confused about the position? Any chance of the Bill deterring burglars would be limited by their confusion about the powers of the householder.

Mr. Dismore: I am not entirely sure that I agree with my hon. Friend's argument. The Opposition say that a burglar would assume the worst in such circumstances. If that is the case, it might be an argument in support of the Bill. However, if my hon. Friend is right—in this context I suspect that he is—it would not have that deterrent effect at all, because burglars would assume, as criminals always do, that they would not get caught and that the lesser rules would apply. They are not very intelligent people, which explains why they undertake such business, although I suppose that we can think of the famous jewel thieves whom we sometimes see in fiction.

Chris Bryant: Is not the other problem with the concept of trespass the fact that the tort of trespass originally related to land—and still primarily does in law—rather than to buildings? I know that the concept of trespass in a building comes from the Theft Act 1968, but the situation is none the less confusing.

Mr. Dismore: My hon. Friend makes an interesting point. If ordinary people were to read the Bill, they would think that "trespass" applied to anywhere on their property. They might not read the small print that refers to a

"building or part of building"

When we examine the definition of a building, as I hope that we eventually will, the situation gets even more difficult and confusing.

Let us continue to examine proposed new subsection (1A) to section 3 of the Criminal Law Act 1967 by considering what is meant by the

"defence of persons or property"

One might think that that is a relatively uncontroversial aspect of the Bill that raises no significant problems, but that is not the case. Property does not have to be either lawfully owned or legal property in its own right.

Let us suppose that the legal owner of a TV or video discovered that it had been stolen by another person in their tower block. If the owner decided to go and repatriate it, they might think that they were entitled to use disproportionate force to recover it, because they would be acting inside a building to prevent crime. However, the burglar in his flat could also use disproportionate force to defend the stolen property from its lawful owner and fight back, so the situation would ratchet up. Each person is legally entitled to use disproportionate force against the other. That is surely not the Bill's intention, but it is the inevitable and logical consequence of the way in which it is drafted. The lawful owner of the property is preventing crime while operating inside a building, and the burglar, who is also inside the building, is defending property, even though it is not his. According to the Bill, each can use disproportionate force against the other. Who knows where it will end, except with two corpses on the carpet? Surely, that is not the Bill's intention.

Dr. Palmer: Most of us are not legal experts, unlike my hon. Friend. Even so, we have been able to identify many ambiguities and problems in the Bill. In the current state of affairs, the position is intuitively clear when a case comes to court. Would it therefore not be a retrograde step to create a haze of legal ambiguities? The ensuing lawyers festival would make today's debate look like peanuts.

Mr. Dismore: My hon. Friend is right. I do not practise as a lawyer any more, but the only people to gain from the Bill belong to the legal profession. I expect lawyers to make a great deal of money from the obtuse arguments whose surface we have only scratched today.

I have dealt with the position when property is owned illegally, but what is the position when property cannot be owned legally in the first place? For example, what if there is cache of drugs in a crack house? A drugs gang may be about to sell drugs to an addict who has entered the property legally at the invitation of his dealer for a fix. The junkie finds that he does not have enough money, and tries to grab the drugs. The drugs gang could use disproportionate force against the junkie to prevent him from seizing the illegal drugs that should not be in its possession in the first place. The junkie could argue that he was trying to prevent crime by seizing drugs from the dealers. Theoretically, both parties could deploy the argument that they were entitled to use disproportionate force.

Similarly, a drugs gang may wish to use disproportionate force against another gang whose members are trying to collect payment or steal the drugs. That is not an infrequent occurrence, as we know from the leaflet produced by the CPS and ACPO, which says that burglaries are often used to conceal the fact that nefarious activities such as drug dealing are under way. The law is bad enough without introducing legalised gang warfare between tooled-up drugs gangs in a shoot-out. Each gang could use their Uzis to mow the other down—the Opposition might think there is nothing wrong with that—with disproportionate force. That is perfectly legal for both gangs under the Bill, because one is entitled to shoot someone if one faces the threat of force. One drugs gang is trying to prevent crime, and the other is trying to commit it. However, both are trying to defend their property, and the net result is legalised gang warfare. Surely, that is not what we are attempting to achieve in the Bill.

Chris Bryant: To be fair to the Opposition, those gangs would not be able to go out and do that. They would only be able to do so in a building.

Mr. Khan: Or part of a building.

Mr. Dismore: My hon. Friend the Member for Tooting is right. What about a shoot-out in the staircase in the common area of a tower block—a not uncommon location for drug dealing or, for that matter, a crack house? Machine Gun Kelly could stand outside the lift shaft to mow his opponent down. It would be perfectly legal for each of them to use disproportionate force against the other in a fight over a drugs cache or money, which is surely an unintentional consequence of the Bill.

Mr. Flello: It is a little unfair to accuse the Opposition of supporting such a thing, given that there are unfortunately only two Opposition Members present.

Mr. Dismore: My hon. Friend makes a caustic comment about the Opposition's interest in their own Bill. I am pleased to see so many of my hon. Friends present to make their views known through interventions or, if there is time, through their own speeches. I regret to say that there is still an awful lot more to say about the Bill. We must give it proper scrutiny. The right hon. Member for Bromley and Chislehurst, were he in his place, would expect nothing less of me.

Mr. Khan: Can my hon. Friend reassure me that he will talk about the Bill's compatibility with the European convention on human rights?

Mr. Dismore: Of course I intend to do that. It is a little way down my list of subjects, but I hope there will be time to get to the Human Rights Act and the implications of the convention.

Let us consider the definition of "building", a subject that has already tested the House today, and rightly so, as this is one of the particularly weak points of the Bill. Clause 1(2) introduces in section 3 of the Criminal Law Act 1967 a new subsection 1A referring to anybody

"who is in any building or part of a building".

"Building" is defined in new section 3(1C) as having

"the same meaning as in section 9 of the Theft Act 1968 (c. 60) (burglary)."

So we must refer to the Theft Act. Unlike the Bill introduced by the hon. Member for Newark, this Bill deals not just with domestic premises, but with all buildings, with no distinction between domestic and commercial premises. On burglary, section 9(1)(a) of the Theft Act 1968 states:

"A person is guilty of burglary if—

(a) he enters any building or part of a building as a trespasser".

We have considered the meaning of "trespasser", and I should say that the penalties for invading a domestic property are rather higher—a sentence of up to 14 years—than for any other property, for which the sentence is 10 years. The definition of "building" is cross-referred in subsection (3), which states:

"References in subsections (1) and (2)"—

about which we need not worry at the moment, and references to a building that is a dwelling—

"shall apply also to an inhabited vehicle or vessel, and shall apply to any such vehicle or vessel at times when the person having a habitation in it is not there as well as at times when he is."

The problem is that that does not define what a building is, so we have to go to the case law to find out how a building is defined. I must resort to my old bible, "Archbold: Criminal Pleading". The 2005 definition states:

"Any building or part of a building may be the subject of a burglary."

That includes houseboats and caravans which are regularly inhabited, even if they are empty at times. It goes on to say:

"The word 'building', being an ordinary word of the English language, and the context not being such as to show that the word is used other than in an unusual sense, its meaning is a question of fact not law."

That is about all that "Archbold", the bible of criminal law, has to say about it, except that, I am pleased to say, the editor of "Archbold" helpfully cross-refers us to the excellent book by emeritus Professor Sir John Smith, "The Law of Theft", 8th edition, in which a little more guidance is given.

Jim Dowd: It must be a bestseller.

Mr. Dismore: Indeed. It is even available in paperback.

Jim Dowd: Are there plans to turn it into a musical?

Mr. Dismore: I think not, but the book provides helpful guidance as to what a building is in law.

Professor Smith says:

"Many things which have been held to be buildings for other purposes will not be buildings for the purposes of the Theft Act—for example, a garden wall, a railway embankment or a tunnel under the road."

That is, perhaps, self-evident, unless one is, for example, a railway worker or a roadman.

Mr. Flello: A number of my constituents enjoy the happy hobby of caravanning, and my hon. Friend has mentioned caravans. At the moment, if a caravan sits in the front garden of a property in my constituency and somebody tries to take or burgle it, the householders can rightly and legitimately use reasonable force to stop them. What would the situation be under this proposed vigilante Bill? Would a caravan count as a building? What if the householder uses their caravan only once a year? Where would the Bill leave my constituents?

Mr. Dismore: My hon. Friend has raised a very interesting question. I think that a caravan would probably count as a building, whether or not people live in it and even if it is just parked on a front drive. A difficulty would arise if one of his constituents owned a Dormobile, which complicates the situation, and I hope to refer to the difficulties created by Dormobiles very shortly, Mr. Deputy Speaker.

Mr. Khan: I am grateful to my hon. Friend for having done the reading, which has saved me from having to do it. What about the position of those of my constituents who enjoy going camping in a tent? Would a tent be classified as a building? And what about those of my constituents who have the good fortune, like many of the constituents of official Opposition Members, to own large properties that contain a big wall, a garden or piece of land and a bricks and mortar building? Would such householders receive the protection of the Bill on the piece of land between the wall and the bricks and mortar building?

Mr. Dismore: On the second point, such householders would not be protected by the Bill, because the piece of land is not inside a building. My hon. Friend has presaged the eminent Professor Smith, who says:

"To be a building, the structure must have some degree of permanence. A substantial portable structure may be a building but probably"—

that is as far as he goes—

"not a tent even though it is someone's home."

The best advice that I can give my hon. Friend is that a tent would probably not be covered by the Bill. That highlights our problem with the Bill, because "probably" is not good enough when one is discussing matters of life and death, which one is when one considers the Bill.

Chris Bryant: My hon. Friend may recall from the Sexual Offences Act 2003 that a tent is defined in law as a structure, not a building.

Mr. Dismore: That is very interesting, because the eminent Professor states that

"A substantial portable structure may be a building but probably not a tent".

Perhaps my hon. Friend should write to Professor Smith to put him right. However, his point arises in a context other than the Theft Act 1968, with which we are concerned today. I am sure that Professor Smith would be very interested to know about the comparison with the Sexual Offences Act 2003, which may give him additional guidance on how to construe the 1968 Act and ultimately this Bill, were it to become law.

Jim Dowd: If I have understood my hon. Friend's definition of a building, which concerns the building's degree of permanence, I imagine that a cave would not be a building, but what about a tunnel that has been built and is a permanent structure? I mention that point because the Bill refers to the prevention of crime in general rather than just crime against persons or property. Criminal action on the permanent way is a great headache for the railway authorities. Would the railway authorities have powers under the Bill?

Mr. Dismore: My hon. Friend has raised two issues. First, what about troglodytes? Troglodytes are people who live in caves. Many people live in caves. Indeed, when I was on holiday in Spain, I visited several towns in which the houses were made out of caves. Are such caves buildings? My hon. Friend has posed a very good question. I presume that if they had a built-on front wall built and possessions inside they would be a building, whereas a tunnel would not. However, there may be a building inside a tunnel—for example, a sub-surface underground station. That raises interesting questions. If the British Transport police wanted to apprehend an offender who was in the ticket hall and then leaped over the barriers and ran down the tunnel, what would be the powers of the constables chasing him? Would those powers switch between the moment they left the ticket hall and the moment they entered the tunnel? Under the Bill, they probably would.

Chris Bryant: I am not too worried about the troglodytes, but I am still worried about those who inhabit vehicles. The hon. Member for Vale of York (Miss McIntosh) referred to theft from a car. Very few cars would count as an inhabited vehicle. My hon. Friend drew a distinction between a Dormobile—the "dorm" element suggests that people sleep and perhaps

[Chris Bryant]

live in it—and a caravan. Where would he place mobile homes, which for the most part are not mobile but stationary with no vehicular element?

Mr. Dismore *rose—*

Mr. Deputy Speaker (Sir Michael Lord): I am not criticising the hon. Gentleman for straying too far away from the main contents of the Bill, but he spent some time defining trespass and is now defining buildings. Those definitions must apply elsewhere in law. I hope that he will use his speech particularly to address the Bill before us instead of defining terms from the law generally.

Mr. Dismore: I would hate to quibble with you, Mr. Deputy Speaker, but the problem is that the Bill defines "building or part of a building"

by cross-reference to section 9 of the Theft Act 1968. I have been examining that Act's definition of a building because that is the definition that applies in the Bill. It is not my fault that the drafters made that cross-reference. I would far prefer that they had set out what they mean by "building" in the Bill. If we are to explore the Bill properly, I therefore have to consider how "building" is defined for the purposes of section 9 of the Theft Act. The work that I have been using as my bible is the seminal work on the law of theft.

My hon. Friend the Member for Rhondda asked about vehicles. Cars certainly do not apply. Before I come to the issue of mobile homes, though, it is important to set out the benchmark definition of a building. That was given by a former Master of the Rolls, Lord Esher, in a case that took place quite a while ago. He says that a building in the ordinary sense is a block of brick or stonework covered in by a roof, and a structure of considerable size that is intended to be permanent or at least to endure for a considerable time. He says that a telephone kiosk is not a building, that the outbuildings of a house are buildings, and that a detached garage, tool shed or greenhouse may be a building. He identifies a difficulty on building sites in that a roof will be thought necessary for a structure to be a building but says that there is no obvious answer to borderline cases. He says that one lodger may commit burglary by entering another lodger's room, that a guest in a hotel may commit a burglary by entering the room of another guest and that on a ship somebody could commit a burglary by going into another cabin. A whole series of examples are brought into the Bill by the cross-reference from the Theft Act.

Mr. Flello: This draft vigilante Bill gives me grave concern, because of the confusion that it would cause. Could my hon. Friend, with his vast experience of these matters, give me some guidance as to what would happen on a building site that had on-site security? If some of the buildings were partly completed and some were not, would the security guard be acting within the law under this vigilante Bill if he used disproportionate force when he caught someone trying to steal things from the site?

Mr. Dismore: I have an example that I was going to use later in my speech, but it is relevant to my hon. Friend's question. I would pity the security guard in those circumstances. Let us suppose that, on a housing development, some of the houses had been finished, some had been constructed as far as the second floor and had a roof, some had only the first floor and no roof, and some were still just a wishful thought in the developer's eye, consisting only of footings or perhaps just open land.

The problem that the security guard would face as he chased the burglar from one part of the site to another would be that he would be able to use disproportionate force when he was in a finished house, but he may or may not be able to do so when he entered a half-finished house, depending on how much of it had been built, and when he chased the burglar over the open land heading for the gate, he would be back under the old rule of reasonable force. Frankly, nothing could better illustrate the anomalies that the Bill would create as a result of defining the word "building" insufficiently tightly. Instead, it sloppily cross-refers us to the Theft Act 1968 because its drafters could not be bothered to apply their minds to what a building should be, for the detailed and specific purposes of the proposals. The net consequence is that we should have all these amazing anomalies.

Mr. Khan: I am really troubled by that last example. My mind is drawn to our police officers, who are governed by their disciplinary codes, as well as by the civil law. Having read about these matters, what guidance would my hon. Friend give to a police officer giving chase, for example, to a teenage trespasser on a building site or on the railway—my hon. Friend the Member for Lewisham, West (Jim Dowd) mentioned tunnels earlier. How would the police officer know how not to fall foul of the Bill's provisions, by contrast with the provisions of the disciplinary code or the civil law provisions that might apply if they were sued, if someone were assaulted as a result of the way in which the police officer behaved?

Mr. Dismore: My hon. Friend raises an important point. I would hope that the police officer would exercise their common sense. A police officer is entitled to use reasonable force in apprehending a criminal, as is any citizen attempting to effect a citizen's arrest under the law as it stands. Police officers are trained in the criminal law, and they know when they may and may not use disproportionate force, but that would not be the case under the Bill, because of all the anomalies that it contains. I suspect that a police officer would have more sense than to use disproportionate force. I have rather greater respect for the police service than do the Conservatives, given their suggestion that police officers might wish to use disproportionate force beyond that necessary to detain a suspect.

Mr. Flello: If a police officer giving pursuit to a drug dealer, for example, were in plain clothes and went across the building site that we talked about earlier, he would need not only to think about apprehending the criminal but to be cognisant of the fact that the security guard on the premises could use disproportionate force against him, not realising that he was a police officer because he was in plain clothes. Would not the police officer therefore have to take into account the fact that

he might encounter disproportionate force simply because of the area in which he was pursuing the criminal?

Mr. Dismore: My hon. Friend's example is not at all fanciful. I think that it was the case of Kenneth Nye—

Jim Dowd: Kenneth Noye.

Mr. Dismore: I am grateful to my hon. Friend for his correction. Kenneth Noye was a well known member of the organised crime fraternity. He killed a plain clothes police officer who was staking out his property, because he thought he was a trespasser. Noye escaped conviction, even under the existing law of reasonable force. What would be the position were the new proposals in the Bill to apply? Plain clothes police officers could be subject to disproportionate force all over the place, both in the circumstances that we have heard described and in many others that I am sure that everyone in the House can imagine.

Mr. Khan: An additional point is the criticism that a police officer would face if he or she used excessive or disproportionate force but not grossly disproportionate force. My hon. Friend and I, and our hon. Friends who work with the police, are aware that that would lead to criticism of the police when they were not falling foul of the Bill.

Mr. Dismore: My hon. Friend is right. All that one can say to police officers in those circumstances is that they should use their common sense, and use the reasonable force that they consider necessary to apprehend the offender. Ultimately, I suspect that that is the advice that we would all have to give to householders, or anybody else, even if the Bill were passed. To do anything else would still lead to the grey areas mentioned by my hon. Friend the Member for Broxtowe.

Dr. Palmer: Does my hon. Friend agree that we would end up back where we started if we gave householders the advice that the law is not completely clear and that they must rely on the common sense of the jury and behave reasonably, which makes the task of the jury that much harder? Does not he agree that there will be situations in which the use of force to make an arrest is an ongoing process? The police officer might have to hit the suspect several times to subdue him. If the first blow was in a building, and the second blow was not, the question arises as to whether the first blow has become disproportionate.

Mr. Dismore: My hon. Friend raises an interesting set of circumstances, but the force was probably not even reasonable if it did not lay out the offender.

On the definition of "building" as it applies to the Theft Act 1968, cross-referred to the Bill, a number of interventions asked about the position of mobile homes, which is an interesting way of summing up the anomalies in that regard. I mentioned dormobiles and motorised caravans, which are used for the ordinary purpose of a motor car during most of the year but are occasionally lived in, usually when the owner is on holiday. While the vehicle is being lived in, it is undoubtedly an inhabited vehicle, but when it is being used for the purposes of a car, it is not. The exact moment at which it becomes an inhabited vehicle might be difficult to ascertain. Is it when the family has loaded their possessions before going on holiday, when they take to the road, or when they park up at the seaside? When they use the vehicle as a car when on holiday, is it covered? A whole series of anomalies are created in relation to mobile homes.

The Bill is not good enough in this respect. It must be much more specific and clear in its definition of a building. We heard earlier about the Englishman's home being his castle. What if it is a ruined castle? Is that a building? What if it is ruined castle now being restored? At what stage does it become a building? Perhaps it is a house; perhaps it is not. The problem is that the Englishman's home might be his castle, but it might not be his building for the purposes of defending it under the Bill.

What about the position of trains? We still have sleeper trains. If people break into one cabin from another, the chances are that it would be covered by the Bill. Were the great train robbery to occur now, however, the train driver and the post office workers who were victims would not be covered by the Bill, because the mail van, and the driver's cab, would not be considered parts of a building for this purpose. I suspect that the cabins might be.

What about a prisoner who invades the cell of another prisoner in jail? The prisoner, who is the "owner" of the cell, might wish to use disproportionate force to defend his property from the prisoner invading his cell, and the next thing is that we have a prison riot on our hands. That is encouraged by the terms of the Bill.

As a result of the different tests of self-defence in different circumstances, the anomalies are legion. The definition of a building should have been drawn a lot tighter, rather than trusting to luck, sticking a finger in the air, testing the wind and referring to the Theft Act.

We have had a lot of discussion today about the definition of grossly disproportionate, which is the meat of the Bill. Clause 1 would insert new subsection (1A)(a) into the Criminal Law Act 1967 and introduce the phrase,

"the degree of force used was grossly disproportionate".

If the defence is that the force was disproportionate but not grossly disproportionate, the prosecution has to prove that the force was not just disproportionate but grossly disproportionate.

Jim Dowd: We briefly touched on the matter a few minutes ago, but I find deeply troubling the use of the term "grossly". Where does it sit in the gradation of disproportionality? Is it worse than severely, markedly, significantly or extravagantly? How is a jury, for example, to distinguish between mere disproportionality, slight disproportionality, severe disproportionality and gross disproportionality?

Mr. Dismore: My hon. Friend raises an interesting point. The Joint Committee on Human Rights report on the Bill introduced by the hon. Member for Newark, which contained exactly the same language, said that judges could have a problem interpreting it. If the judges

[Mr. Dismore]

have a problem interpreting it, how can the ordinary householder in the street, never mind my hon. Friend, not have problems interpreting it?

The problem is that neither disproportionate nor grossly disproportionate are defined in the law anywhere. There is no case law on it—civil or criminal. There have been no cases under section 329 of the Criminal Justice Act 2003, which introduced the term into civil law. There is no guidance in the law.

Chris Bryant: I do not know whether my hon. Friend is aware that there are in fact two places in the law where the term grossly disproportionate is used. The other place is schedule 3, paragraph 4 of the Opencast Coal Act 1958, which refers to the estimated cost of the work being

"grossly disproportionate to any prospective increase attributable".

Does he accept that the concept of the proportionality is much easier to use when one is attributing financial or some other value, rather than when one is talking about the action of an individual?

Mr. Dismore: My hon. Friend makes an interesting point. We know that the Bill is about defending property. I will bear in mind your constraints earlier, Mr. Deputy Speaker, and not stray down the highways and byways of other Acts and measures that the House has passed, although those may be the only guidance. It will be interesting to know, if I may say in parenthesis, whether that terminology has ever been interpreted in the courts or whether it simply appears in the statute. If that is so, it will not provide us with any more guidance than we have to start with.

Mr. Flello: Does my hon. Friend envisage a situation where the Association of Chief Police Officers will have to distribute large amounts of leaflets explaining what proportionality, disproportionality and grossly disproportionate mean? Will that not be a tremendous waste of money?

Mr. Dismore: I envisage ACPO having to distribute tomes the size of "Archbold", rather than a leaflet, to explain to people what the new law will be. I have had to trawl through "Archbold" to try to find some definitions. Those will have to be incorporated in the leaflet. My hon. Friend is right: it is important that people are made aware of what the law is. However, I suspect that it would need to be rather bigger than a leaflet. It would be at the very least a thick pamphlet or a tome along the lines of "Archbold" if it is to make clear what the law is, should the Bill go through.

Mr. Khan: If my hon. Friend is suggesting that "Archbold" should be compulsive reading for all citizens, I second that idea. He referred to the fact that, once a defendant raises the issue of self-defence, the burden shifts to the prosecution to prove otherwise. What will the position be in the new context if the Bill, God forbid, is ever passed?

Mr. Dismore: The Bill is silent on that interesting point. In those circumstances, one can only assume that the burden would shift to the defendant from the prosecution, where it is at present. That would create even more confusion. I am surprised that the Bill does not make clear whether the burden will lie on the defence or the prosecution.

Chris Bryant: Does my hon. Friend agree with the journalist who wrote:

"For unlike the current law, where the householder may have to explain why the action he took was reasonable, the person who would need to prove that the force used was 'grossly disproportionate' might well be dead."?

Those are the words of Melanie Phillips in *The Daily Mail* on 6 December 2004, opposing the previous Bill.

Mr. Dismore: It is interesting to hear such an eminent journalist as Ms Phillips, writing for the newspapers she does and holding the position she normally holds, expressing that view. That shows the real unease felt throughout the country about the Bill's proposals.

Lynne Featherstone: Does the hon. Gentleman agree, information being key, that it would be useful that, rather than either the Bill or Archbold being distributed, a leaflet such as the one which already exists could be distributed to every householder?

Mr. Dismore: The hon. Lady raises an interesting point and an issue canvassed previously when the Bill of the hon. Member for Newark was debated. It is incumbent on the Government to make sure that there is a proper information programme so that people are made aware what the law is. It is also incumbent on them to produce a leaflet in other languages, too, as people from minority communities particularly fear the impact of burglary. For recent arrivals to our shores, the regime of law under which they previously lived may have been a little more anarchic than ours, and it might be important to remind them of exactly what they are or are not entitled to do. I hope that the Minister will be able, should she come to reply to the debate, to pick up that point and say whether the Government intend to distribute the leaflet in a way that makes it accessible to all our citizens, whatever their native tongue.

Mr. Flello: Does my hon. Friend agree that rather than bringing in a vigilante Bill, a better way forward would be to encourage the Home Office and the Inland Revenue, for example, to work together so that small businesses receive just such a leaflet directly with their end-of-year packs?

Mr. Dismore: My hon. Friend makes an important point. Although the leaflet is targeted at householders, the same provisions apply to business people, whether they be shop owners or work in an office. The Home Office might well imagine that it would be helpful to ensure that shop owners, about whose fears of people breaking into their shops we have heard much, benefit from a leaflet that would not require greatly to be changed from the existing leaflet, which sets out the position very well. It might require just a change to the title, and shop owners would benefit from it. I hope that the Minister will pick up on that if there is time for her to reply to the debate.

Mr. Khan: I urge caution. My hon. Friend has explained his excellent practice of informing his

constituents about their rights, but I urge caution because we must put matters in context. Fewer than 1 per cent. of burglaries are aggravated. Burglaries are also at the lowest level for 20 years. My hon. Friend, as a hard-working constituency MP, will understand that the perception of crime often overtakes the reality, and I would not want us to be carried away and to end up creating more concern among some of our most vulnerable constituents.

Mr. Dismore: My hon. Friend echoes some of the points I made earlier in giving some statistics about the incidence and risk of burglary. The important thing is that the leaflet must reassure people, and can do so in two ways. First, it can reassure them that the prospects of their being the victims of burglary are relatively slight. Secondly, they could be given some information on what they could do to reduce the risk of burglary—for example, the installation of window locks or asking the local police service to make a crime prevention visit. It is important that people know where they stand on these difficult issues. An information leaflet would not be just about telling people what they could do if their home were invaded. It would tell them what they could do to stop their home being invaded in the first place, and to reassure them that the risk of that happening is relatively slight.

Mr. Khan: Does my hon. Friend agree that it is grossly irresponsible of opportunist Opposition Members to refer to the one or two stark cases where householders have been prosecuted because of action that they took against intruders?

Mr. Dismore: My hon. Friend is absolutely right. If we examine some of the cases, we see a different picture emerging. As we have no definition of "grossly disproportionate", perhaps we should consider some of the cases that have come before the courts and test them against the existing definition and against the "grossly disproportionate" definition.

The research paper from the Library helpfully sets out a number of examples. The Library has gone back almost 20 years in looking for these cases. Having done so, it has produced relatively few. The number of cases that we are dealing with, even under existing law, is relatively small. The first case concerns a Mr. Eric Butler in May 1987. He was charged with malicious wounding after he stabbed a mugger on the underground with a sword stick. That case was withdrawn—it was reasonable force.

Chris Bryant: More importantly, such a case would not be dealt with under the Bill because it was not in a building.

Mr. Dismore: My hon. Friend makes an interesting point. Going back to the discussion that I had earlier with my hon. Friend the Member for Lewisham, West (Jim Dowd), it could be argued whether it was or was not a building, depending on whereabouts on the underground it took place.

The second example is the case of Mr. Carrera. In May 1991, he was charged with murder after he was attacked with a knife by a drunken drug mugger. He turned the weapon on his assailant. He was acquitted under the present law of reasonable force.

Mr. Khan: Would my hon. Friend agree that even if the Bill were ever enacted, Mr. Carrera would still face the prospect of investigation and potentially the same outcome, and that the stress that he endured would be the same before and after the Bill's enactment?

Mr. Dismore: My hon. Friend is right. If somebody is dead it is not possible to escape an investigation. I hope to say more about that later.

Mr. Flello: If my hearing serves me well, my hon. Friend referred to a mugger. The offence would not be caught under the Bill, because the offence took place outside a building, not within it.

Mr. Dismore: Absolutely.

Another case was that of Mr. Tony Evans, who in June 1993 shot an intruder. Presumably that was inside a building. He used a small-bore shotgun. He was not prosecuted because it was considered that he had exercised reasonable force.

There was the case of Mr. Williamson, in August—

Mr. Khan: Before my hon. Friend leaves the case of Tony Evans, may I refer him to what Mr. Evans said? He accepted that the police could not condone what he had done. He said:

"They had to act. It could lead to a vicious circle if everyone starts arming themselves to shoot at burglars. The burglars may start arming themselves and then the police and before we know it we may be living in a gun society."

Does my hon. Friend agree with those comments?

Mr. Dismore: My hon. Friend is correct. Mr. Evans says it all. We heard earlier the hon. Member for Newark quoting a burglar supporting the Bill. He had been shot in the buttocks. Mr. Evans, the victim of the attack, was saying that the existing law is correct and that police behaviour was correct in investigating him. He was not even prosecuted, because it was felt that he had responded with reasonable force.

Chris Bryant: Is not one of the sadnesses of the procedure that we have had to go through the fact that some Conservative Members have sought to suggest that we should try to restrict any investigation, prosecution or procedures towards prosecution in nearly every case? Sir Nicholas Lyell, the then Attorney-General, told the House following the Tony Evans case that any shooting incident must be carefully investigated. Surely that is the truth.

Mr. Dismore: My hon. Friend is absolutely right. Sir Nicholas was a Conservative Member.

The next case is that of a Mr. Williamson. In August 1994, he disturbed a burglar and stabbed him in the neck with a kitchen knife. He was not prosecuted because it was considered that that was reasonable force.

Then there is the case of Mr. Lyon, who was cleared of

[Mr. Dismore]

attempted murder and wounding after firing his shotgun at a man he thought was about to burgle his allotment shed. He was convicted of a lesser charge of unlawful wounding, but the Bill would have given him no help because he was not defending a building within the Theft Act definition. Even under the Bill, that would still be considered grossly disproportionate force bearing in mind the action that he took in the situation that he faced, a context similar to that in the Tony Martin case.

John Pritchett was cleared of wounding two burglars who had broken into his wine store after he opened fire on them with a 12-bore shotgun. He shot them, but it was reasonable force.

In November 1995, Mr. Richards shot at a thief who was fleeing into trees with the intention of scaring him off. He was cleared under the existing law of reasonable force but I suspect that the Bill would not help him because the incident did not occur in a building and he was not acting in self-defence or to protect property but to scare people off.

In January 1996, David Kent was cleared after shooting a suspected burglar in the neck. Mr. Kent told the court that he feared for his life when he fired his shotgun after the assailant lunged at him. He was cleared under the reasonable force law. I will not go into the facts of the Tony Martin case because they have been explained in great detail today, but the hon. Members for Newark and for Vale of York and every Conservative Member have said that even under the Bill Tony Martin would have been dealt with, so they cannot pray that case in aid.

Kenneth Hall shot a thief who was stealing from his car. He was acquitted in 1996. That was reasonable force, but, more importantly, it was not in a building and would therefore not have been covered by the Bill.

In March 1998, Ted Newbery shot and injured an intruder through the door of his allotment shed. He was acquitted under reasonable force and would not have gained any protection from the Bill because it was not a building.

Mr. Khan: My hon. Friend has reeled off a series of cases in which a jury has concluded that a defendant was not guilty. Given that juries are selected from a pool of ordinary citizens, does he agree that most householders, like juries, have common sense and know what is reasonable?

Mr. Dismore: My hon. Friend is right in saying that juries have a lot of common sense, but many of the cases that I am describing never even got that far. They had to be investigated by the police, but the individuals concerned were either not charged or, if they were, had their cases dropped. Most cases did not go to a jury.

In the case of Mr. Davenport, two masked men with a hammer went to his home at midnight to attack him. He said that he was frightened for his life and stabbed and killed one of them. He was acquitted by a jury under reasonable force, but I think that the prosecution was properly brought in the circumstances of the case.

In October 2002, Mr. Barry-Lee Hastings killed a burglar. The burglar was stabbed 12 times in the back and Mr. Hastings was convicted of manslaughter. On the face of it, he was not acting in self-defence and what he did would probably be considered grossly disproportionate, so he would have had no help from the Bill.

In June 2003, Mr. O'Connor, an elderly blind man, stabbed and killed an intruder breaking into his home. He was not charged, under reasonable force.

Jim Dowd: My hon. Friend says that the Bill would not apply, but new subsection (1A) uses the words

"Where a person uses force in the prevention of crime".

Could it not be held that someone who shot dead a habitual burglar was preventing future crime?

Mr. Dismore: That is not the issue. The problem is that these people were not in buildings, and if they were not in a building they could not have relied on this defence. My hon. Friend makes an important point, but I think that prevention of crime here refers to crime in the immediate circumstances rather than to a burglar committing a crime next week or next month.

Mr. Faulkner, another example from 2004, was a 73-year-old farmer who shot a burglar after he had been broken into three times. The judge said that he could not be criticised for the way in which he defended his property. He was not prosecuted because he had the reasonable force defence. Mr. Cook, in a case from August 2003, used a hockey stick to beat up a group of late-night revellers who attacked his wife outside the family home. He was acquitted under the reasonable force rules, but because the incident did not take place in a building, he would not have been able to pray the Bill in aid in any case.

There is also the case of Linda Walker in March 2005. This was the famous case of a special needs teacher who defended herself heroically. She fired an air pistol at a group of youths who were terrorising her, but she was imprisoned because, under the old rules, it was not considered to be self-defence. As it took place outside her property and not in a building, the Bill could not have helped her. That is one case that might be on the borderline between "disproportionate" and "grossly disproportionate", but because the event happened in a building, she would not have benefited from the Bill in any case.

Mr. Flello: As my hon. Friend says, in that case, it is possible that the "grossly disproportionate" rules might apply, but how do we know? The thinking behind "grossly disproportionate" is so woolly that we have no idea of knowing whether it would work or not.

Mr. Dismore: My hon. Friend is right, but I am just trying to do the best I can by applying a little common sense to the definitions.

The promoters have constructed a whole superstructure to suggest that a change in the law is necessary to protect people in certain circumstances, but the examples that I have cited prove that their case is fallacious. In all those cases, people were either not charged or acquitted under existing law. In some cases, the new defence provided by the Bill would not apply because the events happened outside a building. In other cases, they would have fallen foul of the new law because the force used was excessive. I do not understand what

the hon. Member for Vale of York would gain, should the House see fit to give her Bill a Second Reading today.

On 13 January 2005, the Crown Prosecution Service issued a press release, listing other examples of cases where people were not prosecuted. There was a robbery at a newsagent in Greater Manchester where one of two robbers died after being stabbed by the newsagent, but the CPS did not prosecute. A householder, who returned home to find a burglar there struggled against him and hit him on the head. The burglar later died, but no prosecution resulted from that case in Derbyshire. Armed robbers threatened a pub landlord and barmaid. The barmaid escaped, fetched her employer's shotgun and shot one of the intruders. She was not prosecuted in that case from Hertfordshire.

Two burglars entered a household with a knife and threatened a woman. Her husband overcame one of the burglars and stabbed him. The burglar died, but there was no prosecution in that case from Lincolnshire. A middle-aged female took a baseball bat off a burglar and hit him over the head with it, fracturing his skull. The burglar actually made a complaint, but the CPS refused to prosecute in that case from Lancashire. All those cases—the sort of cases for which the Bill provides protection—were perfectly adequately dealt with under the existing law of defence of reasonable force.

Mr. Khan: My hon. Friend has provided five further examples of where the decision was taken not to prosecute. Some Opposition Members have argued that using the Attorney-General as a safeguard for prosecutions would provide greater certainty, but is it not the case that clarity in the law is what people need? Is it not more important than having a Law Officer take a decision on a prosecution?

Mr. Dismore: My hon. Friend makes two interesting points. First, he stresses the need for clarity in the law, which we have debated extensively today. However, the matter of whether the prosecution should be cleared by the Attorney-General is one aspect of the Bill for which I have some sympathy. In fact, there are very few cases under existing law where the Attorney-General's intervention would arise, but it could be a useful safeguard if a prosecution follows. I hope to return to that issue later in my remarks.

Chris Bryant: I wonder whether that is right. Is it right to put very high-profile cases, covered by the national media, on a politician's desk for a decision on whether a prosecution should proceed? Is that really what we want?

Mr. Dismore: I see the force of my hon. Friend's argument, but in such circumstances the Attorney-General would be acting as a Law Officer, not as a politician. Perhaps a better way forward is to suggest that the decision be taken by the Director of Public Prosecutions personally—an alternative that would probably achieve the same objective.

For completeness, the CPS gave a number of examples of people actually being prosecuted. In one case, a man laid in wait on commercial premises for a burglar, caught him, tied him up, beat him up, threw him into a pit and set fire to him. That is probably grossly disproportionate, and the individual concerned would not, I suspect, find a defence under the Bill.

Mr. Flello: But would that be grossly disproportionate under the Bill; where does it state that?

Mr. Dismore: The Bill does not state that, but common sense tells us that such an action would be regarded as grossly disproportionate.

In the second case cited by the CPS, several people trespassed on to private land to go night-fishing. They were approached by a man with a shotgun who threatened to shoot them. They ran away, but one was shot in the back with 40 shotgun pellets. Again, that was probably grossly disproportionate; moreover, the Bill would have offered no protection in such an incident because it took place outside. In a third case, a householder laid in wait for a burglar who tried to burgle his shed, and shot him in the back. That is the "Tony Martin circumstance", which, as we know, given the concessions already made by Opposition Members, would amount to grossly disproportionate force.

The question then arises of why we need to change the law of self-defence in the first place. I suggest that we do not. The law is clear and we have to have consistency in the law; having different tests for different circumstances is fraught with danger. We have already discussed what would happen when such incidents occur in, and outside, buildings; and, for example, whether a dormobile constitutes a building. I mentioned earlier the example of a security guard taking such action on a building site. As it stands it would constitute reasonable force, but if he is in the construction hut, the question arises as to whether the hut constitutes a building—a marginal point. If it is on completed premises, it probably constitutes a building. Would he have the nous to work out when he can and cannot use the defence provided in this Bill? What about allotments and garden sheds? Clearly, the allotment itself is not a building; the garden shed may or may not be, depending on the size of the structure.

What about people who are attacked who are not in any form of building? The victim of a street mugging could use only reasonable force. We know that a phone box is not a building, because there is case law to that effect. The victim of a phone box mugging could defend himself with nothing other than reasonable force. Such an incident could easily happen, because as we know, a lot of drug deals are done in phone boxes.

Dr. Palmer: I realise that my hon. Friend is in danger of running low on time, but I want to mention one issue that has yet to be stressed. The general public take separate views on the danger of excessive injury to a criminal, and on the danger of any injury to an innocent party or to someone who has committed a very minor act of trespass. Does my hon. Friend not think it important to stress that the Bill as drafted poses a risk of excessive over-reaction to someone who commits an actual offence, and of grievous harm to someone who has done no real harm?

Mr. Dismore: My hon. Friend makes a very interesting point. My main concern is that, one way or the other, the Bill would lead to an inevitable escalation of violence, rather than a diminution, as its proponents would have us believe.

Mr. Khan: My hon. Friend has explained the Bill's inconsistency in respect of the approaches taken by victims of crimes against property, and by those who have been mugged in the street. However, is there not a more fundamentally offensive aspect of the Bill? Victims of crimes against their person—those who are raped in a park or assaulted in a public place, for example—would have fewer rights and less protection under the Bill than the victims of crimes against property in the household.

Mr. Dismore: My hon. Friend is right. Indeed, that was to have been my next point. How can we distinguish between the victim of a rape in a park who is allowed to use only reasonable force against her assailant and the victims of rape in other circumstances, inside a building that could be a public place, such as a tube station or a shopping centre—attacks have occurred in both—or the victim's own home? In one case the victim would be allowed to use disproportionate force to defend herself, whereas if she was raped in a park, in an open space, she could not. That cannot be right. How can we explain to women what they can or cannot do to defend themselves if we have to say that it depends on where they are attacked? That is ludicrous.

Chris Bryant: I wholeheartedly agree with my hon. Friend. I urge him to agree yet again with Melanie Phillips, who wrote in the *Daily Mail*:

"After all, 'grossly disproportionate' tells householders that they can use 'disproportionate' force with impunity"

Is not that the fundamental problem? Changing the law as the Bill proposes would ratchet up violence by both burglars and their victims.

Mr. Dismore: Exactly. It is interesting that one can agree with that eminent journalist twice in an afternoon.

Mr. Khan: Does my hon. Friend agree that we must ensure that our hon. Friend the Member for Rhondda (Chris Bryant) has better reading matter for his spare time?

Mr. Dismore: One always has to look at the views of the opposition in newspapers such as the *Daily Mail* and *The Mail on Sunday*. On this occasion, my hon. Friend the Member for Rhondda is to be congratulated on his reading material.

Mr. Khan: For research purposes.

Mr. Dismore: Indeed.

The problems posed by the Bill go beyond the position of the victim. What about the good Samaritan rescuer? In trying to prevent a crime, the rescuer could find themselves in an extremely difficult position. The circumstances would be different depending on whether they were inside or outside a building and whether force was disproportionate. The measure would create significant difficulties.

After going through all that material, my view is that we would do better to leave well alone, while making sure that people are aware of their rights under existing law.

Jim Dowd: In summary, this is the worst type of legislative change. As my hon. Friend has demonstrated, not only would it be largely ineffective, but where it was effective it would be counterproductive, so the Bill does not have much merit.

Mr. Dismore: I have to agree with my hon. Friend.

Mr. Khan: I am troubled by the fact that my hon. Friend may not have time to deal with the European convention on human rights. Given the other hat he wears, I should be interested to hear his views on the compatibility of article 2, the right to life, article 3, the right not to suffer inhumane and degrading treatment and article 8, the right to privacy and family. What are his views about the findings of the previous Joint Committee on Human Rights? Will he share his experience and expertise in those issues?

Mr. Dismore: I am grateful to my hon. Friend for that question. I promised him that I would cover those points, and although I really wanted to work through a lot more material relating to the Bill before I did so, I am inclined to indulge him. I do not know whether I have sufficient time in the seven minutes left for the debate to deal fully with and give full justification for the human rights arguments, but I will give it a go.

Chris Bryant: Important as those issues are, will my hon. Friend deal with one more point before he moves on to them? I think that he has said six times that people would have only the defence of reasonable force, which seems to suggest that such force would not be substantial. In fact, the Law Commission, referring to partial defences to murder, stated:

"We acknowledge that such a person, though genuinely acting in fear, might not always act 'reasonably' so as to attract the full defence of self-defence."

In other words, one can go quite a long way and it is important that we get that point across to the public.

Mr. Dismore: My hon. Friend is right. Some of the examples that were given earlier make that clear. Victims gave tough responses, even including the death of the assailant. In all the cases to which I referred the victim was either not prosecuted or was cleared.

My hon. Friend the Member for Tooting has been waiting with bated breath for some time for my views on the Human Rights Act 1998. I will indulge him, although I had hoped to deal with the matter in a more structured way later in my speech. I speak in this context as the Chairman of the Joint Committee on Human Rights, although I was not the Chairman when the Committee produced its two reports on this subject.

Our starting point when considering this serious matter must be part I of schedule 1 to the Human Rights Act. One of the rights and freedoms under the convention is article 2, which is titled "Right to life". There would be a possible cross-reference to article 8 and the UN convention on the rights of the child if the alleged criminal were a child. I will not go down the route of the UN convention because we have insufficient time, but that convention would cause the promoter of the Bill additional problems.

If the Bill were a Government Bill, the Minister would have had to certify that it was human rights compliant. As it is a private Member's Bill, however, it does not have to go through that process. I would be surprised if the hon. Member for Vale of York had made any effort to check the position of the Bill under the legislation. If the Bill were found not to be compliant with the Human Rights Act or the European convention on human rights, our courts could certify that the Bill was incompatible. If that happened, we would simply end up back here having the debate all over again. We would turn the law back to where we started because that would be required of us under the 1998 Act.

Mr. Khan: Bearing in mind what my hon. Friend says and the fact that the mischief that Opposition Members are trying to prevent is clarity, how would a court interpret a Bill that was incompatible with the Human Rights Act?

Mr. Dismore: A judge could merely issue a certificate of incompatibility. We would be back here straight away and we would have to debate a new Bill to put the law back to where we started. However, that gives rise to the question of whether the Bill would be incompatible, so perhaps I can address that matter now as we are running a little short of time.

Article 2 says:

"Everyone's right to life shall be protected by law. No one shall be deprived of his life intentionally save in the execution of a sentence of a court following his conviction of a crime for which this penalty is provided by law."

It goes on to deal with defending people from unlawful violence.

Mr. Flello: Does my hon. Friend agree that the reasonable force defence in existing law gives the victims of crime the right to enjoy their property and live their lives without the need for this nonsense vigilante Bill?

Mr. Dismore: Absolutely. That is also protected by other parts of the convention and the Human Rights Act.

The Joint Committee on Human Rights has examined the matter on two occasions, first in the context of the Criminal Justice (Justifiable Conduct) Bill, which the hon. Member for North Thanet introduced in 2004. The Committee reached the firm conclusion that the Bill would not be compliant with our obligations under human rights law.

Mr. Khan: My hon. Friend might have read press reports about the wish of some members of Her Majesty's official Opposition to withdraw from the convention, which would obviously allow them to pass the Bill. Is he aware of the implications of withdrawal from the convention for the status of a member of the Council of Europe?

Mr. Dismore: Unless a specific derogation were allowed, we could not continue as a member of the Council of Europe if we were not signed up to the convention.

Mr. Khan: Will my hon. Friend confirm my understanding of the convention, which is that countries cannot derogate from articles 2 and 3?

Mr. Dismore: My hon. Friend is absolutely right. As I was saying, unless there were a permitted derogation, a Government or country who wished to withdraw from those provisions would either have to leave the Council of Europe, or be thrown out of it.

The Joint Committee on Human Rights scrutinised the Bill of the hon. Member for North Thanet in its 23rd report of Session 2003–04. It said:

"This Bill would remove the deterrent effect of the criminal law in relation to murder, manslaughter and assault, amongst other offences . . . In removing the deterrent of the criminal law in this way, the Bill would in our view breach positive obligations to protect Convention rights to life and physical integrity. We consider that the Bill would be unlikely to be capable of interpretation"—

It being half-past Two o'clock, the debate stood adjourned.

Debate to be resumed on Friday 20 January.

Remaining Private Members' Bills

CRIME PREVENTION AND THE BUILT ENVIRONMENT BILL

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 20 January.

REGULATION OF LASER EYE SURGERY BILL

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 12 May.

LICENSING ACT 2003 (AMENDMENT) BILL

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 20 January.

FAMILY LAW (PROPERTY AND MAINTENANCE) BILL

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 17 March.

REGISTRATION SERVICE BILL

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 20 January.

Secondary Schools (Wellingborough)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Watson.]*

2.31 pm

Mr. Peter Bone (Wellingborough) (Con): I would like to thank the Speaker for granting me the opportunity to hold a debate on an issue of immense importance to my constituency. I am also grateful to the Under-Secretary of State for Education and Skills, the hon. Member for Corby (Phil Hope), who will respond to the debate. I am pleased that half of the Members who represent Northamptonshire are in the Chamber, as well as my hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski), who is concerned about the issue.

Secondary school provision in Wellingborough has been a huge concern for many years, as I will explain. I am grateful to all the teachers in my constituency, who do a tremendous job in circumstances that are not always ideal. I give them my praise and thanks for the superb job that they do. I should also like to place on the record my praise for the pupils and students who attend Wellingborough schools. They, too, face difficult conditions but, together with the help of their teachers, they work extremely hard to achieve their individual goals.

The problem with secondary school provision in Wellingborough has been apparent for many years, ever since the closure and demolition of a local secondary school in 2001. The John Lea secondary school was closed in 1998 by the Labour-run county council, which thought that there were enough secondary school places in Wellingborough for local children. How wrong it was. John Lea secondary school was a modern school with good buildings and facilities. At the time, there was widespread fear that the closure of the school would leave the remaining schools in Wellingborough oversubscribed, and would leave some children without any education at all. Despite that fear, the school was demolished in 2001 to make way for new homes for new families. Those families, of course, had children who required secondary school education.

Let us be honest: the closure and demolition of John Lea was meant to make money, yet that money has never gone back into secondary education in Wellingborough. I was not living in Wellingborough when John Lea was closed—I moved there shortly afterwards. However, I was living there when the decision was made to demolish the school. Along with many others, I fought to save the school with my "Listening to Wellingborough" campaign. I founded that campaign because I felt that too many politicians of all parties had become arrogant and out of touch. They were more than happy to preach to people, but were not prepared to listen. My "Listening to Wellingborough" campaign aims to seek the views of local people, groups and organisations and to campaign on their behalf for change.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): Will my hon. Friend give way?

Mr. Bone: I shall first make a little progress, if I may.

I listen to local people at every opportunity through surveys, public meetings, visiting residents and people coming to me. They were crying out for someone to

listen to their views and concerns, and then do something about them. I spoke to many worried parents who were very concerned about the effects of the closure of John Lea school. As part of my listening campaign, I started SOS—"Save Our Secondary Schools." I could see, like many others, that the closure and demolition of a local secondary school would have a hugely detrimental effect on secondary education in Wellingborough.

We campaigned against the demolition of the school. We went door to door seeking the views of local people, and we distributed numerous leaflets informing local residents of the proposals. The then leader of the Conservative party, my right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith), and the shadow Secretary of State for Education at the time, my right hon. Friend the Member for Maidenhead (Mrs. May), both came to Wellingborough to give their support to the SOS campaign. Chris Heaton-Harris MEP petitioned the European Parliament on behalf of parents from Earls Barton, a community in Wellingborough, whose children were being denied a secondary school place. Yet despite all our efforts, the decision was made by the Labour-run county council to demolish John Lea school, and in 2001 the school was no more.

One of the biggest oversights that was made in this case was that no one took into consideration just how much Wellingborough was due to grow in the coming years. The oversight has had a devastating effect on school provision and school choice, and the effects are still being felt.

Daniel Kawczynski: My hon. Friend describes the problem in Wellingborough as acute, and I am grateful that he has brought it to the attention of the House. The problem is also significant in rural areas, particularly in some of the villages near Shrewsbury. One such case is Grafton school—

Mr. Deputy Speaker (Sir Michael Lord): Order. The debate is specifically about Wellingborough.

Mr. Bone: I thank my hon. Friend for his intervention, and I accept his general point about the provision for rural areas. Many people think of Wellingborough as an urban area, but Earls Barton, for example, is a rural village from which children have to travel miles to get to a school.

When John Lea was closed, it was noted by the local authority that although there would be enough secondary school places for pupils transferring from primary schools, there could be further difficulties ahead if extra children were to move into the area. In fact, after the closure of John Lea school, all the remaining secondary schools in Wellingborough were oversubscribed and crowded.

Some children had to be bussed outside the county to go to school. Some parents paid for their children to go to a private school. Some parents started to educate their children at home. Some families even moved away from the area to get their children into a school. Most worryingly of all, some children were left at home without any education at all. In April 2001, there were 21 pupils who were forced to stay at home because of a lack of school places. Some of those children had been without any education for up to six months. In short, although many children were not getting the education that they deserved, a worrying number were not getting any education at all.

Some of the children denied a school place were at a critical stage before their GCSE examinations. How could an education authority and a Government leave children at home with no education at all? Had it been the other way round, and had parents been deliberately not sending their children to school, the LEA would have come down on them like a tonne of bricks. Sarah Robertson, who was 15 at the time, was at a critical stage in her education, with exams imminent, yet she had been without a school place for almost six months. I met many worried parents who did not know which way to turn because of the failure of the Labour-controlled local authority, and I met pupils who were bored and frustrated by being stuck at home. If that had been a one-off incident, it would have been bad enough, but it has happened time and again because of the closure of the school. In a subsequent year, another large group of children were left at home for weeks on end without any education at all.

Mr. Philip Hollobone (Kettering) (Con): I congratulate my hon. Friend on securing this afternoon's debate. As the Member of Parliament for the neighbouring constituency of Kettering, may I say that I share his concerns? I put it to him that one of the major themes in our combined local area is that we face the prospect of 52,000 new houses being built in north Northamptonshire by 2021, while existing educational provision is not sufficient for the current population.

Mr. Bone: I know how hard my hon. Friend works on behalf of his constituents. I feel a little guilty that secondary school children from Wellingborough are being bussed into Kettering because provision in Wellingborough is insufficient. I shall address his second point later in my speech.

What was the solution proposed by the local authority and the Government? They decided to force already overcrowded schools to take even more pupils, which damaged the education not only of the pupils forced into those schools, but of all those already there. That should not have been allowed to happen, but unfortunately some children still do not have a school place. Since 2001, there has been a huge amount of growth in my constituency with many, many new families, whose children require secondary school places, moving into the area.

Over the past four years, there has been an explosion of new development in my constituency, to which my hon. Friend the Member for Kettering (Mr. Hollobone) has referred, and it is set to get much, much worse, with thousands of new homes being built on the order of the Office of the Deputy Prime Minister. The Milton Keynes south midlands sub-regional strategy will see 13,000 new homes being built in Wellingborough by 2021, with another 10,000 homes planned for east Northamptonshire, large parts of which are in my constituency. Yet despite the knowledge that those new homes will be built, the Government have not indicated whether the infrastructure will be in place to support new and existing Wellingborough residents and their children.

[Mr. Bone]

Turning to the problems that we face at the moment, there are currently four secondary schools in Wellingborough—three are foundation schools and one is a community school. I have been told that in Wellingborough between nine and 10 children a month find themselves without a secondary school place and must go through a lengthy process in order to get into a school. For example, a parent came to see me at my surgery last Friday. Mr. Hussein moved back into Wellingborough after being away for two years. He has two children, one of 17 and one of 12. The 17-year-old had previously been educated at a secondary school in Wellingborough, but that school could not re-admit her because it is now over-subscribed. The other child could not get into a secondary school near where they live, and both children were told that they had to go on a waiting list, so they are currently at home with no education at all.

I have spoken to the local education authority, which will do its best to get those children into a school. However, the process that it uses to place nine or 10 children a month involves a meeting which occurs only once a month and which can only occur after the LEA has been made aware of the situation. It is quite possible that such children will be without any education for three months. Do the Government think that that would be the case if one of Wellingborough's secondary schools had not been knocked down?

The LEA claims that some secondary school places are available in Wellingborough, but those places are all at the only school in Wellingborough that is in special measures. For many families moving into Wellingborough, there is no choice whatever—no matter where they live and no matter how far away they are from the school, they must go to the school that is in special measures. That situation is unacceptable, because there must be choice—parents should have some choice in what school their children go to. I note with interest that the Government's education White Paper advocates parental choice, which is welcome, but unfortunately it is just not happening in my constituency.

Even those pupils coming from primary schools in Wellingborough are limited for choice. At the Wrenn school last year, there were 280 applicants for 250 year 7 places. Twenty-six people appealed, but only three of those appellants were able to get a place at the school. That means that the school is already, in year 7, three pupils over the number that it considers to be its maximum admission level. The admissions system allows parents to put down a first, second and third choice of schools in Wellingborough, but if their children do not get their first-choice place, they are extremely unlikely to get their second choice, because those will already have been filled.

It is natural that every parent wants their child to go to the best possible school, and inevitable that some schools are better than others, but the most popular schools in my constituency are constantly oversubscribed and struggle with the limited capacity of their school buildings. Let me take one as an example. It is extremely popular and high-achieving. Only 208 places in each year group are available because of the restrictions of building capacity. In fact, the school now has to operate a one-way system on the stairs because the corridors are so full. It is having to use up its reserves to pay for essential maintenance. There is damp on the walls in some of the classrooms and condensation on the windows. This popular and high-achieving school needs Government funding to allow it to remain so. It is simply not big enough, and parts of it are literally falling down.

When I asked the Minister whether provision was being made to build a new secondary school in Wellingborough, I received a written answer stating that as part of the building schools for the future programme, Northamptonshire schools are due to be refurbished or rebuilt over the next six to 14 years. Six to fourteen years? This work needs to be carried out now.

In response to a second question that I asked about a new secondary school in Wellingborough, the Minister said that the Wellingborough area of Northamptonshire is prioritised towards the end of the building schools for the future programme. Apart from the obvious paradox that nothing is prioritised if it is at the end of a list, that means that, three times over, year 7 students could start secondary school and go through the whole of their secondary education before the existing Wellingborough schools are refurbished, yet those schools are in desperate need of repair now.

There is currently no real choice for parents and children in Wellingborough. If children are not granted their first choice of school, they are rarely granted their second choice. The only pupils who seem to have a real choice of school are those with special educational needs. That is most welcome, but although it is important that statemented children should be able to go to the school that parents believe will cater best for the children's needs, it is equally important that the right funding and resources are put into these schools to help facilitate SEN pupils throughout their schooling. I do not believe that that is happening in Wellingborough.

Schools in Wellingborough are oversubscribed and some have been forced to take on extra pupils over their maximum intakes. At Wollaston school, years 7 and 9 are over the 240 maximum. At the Wrenn school years 7, 8 and 10 have more pupils than the 250 maximum. Last year, Sir Christopher Hatton school was oversubscribed by more than 40 pupils who put it down as their first choice.

It is clear from what I have said today that Wellingborough needs a new secondary school, and given the huge increase in development over the next 15 years, we need it now. I ask the Minister to be good enough to deal with the following points. First, what are the mechanisms necessary to get a new secondary school built? Secondly, when can we realistically expect a new secondary school in Wellingborough to be opened? Thirdly, in the intervening period, will he undertake to look at providing more funding so that existing schools can expand for the benefit of all the pupils in Wellingborough?

I believe that the demolition of John Lea school may have been a genuine mistake, but it is essential that the Government, working with the local education authority, take urgent action to correct the situation.

2.49 pm

The Parliamentary Under-Secretary of State for Education and Skills (Phil Hope): I congratulate the hon. Member for Wellingborough (Mr. Bone) on securing this debate. I am aware of his interest in this issue from the parliamentary questions that he has tabled in the past.

Changes to school provision in an area are essentially a matter for local decision. The local authority has a statutory responsibility for planning sufficient school places and for proposing to close schools and to open new ones. These duties are further strengthened in the schools White Paper, which the hon. Gentleman mentioned, and I shall say more about that later if time allows.

The hon. Gentleman asked about the relevant mechanisms, and I will start by talking about the present school organisation arrangements and why they came about. Before this Government took office in 1997, proposals for changes to schools often came to the Secretary of State for a decision. We considered that those matters were best decided locally, however, and a new system was put in place by the School Standards and Framework Act 1998.

If a local authority decides that there is a need for a new school, it must first consult in the local area. Among those bodies that we advise should be consulted are any schools affected by the proposals, as well as parents and teachers in the area. I am pleased to say that the guidance was revised in September, when local Members of Parliament were added to the list, as were the local district and parish councils in the area in which the schools are situated. Local authorities are responsible for planning for school places in their area. They have a statutory duty to ensure that there are sufficient places and that high quality education is provided in a cost-effective way.

I understand that Northamptonshire updated its school organisation plan in September this year. The new plan shows that the authority expects the number of secondary pupils in Wellingborough to increase gradually between now and 2008. However, there are at present 425 surplus places in the town. I shall come back to that point in more detail in a moment. In the longer term, a new secondary school might be required, and if Northamptonshire decides that such a school is needed to cater for a growth in the local population, the mechanism requires it to hold a competition in accordance with the provisions of the Education Act 2002. We have introduced competitions because we want to encourage a wide range of educational providers to come forward and promote schools that have a strong ethos. This is all part of our aim to drive up standards and to ensure that every child has the opportunity to go to a good school.

As the hon. Gentleman has asked, I shall explain what would happen should Northamptonshire decide to hold a competition. First, the authority would publish a notice inviting interested parties to bring forward proposals for the new secondary school. The authority would then publish a summary of all the proposals received and any that it wished to make itself, as the local authority. Anyone would be able to pass comments on any of the proposals, be they objections or expressions of support. The authority would then submit all proposals and comments to the school organisation committee for consideration. The committee would pass the proposals, with its comments, to the Secretary of State for a decision.

Of course, any promoter may publish proposals for a new foundation or voluntary school at any time, under the existing arrangements, to increase diversity. There does not need to be a general shortage of places. Such proposals are decided by the school organisation committee, or by the schools adjudicator if the committee cannot reach unanimous agreement. The committee may approve proposals only if it is satisfied that any capital necessary to implement the proposals has been secured. I hope that I have described the mechanism in a straightforward manner.

Under the normal funding arrangements, the Department for Education and Skills is allocating Northamptonshire schools more than £78 million of capital over the next three years. We expect that money to be used for its priority needs, including the provision of statutory school places. It includes an element to cover pupil number increases. However, local authorities can also apply to the targeted capital fund—the TCF—every two years, if they have exceptional growth that they cannot fund from other sources.

Northamptonshire has been allocated £12 million from the TCF for 2006–07 for a replacement school in another part of the county where it is prioritising need. Northamptonshire did not apply in the TCF round for 2007–08 funding. It will have a further opportunity in due course to apply for 2008–09 funding.

On the revenue side, Northamptonshire has benefited from an increase in its total funding for education of £1,100 per pupil in real terms since 1997. We will announce in the near future the school funding settlement for 2006–07 and 2007–08, including each local authority's allocations of the new dedicated schools grant for each of those years.

In the longer term, the building schools for the future programme—a massive investment in schooling—will support investment in all secondary schools in Northamptonshire, including new schools, where there is a need. Northamptonshire is expected to enter the building schools for the future programme in waves seven to nine—2011–14—with projects in Northampton and Corby. It has proposed five geographical groupings of schools for its building schools for the future investment. Wellingborough, as the hon. Gentleman rightly said, is prioritised in the final tranche of investment in waves 13 to 15, in 2017–18.

I want to set out the detail of the local position that the hon. Gentleman described. I understand that since the closure of the John Lea school more than seven years ago in July 1998, Wellingborough has been served by three secondary schools. The John Lea school was closed because the number of pupils on the roll fell below 50, with more than 90 per cent. surplus places, and funding empty places, as we know, can represent a poor use of resources. The three remaining schools—Sir Christopher Hatton, the Weavers school and Wrenn school—now have 425 spare places between them.

I am aware—and the hon. Gentleman mentioned—that the Weavers school has been in special measures since November 2004. In conjunction with Ofsted, the

[Phil Hope]

authority is addressing that. The new head teacher is helping the process and two additional school governors have been appointed to provide additional support. The local authority is also supporting the school, and there have been discussions with Department for Education and Skills advisers about how that can most effectively be done The Department has partnered Northamptonshire and Lincolnshire for the new relationship with schools. Each school will be allocated a school improvement partner, who are mostly experienced head teachers and senior managers in schools. They will provide high-quality support, challenge and monitoring. Given the hon. Gentleman's concern about the quality of education at that school and its current position, I advise him strongly to get active and join the school and local authority in finding ways in which the school can turn the situation around.

On the question of growth, which has been raised by the hon. Gentleman and other hon. Members in the Chamber, the authority is confident that recent enlargements to its secondary schools will provide sufficient capacity to meet future demand for places in the medium term. In the longer term, Northamptonshire might decide that a new secondary school will be required to cater for growth in the local population, but that will be a decision for Northamptonshire at a local level. I understand that there are no current plans to open a further secondary school in Wellingborough, but the local authority will monitor that situation and the progress with growth projections, which he mentioned earlier.

I have described the situation that pertains to date, so I shall briefly mention some of the changes that we propose in the White Paper, which might have some future relevance to the issues raised by the hon. Gentleman. Building on the progress that we have made since 1997, our aim is to transform our school system, so that every child receives an excellent education, whatever their background and wherever they live.

The White Paper sets out our plans to improve radically the system by putting parents and the needs of their children at the heart of our school system. We will ensure that every school delivers an excellent education, that every child achieves to their potential and that the system as a whole is increasingly driven by parents and by choice.

We are going to introduce tougher rules for failing schools. Schools in special measures will be more quickly turned around and where no progress is made after a year a competition for new providers will be held. Schools that receive a notice to improve from Ofsted will enter special measures within a year if progress is not made. Parents will be able to urge Ofsted action, or request new providers. Where there is strong demand or dissatisfaction with existing choices, local authorities will have to respond to their concerns.

Time does not allow me to go into more detail unfortunately, but there is a new approach, in particular with the abolition of school organisation committees, which gives local authorities a key role in making decisions on the most appropriate schools for an area. The authority will be expected to assess proposals that it receives on their merits and approve the one that best meets the needs of the area. Under the new regime, it will be possible for a local authority's decision to be challenged, in which case the schools adjudicator will make a decision.

I hope that I have described the mechanisms, outlined some of the factors that will affect a decision in terms of timing—

The motion having been made after half-past Two o'clock, and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at one minute past Three o'clock.

House of Commons

Monday 5 December 2005

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

HOME DEPARTMENT

The Secretary of State was asked—

Violent Crime

1. **Mike Penning** (Hemel Hempstead) (Con): What measures he is taking to tackle violent crime. [33819]

The Secretary of State for the Home Department (Mr. Charles Clarke): Violent crime as measured under the British crime survey has fallen by 34 per cent. since 1997, but it is still too high, so the Government are undertaking a full range of work that will continue to reduce it. They include measures in the Violent Crime Reduction Bill, which is currently before Parliament. Those measures will give police and local communities the powers that they need to tackle guns, knives and alcohol-related violence.

Mike Penning: The Home Secretary will not have cheered up any of my constituents with that short and complacent comment. Drink abuse has made my town centre a no-go area. My excellent police force is doing its level best to control the situation, but extending licensing hours and abolishing the Hertfordshire constabulary is not the answer. Can the Home Secretary come up with something better?

Mr. Clarke: There is no complacency at all. Our measures, including those in the Violent Crime Reduction Bill, are designed to strengthen our capacity to deal with violent crime. As for the reorganisation of the constabulary, it is a means of conveying more resources to the front line, where they are really needed.

Dr. Ashok Kumar (Middlesbrough, South and East Cleveland) (Lab): Crime in Middlesbrough is down by 20 per cent., thanks to the great leadership of chief constable Sean Price and the Cleveland police. Like the hon. Member for Hemel Hempstead (Mike Penning), however, I find that problems in the town centre are serious at times and take up a large amount of resources. Has my right hon. Friend any words of encouragement? Can he give Middlesbrough any financial support so that we can tackle the difficult issue of violent crime, which is definitely on the increase?

Mr. Clarke: I can certainly give words of encouragement. Announcements on police funding will be made later today. Moreover, the Violent Crime Reduction Bill contains measures requiring organisations in alcohol disorder zones which are putting pressure on police resources to contribute to the cost of resolving the problems. That is a new departure, and one that is very welcome.

Mr. Owen Paterson (North Shropshire) (Con): Tackling violent crime is a major concern in North Shropshire. Is the Home Secretary aware that 88 per cent. of the first 3,000 people to reply to the survey in West Mercia wanted the authority to be strengthened as a strategic authority? Would it not be wise for him to talk to the chief constable directly? May I bring the chief constable to see him to discuss violent crime, and to explain that an enhanced West Mercia—not the ludicrous crashing through of a regional authority that only 12 per cent. of people want—represents the way ahead?

Mr. Clarke: My ministerial colleagues and I have frequently discussed those matters with chief constables and with chairs of police authorities, including the chair and chief constable of West Mercia. The hon. Gentleman is right to draw attention to concern in West Mercia about proposals for a merger with other forces, which has been expressed to me directly. I intend to wait for the conclusions reached by the police following the consultation before deciding how to proceed.

Judy Mallaber (Amber Valley) (Lab): Millions of women experience crimes of violence. They are beaten, raped, mutilated, murdered and trafficked. I hope that my right hon. Friend will support the "Stop Violence Against Women" campaign. Will he also promote the extension of sexual assault referral centres such as Millfield House, the result of an initiative launched by Derbyshire constabulary and Derbyshire Rape Crisis? It has provided 230 counselling sessions and 100 medical examinations following sexual assaults. Does my right hon. Friend think that such centres may help us to improve on the 5.3 per cent. rate of convictions following prosecutions for rape?

Mr. Clarke: I strongly support the campaign. I also support the centres, whose number we have recently doubled.

My hon. Friend's fundamental point is about giving every individual, particularly women, confidence to deal effectively with these appalling crimes, properly supported by the police. That is the relationship that we must develop, which is why I take amiss some of the ill-informed political sloganising that surrounds some kinds of violent crime. We are trying to ensure that those crimes are reported and dealt with, through the means described by my hon. Friend.

Dr. Vincent Cable (Twickenham) (LD): Should action on violent crime not include proper support for victims? Can the Home Secretary explain why victims of violent crime are having to wait more than four years for payments from the criminal injuries compensation scheme in Glasgow?

Mr. Clarke: Certainly, action on violent crime should include proper support. I agree that there are a number of unacceptable delays in payments from the scheme.

The Government intend to publish later this week detailed proposals for consultation on how we might improve the agency's performance and focus resources more effectively.

Mr. Dennis Skinner (Bolsover) (Lab): Is the Home Secretary aware that in Derbyshire—quite remarkably—crime has fallen in nearly every category for several years running since Labour came to power? The reason is the extra money that has been provided. Would it not be even better, especially in areas where the drug culture is prominent, if Members of Parliament—especially those over there on the Conservative Benches—stopped giving examples of people taking drugs, and others shoving that white stuff up their noses?

Mr. Clarke: My hon. Friend makes his point extremely effectively and it is important to emphasise what he says. Crime figures have been coming down, including, I am glad to say, those on crime relating to drug abuse—we are reducing levels of drug crime as well.

David Davis (Haltemprice and Howden) (Con) *rose—*

Hon. Members: Hear, hear.

David Davis: It is good to be back.

The truth is that violent crime has nearly doubled under this Government.

"Tough on crime, tough on the causes of crime"

is the Prime Minister's most famous phrase. Alcohol is a major cause of violent crime, but the Government's answer to too much drink, too much of the time, is more drink, all the time. Which of the following quotations does the Home Secretary agree with: that the new 24-hour drinks law is

"a serious piece of legislation intended to . . . curb crime",

or that, as a result of that legislation,

"Yes, you may see a rise in violent alcohol related crime"?

Both were said by the Secretary of State for Culture, Media and Sport.

Mr. Clarke: I am not sure whether this is the right hon. Gentleman's final Home Office questions, but whether he is on his way up or out, or still here after Christmas, I pay tribute to his commitment to genuine debate in this area—in the hope of gaining him a few more votes in the leadership contest.

First, the right hon. Gentleman is simply wrong when he says that violent crime has doubled. All the facts indicate absolutely clearly that violent crime has reduced. Secondly, is the Licensing Act 2003 serious legislation? It certainly is, as it is designed to encourage responsible drinking and to tackle the kind of activities that we have seen over many years. Thirdly, is it possible that our alcohol reduction campaign pre-Christmas will lead to an increase in recorded alcohol-related crime? It is possible, as the police arrest more people, which is what they are out trying to do.

David Davis: I thank the Home Secretary for his kind words, but it is after the deadline for voting. As for his comments on the level of violent crime, I suspect that it will not be the last time today that the Government will rest their case on fiddled figures.

Let us come back to the other major cause of violent crime, which is drugs. Under this Government, both the supply and the use of hard drugs have spiralled out of control. As a result, a report last week from the Joseph Rowntree Foundation showed that professional drug dealers' average income was £7,500 a week—equivalent to a legal income of over £500,000 a year. Is it any wonder that in defence of such lucrative territories we see spiralling violent crime, including knife crime, gun crime, wounding, murders, even killing of innocent bystanders? That is a direct result of the Government's lax drugs policy. Does the Home Secretary believe that his current anti-drugs policy is helping to reduce levels of violent crime and, if so, how?

Mr. Clarke: When the right hon. Gentleman refers to fiddled figures, he should remember that the British crime survey, which he has criticised, was established by a Government of whom he was a part to establish an objective assessment of crime. He should look more carefully at his own record. During the general election, for example, he and his party produced fiddled figures on poster sites throughout the country to such an extent that police protested about what was going on. As for drugs policy, I agree that drugs remain a major source of criminality at all levels and need to be tackled, both at the level of both the organised crime itself and the supply into this country, and at the level of the demand for the drugs. Our drugs policy does that and has led to significant improvements in recent years.

Police Force Mergers

2. **Mr. Laurence Robertson** (Tewkesbury) (Con): If he will make a statement on his proposals to merge police forces in the south-west of England. [33820]

The Minister for Policing, Security and Community Safety (Hazel Blears): The consultation phase is currently under way and no decisions have yet been made. Police forces and authorities in the south-west as well as other regions will be expected to present their preferred options by 23 December. Thereafter, careful assessment will be carried out on the viability of those options for proceeding to implementation. Throughout the whole process, forces and authorities should be engaging fully with their local communities and stakeholders, and feeding in their views.

Mr. Robertson: I thank the Minister for that answer, but I suspect that the whole House believes that decisions have already been taken on this issue. I am glad that she is going to listen to the consultation, because in Gloucestershire the chief constable, the police authority, the county council, each of the six local authorities and thousands of people across the area totally oppose the proposed mergers. Gloucestershire has a very good record in tackling level 2 crime, and we should remember the infamous West case and the biggest legal aid fraud case in the country. Why does the Minister feel that all those people are wrong and that she is right?

Hazel Blears: I can certainly confirm that decisions have not been taken, which is why we have said to police forces and authorities that we want them to do the work locally and to produce the options and business cases that will enable us to provide improved policing for local communities. The hon. Gentleman and his party have to face up to the reality. According to the best possible advice from Her Majesty's inspectorate of constabulary, the current 43-force structure is no longer fit for purpose in the 21st century, and we have to do something to ensure that we can meet the challenges that exist. We have not closed off any options, but there will have to be some change.

Chris Bryant (Rhondda) (Lab): Somerset and Avon police have worked very closely with South Wales police on Operation Tarion, which is trying to tackle the terrible trade in drugs in the south Wales valleys. As one who supports the combining of Welsh police forces into a single Wales police force, may I ask the Minister whether she will ensure that, none the less, the relationships that have been built up with forces across the border, especially on drugs policy, will continue?

Hazel Blears: I am delighted that my hon. Friend is engaging in this debate in a mature and constructive fashion. This is a serious point, because all of us will be subject to very local views. People will naturally want to cleave to their current organisation, but my hon. Friend is prepared to look at change in order to improve policing. I am delighted to give him the reassurance that he seeks. The existing relationships between forces that have been working across borders to tackle serious and organised crime will not only continue but will need to be strengthened. HMIC's advice is that such crime is likely to get worse, not better, and that the pressures on level 2 services will increase as criminals become more sophisticated. So those excellent relationships in tackling drug crime across the south-west will need to be strengthened.

Mr. Tobias Ellwood (Bournemouth, East) (Con): I hope that the Minister is aware of Bournemouth's strong relationship with Hampshire; indeed, it used to be part of Hampshire. Why, therefore, are Dorset and Hampshire being prevented from considering a merger in the context of police restructuring?

Hazel Blears: In originally setting out the criteria that we wanted police forces and authorities to consider, we said that we wanted options that did not involve crossing Government Office boundaries or dividing existing forces, and we did so for a very good reason. Improving policing services does not depend simply on the police working on their own; it also depends on the rest of the criminal justice system, the Crown Prosecution Service, the various community safety funding streams and local government. We said that we would not rule out such options completely, but that there would have to be a remarkably compelling case for going across Government Office boundaries or for splitting police forces. Some may well come forward with such options, but at the moment we see no sign of the compelling case that would need to be made in order to outweigh the practical considerations contained in the criteria.

Kerry McCarthy (Bristol, East) (Lab): I very much welcome the announced merging of police forces across the south-west, and I hope that that will help to deal with the very serious problems of crack cocaine dealing and Bristol's acting as a drug supermarket for the south-west. However, there is also the increasing problem of the misuse of khat among the Somali community in the south-west. When will the Advisory Council on the Misuse of Drugs' report on the criminalising of khat be produced?

Hazel Blears: I am grateful to my hon. Friend for the constructive way in which she is approaching the question of merging forces. She is right: we need to combine our capacity, so that we have the resilience to cope with very serious issues such as drugs, money laundering, serious and organised crime, terrorism and civil emergencies. I can also give her the assurance that the issue she has raised about khat is under active consideration. I understand that the report is with the advisory council at the moment and we will consider the issue as soon as we can. It is important to bear down on all kinds of drug activity that can lead to increased criminality in our communities.

Mr. Mark Oaten (Winchester) (LD): Is the Minister aware that Gloucester, Cleveland and Northamptonshire police forces have estimated that this restructuring will cost them each £50 million? Is the Minister in a position to say what the overall national costs will be? They could run to billions of pounds. Will it be left to council tax payers to fund it or will the local government finance statement later today reveal that the Government will pick up the bill? Surely the Government should listen to the public, abandon the restructuring, and provide more front-line police, not an unnecessary merger programme.

Hazel Blears: Issues of finance and governance will be of prime importance, especially to our police authorities. Indeed, when I went to the Association of Police Authorities conference last week in Belfast, those issues were rightly raised. We envisage that savings will be made by bringing forces together, but there are issues about up-front costs. We have set up a tripartite finance working group, with representatives of the association, the forces and the Home Office. We can look at a range of measures to obtain finance. It may be that forces that will come together already have improvement programmes costed into their forward business plans. When we consider the business plans on 23 December, we will take a keen look at the financial provisions. It may well be possible to do some prudential borrowing around those issues and it may be possible to capitalise some of the costs. I genuinely believe that bringing forces together will give us some long-term economies of scale, but this is not a cost-cutting exercise—

Mr. Speaker: Order. Perhaps the Minister could write to the hon. Gentleman.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab) *rose*—

Mr. Speaker: Order. I may need to brush up my English geography, but as far as I am aware, Yorkshire is not in the south-west. The hon. Gentleman may ask his question if he can keep it to the south-west.

Mr. Clapham: The reorganisation of the police forces in the south-west of England is obviously an important measure, as it is elsewhere in the UK. In addition to considering the reorganisation, will my right hon. Friend look closely at the way in which action is co-ordinated between and within police forces including, for example, the chief constable's policing plan, the police committee and the safer and stronger communities priority? It is important that we all share the same agenda, because the public can be confused by the disintegration between the various committees that put the police argument forward. Will she ensure that that co-ordination takes place?

Hazel Blears: Yes, I shall try to ensure that there is co-ordination in the south-west, the south-east, Yorkshire and the north-east. My hon. Friend makes an important point. Bringing forces together at a strategic level should help us to strengthen the neighbourhood policing that everybody wants to see in their communities. The pressures to take our neighbourhood police officers away to deal with serious and organised crime will grow, and if we can bring forces together, we can ensure that we will be able to sustain our commitment to every area having a visible and accessible police team. I know that my hon. Friend plays a pivotal role in his local crime and disorder reduction partnership and how much he will want to protect neighbourhood policing.

Mr. Edward Garnier (Harborough) (Con): The Minister has had the advantage of listening to the chairmen and chairwomen of the police authorities of England and Wales at the Belfast conference last week. Can she identify a single one of them who supported the Government's restructuring policy?

Hazel Blears: Yes, as well as attending the general conference session, I had a series of positive, constructive and detailed discussions with chairs and chief executives of police authorities. The hon. and learned Gentleman would feel that I was being somewhat premature if I were to detail the nature of those discussions at this point, but many of the police authorities—unlike Opposition Members—recognise the need to change if we are to be able to deal with the serious issues of counter-terrorism, serious and organised crime and civil emergencies. I point out to Opposition Members that if they think they live in a world where we can continue with the current configuration of police forces and not provide better services to the people of this country, they are living in a fantasy world. I suggest to all of them that they talk to their police authorities and look at the real and serious issues that many of them face.

Probation Service

3. **Jim Cousins** (Newcastle upon Tyne, Central) (Lab): What plans he has for the probation service. [33821]

The Parliamentary Under-Secretary of State for the Home Department (Fiona Mactaggart): A consultation paper setting out the Government's proposals to restructure the probation service was published on 20 October. We intend to legislate to implement those proposals, which will help to drive up performance and contribute to the reduction of reoffending.

Jim Cousins: I am grateful for that reply. The Government have rightly set the probation service some tough targets, which have been met. Indeed, new services have been developed to deal with numeracy, literacy and the mental health and well-being of the people who use the service. May I, therefore, urge my hon. Friend not to break up the service, and not to hold out the threat of privatisation with the prospect of loss of identity and a complete free for all about who the employers might be in the future?

Fiona Mactaggart: I share my hon. Friend's enthusiasm for the success to date of the national probation service, which has achieved a lot in helping us to reduce reoffending. I share, too, his congratulations to the service, but it knows, as a service that has gone through change and stepped up to the challenges of change, that we can do better, and our proposals to create contestability and to involve a range of providers for probation services will enable us to do that more effectively in future.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): What evidence is there that the introduction of a mixed economy in the delivery of probation services will in any way enhance public protection or reduce reoffending?

Fiona Mactaggart: The experience of contestability in the Prison Service has shown us that we can improve provision in terms of not only resources but also, for example, the decency agenda. As Her Majesty's inspectors have pointed out, the private Prison Service has done a lot to improve our prison services.

Mr. John Grogan (Selby) (Lab): In recent times, the Home Office has proposed market testing and possible privatisation not just for the probation service but also for the Forensic Science Service and various young offender institutions. In a mature and constructive way, may I ask my hon. Friend whether any aspect of the management and apprehension of offenders has such a strong public service element that it would be inappropriate for market testing and possible privatisation?

Fiona Mactaggart: I believe that the state has to take responsibility for those services and that we need to ensure that they are delivered in a way that reflects a public service ethos. That does not require every person who delivers every part of them to be employed by a public authority.

Islamist Extremism

4. **Michael Gove** (Surrey Heath) (Con): If he will make a statement on measures he is taking to combat Islamist extremism. [33822]

The Secretary of State for the Home Department (Mr. Charles Clarke): Combating extremism is a job for the whole Government working in partnership with all faith communities. Over the summer, Ministers from all Departments met representatives of faith communities throughout the country to discuss the best means of proceeding.

During the summer, we established with the Muslim community a series of working groups to support communities' ability to challenge extremism themselves. Those "preventing extremism together" groups have developed a broad range of practical proposals, and many of them will be taken forward by community representatives, with Home Office support, in the coming months.

Michael Gove: I am grateful to the Secretary of State for his reply, but he will be aware that among those who have been advising the Government on combating extremism are Mr. Ahmad Thomson, Mr. Khurshid Ahmad and Mr. Mockbul Ali. They have asserted respectively that Hitler was financed by Zionist financiers and that Muslims are obliged to want an Islamic state. One of them, Mr. Mukbar Ali, described the Muslim Brotherhood, the godfather organisation of Hamas, as reformist, progressive and liberal. Does the Home Secretary believe that people who hold those views are the right individuals to help us build the inclusive, tolerant, multi-faith society that everyone on the Conservative Benches wants to see?

Mr. Clarke: I do not accept the descriptions that the hon. Gentleman has given, but I shall certainly look at them carefully. This is a major issue for the way in which we engage with the mainstream Muslim community following the events of July, and it is very important that we have the widest possible range of engagement. That does not mean tolerating and accepting views of the type that he describes—I abhor them just as strongly as he does—but it does mean that we must have a very full debate, particularly relating to young people from the Muslim community, to ensure that we can contest the extremism in the most effective way.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Does the Home Secretary accept that dealing with extremists is not just a problem to be resolved in the United Kingdom? When the Foreign Affairs Committee goes to countries ranging from Morocco and Libya to Saudi Arabia, one of the things that they are most concerned about is access to websites and CDs. Will he therefore work with his colleagues in other countries to deal with those websites and combat those ideas?

Mr. Clarke: I very strongly agree with my hon. Friend. She may be interested to know that, just last Friday, the European Union Council of Justice and Home Affairs Ministers concluded a set of proposals on contesting radicalisation recruitment for precisely the reasons that she gives. When I led an EU delegation to Washington, we had very specific discussions with the Americans on exactly the same basis. She is entirely correct.

Mr. Julian Brazier (Canterbury) (Con): In the summer after 7/7, both the Prime Minister and the Home Secretary made it clear that central to policy would be to achieve the expulsion from this country of a small number of extremist imams and others who are doing so much to stir up hatred—a statement that was welcomed by quite a number of moderate Muslim figures. Can the Home Secretary confirm to the House that no one has yet been expelled under that heading? Will he tell the House how many proceedings against such individuals have been started?

Mr. Clarke: I shall not set out the details of the second part of the hon. Gentleman's question, which he asks publicly in the House today, but I will say that we have successfully taken action against individuals who have been settled in this country. However, I acknowledge—this is the truth in his point—that it is a very difficult process to deport people from this country to countries where they may not be able to live or where it is thought that they cannot live safely. That is a central issue for us in that approach.

Mrs. Ann Cryer (Keighley) (Lab): Does my right hon. Friend agree that the persons described by the hon. Member for Surrey Heath (Michael Gove) in no way represent the majority of our constituents who are Muslims? In fact, they would be disowned by them. They do not represent them in any way.

Mr. Clarke: My hon. Friend is 100 per cent. correct. That is certainly the case. What is most important in all this is to work with the mainstream Muslim community to isolate extremism, and that is exactly what we are seeking to do.

Patrick Mercer (Newark) (Con): In October, the Government's strategy to counter Islamist extremism was reviewed by the Prime Minister's delivery unit, which found that the strategy

"is not connected or coherent",

that no one seems to be in charge and that

"we measure meetings and reports, not real-world impact."

How will the Home Secretary make sure that that strategy does not fail completely?

Mr. Clarke: The hon. Gentleman refers to leaks, but he is leaking the wrong criticism that has been made. Leaving that aside for a moment, the fact is that we have a highly structured and effective campaign to deal with the issue. We are focused not only on dealing with extremism in the way that was suggested by the hon. Member for Surrey Heath (Michael Gove) in asking about the relations with the whole Muslim community and the intensification of our democracy, which is centrally important, but on dealing with the explicit terrorist and extremist threat, which is what the report to which he refers was about. We have made a number of significant attempts to achieve a far more effective situation.

Antisocial Behaviour (Wirral)

6. **Ben Chapman** (Wirral, South) (Lab): If he will make a statement on levels of antisocial behaviour in Wirral, South. [33824]

The Parliamentary Under-Secretary of State for the Home Department (Paul Goggins): For the current year, Wirral crime and disorder reduction partnership was allocated nearly £400,000 to tackle crime and antisocial behaviour. That is helping local agencies to bear down on this type of unacceptable behaviour through a range of preventatives and other measures.

Ben Chapman: Is my hon. Friend content that, in the funding streams, resources and allocation of priorities used by the police, sufficient focus is given to constituencies, such as mine, with large suburban and semi-rural areas and countryside? Does he agree that incidents, such as that when Bebington British Legion was invaded by 10 youths who intimidated and abused those inside, might be best avoided if the already scarce police resources were not diverted to urban areas? Will he assure me that an appropriate balance is drawn between semi-rural and suburban areas, which have their own problems with antisocial behaviour, and downtown areas, which have a different set of problems?

Paul Goggins: It is important to strike the balance to which my hon. Friend refers. He never fails to take the opportunity to raise the issue in both Parliament and his constituency—rightly so—and to push the kind of partnerships that can make a difference. Wirral is an action area. It has an antisocial behaviour co-ordinator, whose job it is to ensure that each and every part of my hon. Friend's constituency and the rest of the Wirral gets the appropriate response whenever antisocial behaviour rears its ugly head.

Prison Population

7. **Dr. Julian Lewis** (New Forest, East) (Con): If he will make a statement on the size of the prison population. [33825]

8. **Philip Davies** (Shipley) (Con): If he will make a statement on the size of the prison population. [33826]

The Parliamentary Under-Secretary of State for the Home Department (Fiona Mactaggart): The prison population on Friday 2 December was 77,262. It is the duty of the Government to provide places for all whom the courts send to prison. Our aim is to work with offenders while they are in prison so as to remove the danger they offer to the public and to reduce their propensity to reoffend.

Dr. Lewis: Does the Minister accept that the early release schemes that have been applied in the past have done nothing to reduce the prison population, because otherwise why are our prisons bursting at the seams? Will she undertake not to try to resolve that problem by further reducing the prison sentences served, which so discredits the sentences nominally imposed that our newspapers are full of the complaints of the families of PCs and head teachers who have been murdered that the murderers are being let out far too early?

Fiona Mactaggart: Since the inception of the scheme to which I think the hon. Gentleman largely refers, more than 119,000 prisoners have been released on home detention curfews. Something like five or six additional prisons would have been required had it not been possible to release those people in such a way. While I am second to none in offering my condolences to people who have suffered tragedies due to released prisoners who have breached the conditions of their curfew, it is worth pointing out that the reoffending rate among those on home detention curfews in the period following their curfew—and, indeed, while they are on curfew—is substantially less than that of other offenders. Although the scheme is obviously not risk free, that suggests that the risk is being managed relatively well.

Philip Davies: Due to the lack of available prison spaces, more than 6,700 crimes have been committed by people who have been let out of prison on an electronic tag. Some 1,200 people who were let out of prison early on parole since 1997 went on to commit a further crime before the end of their sentence. Is it not time to make more prison places available, stop electronic tagging and make prisoners serve their sentences in full to restore some credibility and confidence to the criminal justice system and for the safety of all our constituents?

Fiona Mactaggart: The Conservative party is making much of this kind of flouncing, as it did during the general election, when it promised 20,000 extra prison places, but only something like a fifth of the money to pay for them which they claimed to have identified from administrative savings. The synthetic passion that Conservative Members are demonstrating is frankly not up to snuff. We need to reduce offending and that is what this party has done. We need to ensure that prisons are used for violent, dangerous and seriously persistent offenders and that is precisely what we are doing. We need to ensure that people serve sentences effectively, which is one of the reasons why immediate custody rates have gone up from 6 to 16 per cent. in magistrates courts and from 49 to 60 per cent. in Crown courts. It is also why the average length of sentence served has gone up from 20 to 27 months. I suggest that the hon. Gentleman checks his facts before he pounces.

Mr. Neil Gerrard (Walthamstow) (Lab): Does my hon. Friend accept that one contributing factor to overcrowding in prisons is the thousands of people who are in on remand, some of whom end up being acquitted and quite a lot of whom end up with a sentence that is shorter than the time they served on remand? Will she consider the significant variations between different police and court areas in the numbers of people who are remanded, as opposed to being on bail, before trial?

Fiona Mactaggart: My hon. Friend is right. The biggest proportionate increase in the prison population is the remand population, which has increased by 10 per cent. over the past year. It is also clear that different areas have different practices in relation to remand. That is one reason why we need to ensure that better bail information is available to courts so that they do not remand unnecessarily. Apart from anything else, prisoners on remand are not able to participate in some of the effective work that takes place with sentenced prisoners. We need to ensure that we bear down on the unnecessary use of remand, although we need to use it if the safety of the public requires it.

Rob Marris (Wolverhampton, South-West) (Lab): One thing that would help to cut the prison population would be if we did a better job on rehabilitation. Can my hon. Friend assure me that more resources will be put into rehabilitation, in particular education in prisons and for young people on the secure estate, which has been sorely neglected in recent years, although it has started to pick up?

Fiona Mactaggart: My hon. Friend is right. Our additional investment in education means that one in 10 basic literacy and numeracy qualifications is obtained by adults in prison. We are putting particular efforts into working with young offenders to help them to reduce their reoffending. There has been reassuring progress in some of the reconviction rates for young offenders. We need to ensure that we put in the effort on the programmes, education and, indeed, the other things that are associated with reducing reoffending, such as having a home and a job. All those things help people to go straight.

Susan Kramer (Richmond Park) (LD): Is the Minister aware that when rehabilitation becomes the main way of reducing the number of people in prison, resettlement prisons, such as Latchmere House in my constituency, which has only 207 places, are essentially the poor relatives of the Prison Service? However, Latchmere House has managed to achieve a reoffending rate of only 25 per cent., precisely because it reintegrates people with their families, gets them into jobs and allies them with Alcoholics Anonymous or Narcotics Anonymous in their community. Will she reconsider putting more finances into such prisons, which can achieve our goal, rather than looking at them as something to satisfy a punitive instinct?

Fiona Mactaggart: The hon. Lady is right. Working with prisons that resettle people in a local community is important. We should welcome and develop the work of institutions such as Latchmere House. It is inevitable that they are less expensive to run than the high security estate. I am not going to promise to rebalance spending so that they get substantial amounts, but our direction of travel, in terms of the prison estate, is to look more carefully at the way in which prisons work with their local community to rehabilitate and resettle reoffenders, and with their local employers and others to ensure that reoffenders have jobs and homes, that they are healthy and that their alcoholism and drug use are effectively tackled, so that they contribute to society rather than stealing from it, as they have done in the past.

Ian Lucas (Wrexham) (Lab): Does my hon. Friend accept that in appropriate cases involving non-violent offenders, community punishments are much more successful than imposing prison terms in preventing reoffending? Does she also accept that we have an awful long way to go in convincing the public of that truth? What is her Department doing to pursue that task?

Fiona Mactaggart: My hon. Friend is right. The Criminal Justice Act 2003 made available to sentencers a robust series of community punishments, which they can target on the individual offender. Only last month, we launched a community payback initiative, which is designed to ensure that offenders make restitution for some of the wrong they have done to the community. I hope that that initiative will publicise how an effective, well-supervised community punishment can do more to rehabilitate offenders than lurking in prison, largely on remand, does for some offenders who end up there. Prison should be used for truly dangerous or violent offenders or for serious repeat offenders.

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): With 60 per cent. of our prisons dangerously overcrowded according to Home Office figures, large numbers of convicted prisoners being kept in police stations in London, record reoffending rates and record levels of suicide among prisoners, the resignation of the prisons chief executive, and now prisoners able to take mobile phone pictures inside our top security establishment at Belmarsh, would the Minister say that Labour's prisons policy is working?

Fiona Mactaggart: I advised the hon. Lady's Friends to check their facts before they made allegations. No prison in the UK is dangerously overcrowded. The chief executive has not resigned: he has moved on to another job, and her comment is a complete mischaracterisation of the action of someone who has served the public so well for so long and who is taking up a new challenge. There is neither a record reoffending rate, nor a record rate of self-inflicted deaths; in fact, the numbers have decreased in both cases. As for her claim that our police cells are full, since the middle of November only three people have been held overnight in police cells. She should check her facts.

Licensing Laws

9. **James Duddridge** (Rochford and Southend, East) (Con): What resources he is providing to local and police authorities to assist them in dealing with the liberalised licensing laws. [33828]

The Parliamentary Under-Secretary of State for the Home Department (Andy Burnham): Government expenditure on policing increased by more than 39 per cent., or £3 billion, between 2000–01 and 2005–06. The powers contained in the Licensing Act 2003 will assist police and trading standards authorities to tackle alcohol-fuelled disorder. In addition, we have recently announced funding of £2.5 million to boost a range of operations to crack down on alcohol-related disorder.

James Duddridge: I think that that was a no. Sir Ian Blair, the Metropolitan Police Commissioner, has called for the big pub chains to make a contribution to pay for extra policing. Does the Minister believe that there should be extra policing, and who will pay?

Andy Burnham: I do not think that the hon. Gentleman was listening, because I said that an extra £2.5 million has been allocated. I do not know whether he was one of those who predicted the end of the world when the new Act came into force, but in my view its long-awaited reforms allow the vast majority of law-abiding drinkers to enjoy a quiet pint when they want, and give the police powers to clamp down on unruly establishments. That is a fair balance, which is good for the whole country.

Mr. Bob Blizzard (Waveney) (Lab): Police and trading standards officers in Lowestoft are making use of their new powers to crack down on licensed premises that sell alcohol to under-18s. Sadly, however, seven of

the 14 establishments visited during a recent effort were observed selling alcohol to under-18s. Will my hon. Friend join me in sending a message, not only to those establishments but to all of them, that selling alcohol to under-age people is antisocial and morally reprehensible and can lead to a fine of £5,000?

Andy Burnham: I entirely agree with my hon. Friend and I congratulate those who have been doing that work in his area. Where work has been done through the alcohol misuse enforcement campaign to clamp down on alcohol-related crime, the result has been a significant reduction in such crime. However, he is right to say that there should be no tolerance of organisations that repeatedly sell to under-age drinkers. I support the full use of the powers that we have given police forces and others to clamp down on the sort of morally unacceptable behaviour to which he has drawn our attention.

Sir John Butterfill (Bournemouth, West) (Con): Is the hon. Gentleman aware that my police force is already in crisis, despite the figures that he has given? An all-party meeting of Dorset MPs was told only a few days ago that it would not even be possible to fund the force by increasing the council tax element of its funding, because the Government had prevented that, so the force would have to lay off staff. In Bournemouth, we have record numbers of applications for all-night licensing, and funding for the policing of the town centre is already in crisis. Nothing that the Minister has said gives me any reassurance that the situation will not become extremely bad indeed.

Andy Burnham: Dorset police, like other police forces in the country, have received significant extra resources under this Government. They have been particularly creative in using fixed penalty notices and other measures that we have put at their disposal to tackle alcohol-related crime. May I take the opportunity to remind the hon. Gentleman and other Conservative Members that tomorrow they are likely to have a new leader to impress, who appears to take a different view from the hon. Gentleman and his colleagues of the changes to the licensing laws.

Community Support Officers

10. **Michael Fabricant** (Lichfield) (Con): What recent assessment he has made of the contribution of community support officers to reducing violent crime and gun crime; and if he will make a statement. [33829]

The Parliamentary Under-Secretary of State for the Home Department (Paul Goggins): The primary role of community support officers is to provide high-visibility reassurance policing and to tackle antisocial behaviour. Home Office research and individual force evaluations have shown that CSOs are making a significant impact in these areas and are popular with the communities that they serve.

Michael Fabricant: I congratulate CSOs on their work, but the Minister says that that work is policing. Is he aware, however, that Metropolitan police officers refer to CSOs as plastic policemen and policing on the cheap? Is it not the case that they have no powers of arrest and that we need more police officers who can arrest and who can police?

Paul Goggins: I do not accept the hon. Gentleman's description of community support officers. Of course, I agree that we want more police officers, which is why the police force that serves his constituency now has 69 more police officers than it had in 1997. There are also 63 community support officers who were not there at all under the previous Administration, so the hon. Gentleman's area is on the way to a total of 339 community support officers by 2008. I should have thought he would be grateful for that.

David Taylor (North-West Leicestershire) (Lab/Co-op): Despite the negative comments of the hon. Member for Lichfield (Michael Fabricant), community support officers in North-West Leicestershire have been a great success. Does my hon. Friend agree that although the focus is on antisocial behaviour, as he told the House earlier, effectively tackling such behaviour can, in the medium and long term, drive down the levels of violent crime to which the hon. Gentleman referred?

Paul Goggins: My hon. Friend is entirely right, and I am grateful for his positive comments about the success of community support officers in his area. It is true that CSOs free up the time of police officers so that they can deal with more serious crime. CSOs also act as a deterrent, putting people off engaging in serious crime in the first place. All in all, the addition that CSOs make to policing is very beneficial.

Immigration

11. **John Bercow** (Buckingham) (Con): If he will make a statement on the points system for the admission of immigrants. [33830]

The Minister for Immigration, Citizenship and Nationality (Mr. Tony McNulty): The Government published a consultation document on a new points-based system for managed migration, "Selective Admission: Making migration work for Britain", on 19 July. The consultation period ended on 7 November. We are now analysing all the responses we have received. We anticipate that we will publish the Government response to the consultation in the new year, together with a timetable on the way forward.

John Bercow: I am grateful for that reply. Given that substantial immigration will continue to be vital to our competitiveness, will the Minister confirm both that the skills advisory body will be independent and that its reports will be published regularly as a matter of course, so that we can all see for ourselves that policy is driven by the interests of the country, not by the prejudices of the worst elements of the tabloid press?

Mr. McNulty: I thank the hon. Gentleman for his question, which is, as ever, thoughtful. While I am on my feet, may I commend to the House the Social Market Foundation pamphlet, "Incoming Assets: Why Tories Should Change Policy on Immigration and Asylum", which he wrote—I think that it costs £10, unless it is

remaindered already? It is excellent, and his colleagues—not least the incoming leader, whoever he is—would do well to read it. If the points system is to work effectively, he is right that the skills advisory body should not only be independent from Government, but regularly publish its reports on the gaps that it perceives in the labour market and on how those gaps will be filled—if not by EU labour, then by labour from beyond that.

Keith Vaz (Leicester, East) (Lab): Will the Minister assure the House that before the final decisions are taken there will be full consultation with the officers at Sheffield and Croydon who will implement the schemes, which will dramatically change how the work permit section operates? Will he also assure the House that the large backlog at the immigration and nationality directorate will be eased before the scheme is implemented? Along with the new director general, I know that he is seeking to clear the backlog, so that cases are dealt with as efficiently and as effectively as possible.

Mr. McNulty: In both cases, I can give my hon. Friend the assurances he requires. I have made sure—not least by attending a consultation session with staff from both Sheffield and Croydon—that IND staff are involved in the process, which will mean significant changes, and I assure my hon. Friend that that level of consultation with our staff will continue. I hope—if I have anything to do with it, this will be the case—that the backlog at IND at Sheffield, Croydon and elsewhere will be dealt with long before the introduction of the all-singing, all-dancing points system.

Antisocial Behaviour

12. **Mr. Siôn Simon** (Birmingham, Erdington) (Lab): what steps he is taking to tackle antisocial behaviour involving mini bikes. [33831]

The Parliamentary Under-Secretary of State for the Home Department (Andy Burnham): The inappropriate use of mini bikes is a growing problem and incidents that disturb local residents, damage the environment and put the safety of the public at risk are becoming more frequent. A range of powers can be used to deal with the illegal use of those vehicles. The most commonly used legal power is under section 59 of the Police Reform Act 2002, which allows a constable in uniform to stop and seize vehicles, following further nuisance after giving an initial warning.

Mr. Simon: Ministers have come to the House on previous occasions to tell us about the full range of powers that the police have and on which I offer my congratulations. However, the rumour in the west midlands is that a 14-year-old "asboid" on a mini bike is difficult and dangerous to catch and that the police have been told not to chase them, lest the charming "asboid" or, indeed, the policeman should be injured. What advice can the Home Office offer the police, because if we cannot catch those involved, we cannot confiscate their mini bikes or do anything about the problem?

Andy Burnham: I fully appreciate the seriousness of the issue, because a 13-year-old boy who was riding a mini motor bike on the street died in my constituency in the summer. I sympathise with my hon. Friend and know that problems have occurred in the Brook Vale park and Witton lakes area of his constituency, although I understand that four vehicles were recently seized. I am sure that his chief constable will have heard his remarks today. I know that West Midlands police has the power, which is under trial, to issue fixed penalty notices to those who are causing harassment, and I hope that it will use that power, too.

Mr. Philip Hollobone (Kettering) (Con): Is the Minister aware of the scale of the problem caused by mini bikes in my constituency? What restrictions has he considered on the sale of those vehicles to under-age youths?

Andy Burnham: I am grateful to the hon. Gentleman for bringing the scale of the local problem in his constituency to my attention—as I have said, I, too, have a significant problem in my constituency. We have introduced a significant number of powers, but he is right to draw attention to the role of retailers, and of irresponsible retailers in particular. I know that some well known high street names are selling these vehicles to young people, and I urge them to use their retailing campaigns responsibly.

Knife Crime

13. **Alison Seabeck** (Plymouth, Devonport) (Lab): if he will make a statement on measures to tackle knife crime. [33832]

The Minister for Policing, Security and Community Safety (Hazel Blears): Knives have no place in our schools, on our streets or in our neighbourhoods, which is why we have worked out a package of measures with the Association of Chief Police Officers to strengthen our legislation in that area. We want to tackle the knife culture, especially among young people, and engage with our communities. The Violent Crime Reduction Bill, which is currently before Parliament, will give police and local communities new powers to tackle knife-related violence.

Alison Seabeck: I welcome the Minister's comments. However, I am a little concerned that today's *Plymouth Evening Herald* has shocking figures showing that there have been 1,000 knife crimes in the past three years in Plymouth, and that between April and August this year there was, on average, one incident involving a Samurai sword each week. The Minister may be interested to know that following a high-profile campaign run by Devon and Cornwall police, that fell to one incident in the 37 days of that campaign. Shopkeepers, too—

Mr. Speaker: Order. That is enough for the Minister.

Hazel Blears: I am delighted that my hon. Friend and her local police force have been involved in such a successful campaign in the Plymouth area. I can tell her that there is a range of measures in the Violent Crime

Reduction Bill, including not selling knives to under-18s, ensuring that we can search for knives in pubs and clubs, and giving schools the power to search for knives. I can also tell her that we are working with police forces on whether we can have a general knife amnesty in the early part of next year. I believe that that will be a huge success in terms of people handing in knives. I am also looking seriously at adding Samurai swords to the list of offensive weapons because of the damage that they cause.

Pre-Budget Report

3.31 pm

The Chancellor of the Exchequer (Mr. Gordon Brown): Having taken the long-term decisions to achieve and sustain low inflation and stability, the task of this pre-Budget report is to meet and master global economic challenges and to make the critical decisions to secure Britain's long-term economic future. The theme of this report is that by combining our enterprise with investments in skills and science, in infrastructure and in housing, at every point matching investment with reform, Britain can lead in the world's most wealth-generating and dynamic sectors—in science and modern manufacturing, in finance and capital markets, and in education and the creative industries. With fiscal discipline, and by matching investment with reform in welfare and in public services, we can combine a strong economy with opportunity and security for all.

The past year has seen a virtual doubling of global oil and commodity prices. In the United States, inflation has risen to 4.3 per cent. In the euro area, inflation forced a rise last Thursday in interest rates. Across Europe and America, almost a million manufacturing jobs have been transferred to Asia, and a quarter of a million service jobs have been outsourced to that continent.

While all countries have faced global inflationary pressures, the British economy has also had to deal with domestic inflationary pressures to achieve what we and the Bank of England identified early last year as the necessary slowing of house prices and of consumer spending, which some in this House predicted would return Britain to the old familiar stop-go cycle of overheating, inflation and recession, and which, under previous monetary and fiscal regimes, did so time and time again.

In the past eight years, our new monetary framework has been tested: in 1997 when domestic inflation had to be curbed; and then in 1998 and 2001 when we had two global crises, the first starting in Asia, and the second the IT crash, the US downturn and of course falling stock markets around the world. Now, in 2005, tested by both domestic and global pressures, we are on course to meet our inflation target of 2 per cent. House prices, which were rising at 15 per cent. each year for three years, and at their peak rose by 25 per cent., have moderated to 3 per cent.

This is in stark contrast to previous decades when our economy faced simultaneous domestic and global inflationary pressures, in 1990, when inflation went above 10 per cent., in 1980 to over 20 per cent., and in 1975 to over 27 per cent.; when in the past a cycle of overheating and inflation could only be brought back under control by mortgage rates above 10 per cent., recession and unemployment.

Now today, when, more than ever, stability and low inflation are the essential foundation for investment and job creation for our future, Britain ends this year with inflation lower than America, the euro area and the European Union. We are on course to meet our inflation target not just this year but next year and the year after that.

The average inflation in Britain from 1970 to 1997 was 8 per cent., with inflation often going above 20 per cent. Our stability since then is such that, in the past seven years, inflation has been at or around 2 per cent. *[Interruption.]*

Mr. Speaker: Order. Let the Chancellor make his statement. Perhaps if hon. Members catch my eye later, they can question the statement then, but not now.

Mr. Brown: As Chancellor, I have always understood that the strength of a monetary and fiscal regime is how it performs not only in good years but in this, the toughest and most challenging year for the economy. It has been a tough year, but by facing up to global and domestic inflationary pressures, inflation is not—as it was in the past—above 10 per cent. but 2 per cent. Interest rates are not above 10 per cent. but below 5 per cent. Unemployment is not, as it was in the past, at record highs but at record lows.

The economy is not in recession; growth, even in this toughest year, is at 1.75 per cent. This is the 34th quarter of continued growth under a Labour Government. We are the first Government of any party to achieve eight years of uninterrupted growth since 1805.

For the fifth successive year, British growth is higher than that of France, Germany, Italy, the euro area and the European Union. British business investment is already rising this year by 3 per cent. and is expected to increase next year by 3 to 3.5 per cent. and in 2007 by 4.5 to 5.25 per cent.As production grows, we expect exports to rise by more than 5 per cent. next year and the year after.

Globally, there are continuing risks from trade imbalances, exchange rate movements and commodity price shocks. Domestically, monetary policy will continue to monitor closely the housing market and consumer spending. Domestic demand is projected to grow at the same rate of the economy. Overall growth is projected in 2006 at 2 to 2.5 per cent. and in 2007 and 2008 by 2.75 to 3.25 per cent.

Some people said that, as we moderated the housing market and responded to the oil shock, employment in this country would fall. Some predicted that we would end this year with fewer people in work. In fact, I can report to the House that, in just 12 months, employment in this country has risen by 330,000 to 28.8 million—the highest in this country's history. It is higher in every region and nation of the country.

This year, the economy has been generating 6,000 new jobs every week and 3,500 new companies are being formed every week. Indeed, of the extra jobs since 1997, almost 1 million have been generated by small businesses alone.

By tackling youth and long-term unemployment, the new deal has helped ensure that, while unemployment in America is higher than ours—and in France and Germany, it is much higher, at nearly 10 per cent.—in Britain, unemployment is lower than 5 per cent.

We know that continuing that record of high employment with low inflation demands continued wage responsibility in all sectors. So the Secretary of State for Health is submitting evidence to the pay review body that the headline rise in national health service pay should be based on our 2 per cent. inflation target, and

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the Secretary of State for Education and Skills is announcing that, even after taking account of the normal annual increments and performance pay, the total increase in the education pay bill will be just 2.8 per cent. These are both signals of our determination to keep public pay costs under control and to contribute to continued low inflation in this country.

On this foundation of stability, our task is to match investment with reform in science and skills, infrastructure and housing, and to show that working in partnership with the private sector, we can best meet the challenge of globalisation. Although we have already doubled investment in science, global competition requires us continuously to update our 10-year framework. With, this week, a new public private partnership, supported by £50 million of new public investment, Britain is determined to lead the world in the new frontier of genetics and stem cell research. With the establishment of a new national institute for health research in the NHS, pharmaceutical and biomedical companies have just announced a new £500 million a year investment in Britain, making Britain the leading location for research in new drugs and treatments.

To support research and development across modern manufacturing, I am publishing today reforms to help access the research and development tax credit. The design of new products and services is now such an important sector that we propose a network of creativity and innovation centres—one in each region—offering start-up help to new design talent and supported by an expanded national centre in London to showcase British design. Because we have learned in the past that the neglect of investment in science held our economy back, we are determined to make the necessary long-term investment, with Government and private sectors working together to make us fully equipped for the global challenges ahead.

The same is true in skills and education. The successful economies of the global era will be the high-skill economies. Published today is the interim report of Lord Leitch, the first long-term assessment of Britain's skills needs. Since 1997, we have more than doubled investment in education, and the Leitch report finds that the number of adults with skills has risen from 79 per cent. to 86 per cent. But workers will, on average, change their job seven times during their working life, and the vast majority of today's workers will need to train or retrain for tomorrow's skills. The final Leitch proposals will come next year, but to step up the pace of change now, the national employer training programme, which offers free training for employees and help for all small firms with their costs, will be expanded nationwide from next summer to provide training in 50,000 companies for 300,000 new employees a year.

Some people seek to abolish the new deal, but, more than ever, a Britain equipped for the global economy needs a new deal that continuously equips people for jobs and skills. So this Government will not abolish the new deal; we will strengthen it. In eight areas of the country, teenagers who have too often fallen through the net and are receiving no training will be offered learning agreements: a training wage in return for gaining skills. No teenager in our country should be denied the opportunity to acquire the skills and employment that they need. With opportunities come responsibilities. The new deal pilots to help lone parents back to work will be extended to new areas of the country. From April, for men and women unemployed for six months or over, we will pilot personal action plans that involve compulsory interviews and intensive work plans.

Our third economic challenge is to make more affordable housing available for the rising number of families seeking homes. In the last eight years, low inflation and low interest rates have given homebuyers the lowest mortgage rates for 40 years. There are 1 million more homeowners now than in 1997. But to build more affordable homes of high quality in strong communities, Britain must—as the Barker report recommended—put in place long-term reforms in planning, land use, the competitiveness of the construction industry, and infrastructure in both the private and social sectors across the country.

The Deputy Prime Minister is today responding to the joint representations of the CBI, the Town and Country Planning Association, and Shelter. He is publishing new planning guidelines that will bridge the gap between the 150,000 new houses that we build each year and the 190,000 new households that are formed, in particular to help to build houses that young couples can afford. To provide land for new houses while protecting and improving the environment, he is asking local authorities to bring forward more brownfield areas for development. Where proposed new housing is of high quality, meeting the design code, local authorities will be obliged to accelerate planning consent. The construction industry must also rise to the challenge, particularly of investing in skills. To widen the number of investors in the residential and commercial property markets, we will this month publish legislation to set up in Britain real estate investment trusts to increase the funding for new property developments.

Because our aim is to build not just homes but communities, and to fund the new roads, schools, hospitals and infrastructure that convert estates into genuine communities, building on the recommendation of Kate Barker, we are today publishing for consultation proposals for a local planning gain supplement, which will give local authorities a fair share of planning gains to invest locally. Investment in social housing has almost doubled since 1997 but will have to rise further. We are announcing pilot projects today to encourage local authorities to bring derelict sites back into use and to build new housing for rent.

We know that shared equity has an increasing role to play in helping young couples in all our constituencies to get on the first rung of the housing ladder, and I can tell the House how we plan to extend equity share schemes. I can announce that three of the biggest building societies and banks have joined the Government as partners in shared equity; that building companies, including four of the biggest builders, are also now able to offer shared equity purchases; that we are now in discussion with investment companies on their possible involvement; and that we see a possible role for housing associations in extending shared equity.

Our aim is a new consensus across our country on the extension of home ownership and affordable housing—public and private sectors working and investing

together to strengthen the economy, protect the environment and meet the housing needs not just of some but of all in our country.

As part of the figures that I am publishing today, let me confirm that already this year the first £4.7 billion of savings identified by the Gershon review have been achieved, with the Government's target of £3 billion in procurement savings exceeded by £1 billion, one year early. On target, we are also seeing a further 18,500 reduction in civil service posts, including 10,000 from the Department for Work and Pensions and 3,500 from Revenue and Customs. I can also confirm that we are on target with the relocation of a further 2,000 civil service posts out of London. Ahead of schedule, £5.7 billion of assets have been sold, on target to meet our objective of £30 billion of sales by 2010. In the coming year, we will conduct a zero-based asset review.

In addition to the new measures that we have announced to implement our new risk-based approach to regulation, I am proposing at the EU Finance Ministers meeting tomorrow competitiveness tests for all new and existing European regulations. I am closing a relief under which, for tax reasons only, people are being persuaded without changing what they do to set up a company, replacing the £10,000 starting allowance with a rise in the investment allowances for smaller business to 50 per cent.

I have today written to the European Commission asking for a derogation so that over 1 million businesses with turnovers not at the current two thirds of a million but at one and a third million or less will be able to take advantage of more flexible VAT payment options that will suit their business needs.

After consultation with British film makers, I can announce a new film tax credit to support British films. To increase support directly for producers, we can guarantee a credit worth 16 per cent. for large-budget films and at least 20 per cent. for small-budget films.

Anti-avoidance and fraud measures published today, including new requirements for disclosure, will address artificial tax arrangements involving capital gains and losses, trusts and offshore companies, rebated oils and the misuse of self-invested personal pension schemes to purchase second homes.

From reallocations to local councils from Departments, £305 million in 2006 and £508 million in 2007 will be made available to reduce pressures on the council tax. Later this afternoon my hon. Friend the Minister for Local Government will give full details to the House.

I can tell the House that the current budget deficit, which reached a peak of £55 billion in 1993, will fall from £19 billion last year to £10 billion this year and then to £4 billion, and then zero. There will then be a surplus of £7 billion, then £11 billion and then £13 billion in future years, meeting the fiscal rule in this cycle by more than £16 billion, in contrast to the deficit over the last cycle, 1986–97, of £157 billion.

It is on the basis of this fiscal rule and our second fiscal rule, the sustainable investment rule, that the Government will plan our 2007 spending review, including our response to the long-term reviews on transport, pensions, energy and skills. Our second rule allows us to borrow for essential public investment, as long as there is a sustainable level of debt.

In 1997, the capital investment being made by this country in schools and colleges was just half a billion pounds a year. Today, we are investing £7 billion a year, and we are on track to renovate 12,000 more primary and secondary schools in our country. In 1997, Britain invested just over £1 billion a year in building and renovating our hospitals. Today the figure is £5 billion and it is rising to £8 billion by 2008. And investment in transport is doubling.

In total, net public investment, which was just £5 billion a year in its overall total in 1997, will this year be £26 billion and next year £29 billion. Even with this record investment, we meet our second rule, which ensures borrowing for investment within sustainable levels of debt. Net debt levels will be 36.5 per cent. this year and in future years 37 and 37 per cent., and then 38, 38 and 38 per cent., at every point lower than today's 44 per cent. in France, 47 per cent. in America, 60 per cent. in Germany and 80 per cent. in Japan. So, our debt levels are lower than those of our major competitors. Even as we borrow not for short-term consumption but for long-term investment, our borrowing levels are lower than that of our competitors. Total net borrowing, which reached £51 billion in 1993, will fall from £37 billion this year to £34 billion, £31 billion and then £26 billion, £23 billion and £22 billion. Cyclically adjusted, our net borrowing this year is just 2.2 per cent. of GDP, and it will fall to 1.6, 1.6 and 1.6 per cent., and then 1.5 and 1.4 per cent. in the years that follow.

Within these figures public investment, which I remind the House was just £5 billion in 1997, will continue to rise to £31 billion in 2007, then £32 billion, £34 billion and finally £35 billion in 2010. That is on average £40 million a year today per parliamentary constituency rising to £55 million a year by 2010, contrasted to just £10 million per constituency in the years before 1997. In just five years, from now until 2010, Britain will see more investment in its social and economic fabric than in the entire 18 years from 1979 to 1997.

Our two fiscal rules enable us to meet the country's priority to invest more not just in schools and hospitals but in transport, housing and, of course, in sport and the Olympics. I have, however, noticed representations that a third fiscal rule should be adopted. It is, each and every year, irrespective of the needs of the economy and the case for investing in public services, to restrict public spending growth to a lower rate than the growth of the economy in order to cut taxes. On closer examination, what has been called sharing the proceeds of growth would mean this year spending at least £12 billion lower and, by next year, £17 billion lower than plans, and I have concluded that this rule, however rebranded, is simply a new gloss on an old proposal advanced before previous Budgets, which would undermine our public services, our infrastructure and our economy.

It is our commitment to investment for the long term that allows us not only to address global economic challenges but to combine prosperity with fairness to all. Within the fiscal figures we can now do more to help families, the elderly and young people, and to meet our obligations on security and defence.

Defending our country is the first duty of Government. In response to the bombings in London in July and to the terrorist threat, it is right to do all that we can to support our police, our armed forces and our

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security and emergency services, whose bravery we commend and on whom we depend each and every day for our security and safety. Since 11 September we have doubled the budget for national security. Today we are making available an additional £135 million for security and counter-terrorism, and we are providing an additional £580 million for the armed forces for Iraq, Afghanistan and other international obligations.

At the end of a year in which we have seen the doubling of aid to Africa, promised at the G8 summit, and of debt relief, multilateral and bilateral, to 100 per cent.—which is just the start of what we must do in future years—the Secretary of State for International Development, to expedite the critical negotiations on trade, is offering to treble Britain's aid for trade to £100 million. It is unacceptable that the world is insufficiently prepared for natural disasters, so Britain will contribute to an expanded United Nations emergency fund. We will also contribute £50 million to a new IMF shocks facility.

Child tax credit is benefiting 6 million families, with 1.5 million poor children already lifted out of poverty. The mobility of our economy is now such that each year 200,000 men and women who move into new and better jobs see their family incomes rise by more than £10,000. Some have suggested that we should cut back child tax credit. This I refuse to do because, with child benefit, child tax credit is doing more to help families meet the costs of bringing up their children, and helps more families out of poverty, than any single measure from any previous Government.

Although a case has been made for fixed awards based on last year's incomes, to which we will continue to listen, it would be better to have a system that responds flexibly to changes. While requiring earlier notification of changes in circumstances, the Paymaster General is today making a detailed statement that from April next year we will allow annual income changes not of £2,500 but of up to £25,000. That will cover 95 per cent. of all income rises during a year. Where recovery takes place during the year, we will adopt new rules on repayment to address potential hardship.

Our policy is opportunity for all, and it is matched by responsibility expected from all. Today the Treasury and the Department for Education and Skills are jointly publishing plans showing how parents who want to do their best by their children can be given the support that they need, from child care tax credits and maternity pay to support for parenting at Sure Start centres and the increase in mentoring for children in care that we are announcing today.

But what parents often seek is early help, the most effective measure and the best hope we have to keep children out of trouble later. There are a dozen agencies that often duplicate each other's efforts without reaching that troubled child. To inform decisions in our spending review, the Secretary of State for Education and Skills is piloting a new concept—that of one lead professional, based around the school, using funds brought together in one budget, with the authority to identify problems early and the freedom and capacity to intervene quickly and do what is right before a child's future is blighted.

The oil shock of this year has led to calls for more efficient use of energy and support for alternative fuels. Today I am enhancing the capital allowances for production of the most environmentally friendly biofuels. That will include help for oil companies to meet the agreed biofuel obligations.

Carbon capture and storage protect the environment from carbon emissions by containing them at source and transporting them to the North sea, where they make it easier to extract remaining oil from mature fields. I can announce a new partnership with the Norwegian Government. Together we will consider the right level of incentives to speed up the adoption of this important new technology. Because the United Kingdom can also become a world leader in clean coal, the Secretary of State for Trade and Industry is today announcing further support for clean coal and all carbon abatement technologies. That is part of our wider energy review.

Because we need to encourage energy efficiency in small and medium-sized businesses, the Secretary of State for Environment, Food and Rural Affairs is today announcing further funding for the Carbon Trust.

So that all import capacity for gas is put to use, Ofgem is announcing today that it will use its powers to intervene where necessary to ensure that importers either "use or lose" their capacity to import. The Secretary of State for Trade and Industry and I have today written to the European Commission supporting Ofgem's call for an urgent investigation to make sure that this winter there are no blockages to the full use of the interconnector with Europe and thus no restriction on imports of gas from Europe.

Our economy has had to withstand an oil price rise from around $25 to a current price of around $55, which is also close to the level of almost all future projections. Returns in the North sea are now nearly 40 per cent. on capital, compared with ordinary returns of 13 per cent. With the tax on new development in the North sea now lower than in the USA, the Gulf of Mexico, Norway, Italy and Australia, and in order to strike the right balance between producers and consumers, I will raise the supplementary North sea charge from 10 per cent. to 20 per cent., while giving new incentives to companies for exploration and development of the most difficult fields by extending the exploration expenditure supplement to all their ring-fenced activity.

I am also now able to freeze petrol and diesel and road fuel gases duties for this full financial year at an Exchequer cost for the full year of £600 million. I am also able to set aside resources, so that the winter fuel payment—the universal payment tax free to all pensioner households—will be £200 not just this year, but next year, the year after that and every single year of this Parliament, and it will be £300 for the over-80s, paid every year before Christmas.

In addition to the winter payment, I want to ensure that for pensioner households energy costs are as low as possible while ensuring the most efficient and effective heating system against the winter cold. Insulation and central heating can reduce heating bills for the typical pensioner household by £300 a year. The energy savings are so great that no pensioner household should be without insulation and no pensioner should be without help to install central heating. After many years, it is time to complete that insulation and the installation of central heating where it is possible to do so.

The Government's warm front programme has so far insulated 1 million homes but there are still 500,000 with no central heating and 2 million without insulation. Separate announcements will be made for Scotland, Wales and Northern Ireland. By setting aside an additional £300 million over the next three years, the Government's warm front programme will not only be able to offer pensioner households on pension credit free installation of central heating, but we will offer all other pensioner households without central heating £300 towards the costs of installing it. We can go further. I am grateful to the energy companies that are matching our offer by announcing this afternoon that they will extend their offer of insulation. There will be free insulation for all pensioner households on pension credit, with, for all other pensioner households, between £125 and £175 paid towards the costs of insulation.

Let me conclude with a set of measures in an area which is not fashionable today, but I believe vital for the long-term future of our country. It is an area where we can make progress only if the Government invest and work together with the voluntary and community organisations that are at the heart of every community in this country. A responsible society requires strict measures to combat vandalism and violence. It also requires that society fulfils its responsibility to encourage what is best in our young people, and we have to do far more where in the past too little has been done, investing in youth and community facilities that are modern, relevant and welcoming for teenagers up and down the country.

Today, I can announce an agreement with the banks and building societies that unclaimed assets held in bank accounts will, once realised, be put to use to improve youth and community facilities throughout Britain. It is right for us as a Government to make a start now. First, the Government are joining with seven of Britain's leading companies to launch the country's first national youth community service. With up to £100 million of initial finance, it will fund gap-year volunteering in Britain and abroad for young people who otherwise could not afford gap years, and it will fund part-time and full-time community service in every constituency. Secondly, because we want the 2012 Olympics and, beyond that, any English bid for the 2018 World cup, to regenerate sport for young people in our country, the Culture Secretary and I are today announcing details of a national sports foundation, modelled on the Football Foundation's successful investment in football facilities. We will invest new money in improving facilities, amenities and participation across all sports in every area of the country.

But as the Youth Green Paper said, more can be done not only to support wider youth services, but to put decisions about the programmes for young people in the hands of young people themselves. So as a first step, we will provide finance for each local authority to set up a young people's fund; for amenities and activities run by young people, and decided on by young people themselves. On average, half a million pounds will be provided for each local authority over the next two years, so that they can strengthen local communities.

Stability is the foundation. More investment, not less; responsibility from all; opportunity for all, not just the few: I commend this pre-Budget statement to the House.

Mr. George Osborne (Tatton) (Con): Let me begin by welcoming the measures that the Chancellor announced on trade justice, the international finance facility and debt relief for the poorest nations, which we support. We also support the new measures on youth projects and the extension of shared equity schemes—a policy that, as he well knows, we proposed at the last general election. We will study the proposals on planning, but we believe that decisions on planning should be taken by local communities, not by unelected, unaccountable and unwanted regional assemblies.

The real story from today's report is that the Chancellor's deficit has gone up to £10 billion. He is borrowing £151 billion over the next five years—£17 billion more than he predicted. He has just announced that growth this year is half what he predicted before the general election—he did not linger on it, but I understand that to be his announcement—and his forecast for next year is also lower. *[Interruption.]* His golden rule is now tarnished and discredited; productivity growth has slumped; business investment has collapsed; and this year, Britain's economic growth is among the weakest in the developed world. *[Interruption.]*

Mr. Speaker: Order. It is not the habit of the hon. Member for Northampton, North (Ms Keeble) to shout; perhaps she should not do so today.

Mr. Osborne: Thank you, Mr. Speaker.

The Chancellor was supposed to come to the House to deliver an accurate report on the state of the British economy; instead, his speech sounded more like tractor production figures from the old Soviet Union. This is a tragic story of a Chancellor who has been forced to wait so long to get into No. 10 that his reputation in charge of No. 11 is crumbling. This is the iron Chancellor, who has single-handedly destroyed the public finances; the prudent Chancellor, whose means-testing has devastated pension savings; the business-friendly Chancellor, who is presiding over the lowest rate of investment in business since records began; the progressive Chancellor, whose own shambolic tax credit scheme has left families relying on food parcels; the long-serving Chancellor, who is now presiding over a long-term decline in this economy's ability to compete. No wonder he looks so gloomy. The longer he stays at the Treasury, the more his chickens are coming home to roost. For this is a Chancellor who is the roadblock to reform; a Chancellor who is now holding Britain back.

Let us look at those growth forecasts. In March, the Chancellor told us that the economy would grow by 3.5 per cent. In September, he downgraded that to 2.5 per cent. and today—in case you missed it, Mr. Speaker, because he rushed through that bit—he downgraded the growth forecast again, to 1.75 per cent. He also downgraded it for next year. I do not remember him telling the electorate before the general election that the economy was facing a tough and challenging year. What he told the country at the time of the election about the state of the economy was not true, and it is difficult to believe that he did not know it at the time.

When the Chancellor was comparing us with other countries in his statement, why did he not want to tell us that this year our economy is growing more slowly than

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18 of the 25 members of the European Union—slower, to date, than Germany, Ireland and Spain? Why did he not tell us that our growth in the last quarter was slower than every major economy in the world except Italy?

The Chancellor blames the high price of oil, but that hardly explains why our oil-exporting economy is growing slower than other oil-importing competitors. He blames weak overseas markets, but almost every other developed economy is growing faster. The Governor of the Bank of England told us the true cause last month. He said that a "sharp rise" in taxes has caused a "sharp slowing" of household incomes and economic growth. But what is the Chancellor's response today? It is more stealth taxes, including a doubling of the supplementary tax rate on oil companies—[HON. MEMBERS: "Hooray!"] He can go back to Scotland and tell them about that. We also heard about a new land development tax—a tax on affordable homes—which is something that all Labour Governments do when they run out of money.

With all the Chancellor's extra taxes, it is amazing that he still has a budget deficit. But he does—and that is another forecast that he got wrong. First, he told us that there would be an £8 billion surplus this year. Then in March he changed that to a £6 billion deficit. Today, the deficit has gone up again. Why was he in such a rush to go through his borrowing figures? He should have slowed down. He should have told us that he plans to borrow £37 billion, £34 billion, £31 billion, £26 billion, £23 billion and £22 billion, or £151 billion over the next five years.

The fiscal rules were supposed to keep the deficit and the debt under control. The Chancellor was meant to have fixed his spending to fit his golden rule. Instead, he fixed his golden rule to fit his spending. I congratulate the Chancellor on finally adopting our policy of making Government statistics independent, so that he cannot fiddle with the nation's balance sheet anymore. Why does not he also set up an independent body to monitor the golden rule? That way, he will not be able to claim that an entire economic cycle began without anybody else noticing.

The Chancellor talks about the great challenge that Britain faces from China and India, but with falling research and development, falling productivity growth and falling business investment, his policies are simply not rising to that challenge. They are holding Britain back. In 1998, he said that

"Productivity ... is a fundamental yardstick of economic performance".

Does he remember saying that? Well, he did. So let us use his own yardstick. In 1998, productivity growth averaged 2.75 per cent. Today, it is 0.5 per cent., or one fifth of the rate that he inherited. If productivity was his fundamental yardstick, he has failed fundamentally on his very own measure.

Unreformed public services are holding Britain back, too. The Prime Minister will remember telling his party conference that each time he had tried to reform the public services he wished that he had gone further. Well, who stopped him? Who frustrated him? It was the Chancellor of the Exchequer, the roadblock to reform. He blocked health reform. He blocked education reform. He blocked welfare reform. Now he is blocking pension reform, too.

With all the talk of reports in the pre-Budget statement, why did not the Chancellor mention the Turner report more than once? The fact is that he sabotaged the Turner report, even though it is his means-testing and his pensions tax that has destroyed savings. The man who created the pensions crisis is the very same man who is standing in the way of providing a solution. No wonder Lord Turner describes the Chancellor's position as

"not a contribution to a sane argument".

How the Prime Minister must love Lord Turner. This country needs a Chancellor who is interested in reforming Britain for the future, not in defending his failed policies of the past.

I have no doubt that when the Chancellor gets up, he will deliver in public all those one-liners that he normally reserves for the Prime Minister in private, but let him answer these simple questions. Why were his growth forecasts so wrong? Why is the deficit so high? Why is productivity so weak? Why is investment in business down? Why is red tape up? Why is bureaucracy up? Why are taxes on the rise? Why did he sabotage Turner? Why does he block every real attempt to reform public services? Let us hear his answers. Let us hear why he is holding Britain back.

The Chancellor could have used today's report to prepare our economy for the future, to set out the reforms this country so desperately needs, but he did not. Instead, this is a Chancellor forced into the humiliation of admitting that he got it all wrong. This is a Chancellor who is past his sell-by date. This is a Chancellor who is holding Britain back.

Mr. Brown: Why does—[HON. MEMBERS: "Answer."] I will answer each question, but why does the shadow Chancellor not have the courage to come to the House and say to the House what he has been saying outside it. I have the article he has written—

Hon. Members: Answer.

Mr. Speaker: Order. I will decide whether the Chancellor of the Exchequer is answering in a proper way. I will be the judge of that.

Mr. Brown: I have the article that the shadow Chancellor published only a few days ago. What does he say? In place of all the allegations he made today, he talks about

"Labour's success on macroeconomic policy".

Then he says that Labour has improved the macro-economic management of the UK economy and that Labour has established "economic credibility". He then says that there is "public confidence" in Labour's

"ability to manage the economy".

Then he says, against the Conservative party, that its short-termism

"has hampered ... a long term economic policy"

for the country. Then he says that Conservatives

"still lag a long way behind the Labour party when it comes to public confidence in our ability to manage the economy."

The reason why the hon. Gentleman cannot acknowledge that we have the longest period of sustained growth, the lowest inflation, the lowest

interest rates for 30 years and the highest employment ever is that he knows that at no point under a Conservative Government would that ever have been possible to deliver.

In the *Financial Times* on Saturday, the hon. Gentleman complained that I had been "too brutal" with him in the last three months, but having heard his speeches I am afraid that I have not been brutal enough. They say that the Conservatives are about to skip one generation. Perhaps it is time that they skipped another one as well.

On forecasts, the only party in this country in the last 30 years that has forecast growth and given us recession is not the Labour party, it is the Conservative party. On productivity, which the hon. Gentleman mentioned, the only party that has had negative productivity growth in this country in the last 30 years is the Conservative party. On manufacturing, the only party that has had negative manufacturing growth is the Conservative party. On child tax credits, I think the whole country will resent the fact that the shadow Chancellor suggests that somehow the Labour Government are putting children into poverty when it was the Conservative opposition to child tax credits and to child benefit that put so many children into poverty.

Why will the hon. Gentleman not defend his own policies? *[Interruption.]*

Mr. Speaker: Order. I have given the Chancellor a lot of elbow room, but the policies of the hon. Member for Tatton (Mr. Osborne) are nothing to do with the Chancellor. I know that he has disowned himself in that way, but perhaps he can continue.

Mr. Brown: The hon. Gentleman complains about investment. Business investment was £87 billion in 1997; it is £110 billion this year. How can he say that there has been a collapse in business investment when business investment continues to rise? He says that the new deal is not working, but we have 330,000 more people in jobs this year. He complains about our regulation, but we are getting rid of some of the ridiculous regulatory agencies created by the Conservative Government. We the Labour Government are taking to Europe the proposal to put a competitiveness test on regulations and to end the gold-plating of European Union regulations.

The Conservative party's policies are to abolish the new deal, to cut the child tax credit and to announce— *[Interruption.]* The hon. Gentleman said that our growth was lower than that of Spain and Ireland. What he did not say is that our growth is higher than that of France, Germany, Italy, the euro area and the whole European Union. If he wants to look at differences in growth in the economy, let us look at the comparison between two recessions under the Conservative Government and growth in every year under a Labour Government.

The hon. Gentleman's policies are to abolish the new deal, to scrap the child tax credit—[HON. MEMBERS: "What are your policies?"] Conservative Members do not like it, do they? At the last election, they said that they would spend more—*[Interruption.]*

Mr. Speaker: Order. The Chancellor will assist me by not referring to the Conservative party's policies. I know that he has got a lot of material there, but perhaps he could use material that will not embarrass the Speaker.

Mr. Brown: Our policy is to keep the new deal, to keep children out of poverty, to increase public investment in this country and to increase enterprise efficiency and productivity in our economy. The Conservatives were in power for 18 years; from what we have heard today, they will be out of power for 18 years.

Dr. Vincent Cable (Twickenham) (LD): Three years ago, the Chancellor told us that Britain was recording its best economic performance for 50 years. Two years ago, he told us that it was the best economic performance for 200 years. On his last outing, he told us that it was the best economic performance for 300 years. We are all rather disappointed that he has not come along today and told us that he is outperforming the Romans.

The Chancellor has demonstrated his talent for producing rabbits from hats, while disregarding the big long-term challenges, such as creating a sustainable state pension system and reforming the unfair system of local taxation—but we welcome some of his rabbits. I am glad that he has listened to representations from Liberal Democrat Members and others and scrapped the tax relief on second homes under the self-invested personal pension scheme. That is very welcome. I also welcome the substantial relief from overpayment—the £25,000 ceiling—that he is now giving on tax credits.

The Chancellor is having to acknowledge, however, that we are now in the process of what economists call a growth recession. It might have been desirable if he had gone next door to the Prime Minister to ask for a short seminar on how to do humility, but instead he has tried to blag his way through by blaming the problems on the oil producers and slow-growing Europe. He knows that that is complete nonsense. If the problem is oil, why are the oil-importing United States and Japan booming? If the problem is a slow-growing Europe, why has Britain been consistently outperformed by Sweden and Spain? The problems, as he well understands, are domestic.

Does the Chancellor accept the explanation that a large part of the slow-down in consumer spending is caused by growing anxiety about private debt? Does he accept that the share of our income that is spent on debt servicing—20 per cent.—is almost the same as it was when personal finances collapsed under the last Conservative Government? If he does not accept that explanation, does he accept the explanation of the Governor of the Bank of England that consumer anxiety about taxation has produced the slow-down in spending? How does he explain the fact that private investment in the economy is half what he forecast in the Budget? In particular, why has commercial research and development fallen, despite the fact that he is spending £800 million a year of taxpayers' money subsidising it?

The Chancellor is quite right to say that the big long-term challenge is about public spending, the public finances and how to make tough choices on public spending—we endorse that. However, may I ask him a series of specific questions? Can he explain why no Treasury Minister publicly contradicted the Home Secretary after he promised that compulsory identity cards would be made available free of charge at a cost of £6 billion to the Home Office, excluding the cost to other Departments? Has the Chancellor put any financial limitations on the Prime Minister's expressed enthusiasm for nuclear power? Will there be any limitation of the subsidies and guarantees that could become available?

[Dr. Vincent Cable]

The Chancellor has written eloquently in the past few weeks about the evils of the common agricultural policy. Can he explain why the Prime Minister is now on the brink of surrendering £1 billion of British taxpayers' money, despite having achieved no single concrete concession on the common agricultural policy? Can the Chancellor explain where he was when his deputy and the Secretary of State for Trade and Industry reached an agreement on public sector pensions that was such that a rising star in the Treasury could join the civil service at 20 or 21 years of age and retire 40 years later on a generous final salary scheme, while the rest of the population has money purchase pensions, or a state pension scheme that Lord Turner has described as "not fit for purpose"?

In conclusion, I speak as someone who I think has more time for the Chancellor than many of his own colleagues. Why cannot he stand up in Parliament and say, "Yes, indeed I am proud of my record as Chancellor in presiding over economic stability and low unemployment and fighting poverty"—I endorse all those things—and also say, "I have made mistakes. We've exaggerated the projections and there has been administrative over-centralisation."? Why cannot he simply stand up and acknowledge his own failures?

Mr. Brown: I, too, have a great deal of time for the shadow Chancellor who resides in Twickenham, rather than the shadow Chancellor for the Conservative party. However, the hon. Gentleman must recognise what has happened to the economy during the course of this year: we have been able to maintain stable growth.

When the hon. Gentleman gave his press conference on Thursday, he said:

"Compared with Europe Britain has . . . low inflation."

On public sector debt, he said:

"The big picture is basically very good".

On investment in public services, he said:

"There has been an enormous injection of money into the public services, which we support."

On employment, he said:

"A world where we have full employment—this is, you know, Gordon's great achievement".

On monetary policy, he said:

"Monetary policy has generally been a big success story".

He acknowledged all those things; at least he did so at a press conference, while the Conservative shadow Chancellor tries to write them in an obscure article that he hopes that no one will be able to read.

The fact is that the Liberal Democrats have dropped all their tax proposals, but are still making public spending commitments. If the hon. Gentleman is really going to be a successful shadow Chancellor for the Liberal party, he must stop the barrage of public spending commitments that have been made by his spokesmen and women in only the past few days. I have press releases that have come out on transport, the Home Office, child care, more money for dentistry and, of course, the Liberals' London manifesto. They are all public spending commitments, but the hon. Gentleman has dropped all his tax pledges and has no way of paying for them. As far as we are concerned, a public spending review will take place in 2007. All the issues the hon. Gentleman raises will be examined during the course of that.

On public sector pensions, the hon. Gentleman should know that £13 billion of public sector money was saved as part of the negotiations. All the other issues will be part of our public spending review in 2007. I would rather be in my position on public sector finances, looking at increased public investment and taking the right decisions for Britain, than in his position of being forced by his colleagues to drop all the tax plans while still being unable to control their spending plans.

Mr. Martyn Jones (Clwyd, South) (Lab): I am sure that my right hon. Friend's proposals to use unclaimed money in so-called dormant bank accounts for youth and community programmes will be welcomed. Will he ensure that the banks do not use the definition of dormancy as a way of hanging on to that money unnecessarily?

Mr. Brown: I am grateful to my hon. Friend for that. He has taken an interest in unclaimed assets for a long time. The problem has been dealt with and considered by successive Governments for many years. It involves a negotiation with banks and building societies, and there is still the issue of pension funds and insurance companies to address.

However, as far as banks and building societies are concerned, he will see in the print of the Treasury documents that an agreement has been reached whereby once the money is released from the dormant assets, it will be used for youth and community services. The full negotiation on the detail of the money to be released is still to be completed, but there is an agreement in principle, first, that the money will be provided and, secondly, that it will go to youth and community services, and some to financial education. That will allow us to build the youth and community services that our country has long needed. Those have been neglected. As each of us, in every one of our constituencies, knows, young people are being asked to behave properly, and so they should, but at the same time they say that they do not have proper community and sports facilities. If we can make an impact on that with the unused assets, it would be a great advance for Britain.

Mr. Kenneth Clarke (Rushcliffe) (Con): Surely even the Chancellor would agree that, since this time last year, the main event is that British growth has fallen below the most pessimistic independent forecasts. It is now among the lowest in the developed world and in the last quarter was the lowest in the G7 apart from Italy. It is unlikely to recover quickly because it has been accompanied by a fall in personal consumer demand, crushed by the level of household debt, and an impending fall in public demand because of the fiscal crisis and mounting debts. Even if the people who still believe in his fiscal rules and his description of the public finances also believe in fairies, does he accept that the two big economic announcements of new taxes are both dangerous? Oil tax slowed down development of the North sea gas fields in 2002 and a land development tax has never worked and will go against all his measures to restore the housing market.

Given that the right hon. Gentleman is planning to slow down the rate of public spending beyond 2008, does he not accept that he has to accelerate that and, before his review in 2007, show that it is possible to slow down public spending without sacking policemen, doctors and nurses? Does he also accept that he will not be a responsible Chancellor until he demonstrates that he can do that and unless he gets on with it now?

Mr. Brown: I know that the right hon. and learned Gentleman makes a more comprehensive contribution to the debate than the Conservative Front-Bench spokesman, but if he reads the Conservative research department brief, he will find himself misled about what is happening to the British economy. Despite what he says, growth is higher than it is in France, Germany, Italy, the euro area and the European Union. The figures, as published, show exactly that.

As for his objections to our two policies, the land development proposals are part of a consultation document. We look forward to the consultation that will take place over the next few months. However, on planning gain, when builders make money out of the sale of development land where infrastructure is needed in areas where housing is being built, the question is not whether the infrastructure should be provided, but who takes responsibility for financing it. The right hon. and learned Gentleman may agree with me that the developer and companies should make a contribution—indeed, a bigger contribution—to the development of the infrastructure. This is an argument that we can have in the next few months, and it is an argument that is certainly needed if we are to build the houses that we need in this country.

I disagree with the right hon. and learned Gentleman's statements on oil. The argument is exactly the same as the one that we advanced, to which he refused to listen, on the effect of VAT on fuel. He has to face the fact that returns on the North sea, at about 40 per cent., are quite different from the returns on ordinary investment in other firms. He has to accept that even in countries such as America, tax measures are being considered or used to ensure that more of the return from changes in oil prices comes to the consumer. In the past three years $1.2 trillion has been transferred from consumers to producers because of the escalating price of oil. I think that if he were Chancellor, he would be the first to want to do something about that.

Mr. Andrew Smith (Oxford, East) (Lab): While congratulating my right hon. Friend on his statement, may I welcome in particular what he said about housing? Does he agree with me that building more homes, especially in areas such as central Oxfordshire where his science investment is so important and welcome, can both increase economic growth and tackle acute housing need? Is not that precisely the combination of social justice and economic opportunity that will be welcomed by businesses large and small, by public services and especially by those who desperately need housing and whose hopes are blocked by Conservatives in local government?

Mr. Brown: I agree with my right hon. Friend and thank him for his contribution to the debate over many years. The fact is that we have to face up to the need for housing and for infrastructure around housing. Those who are not prepared to face up to that fact will find either that waiting lists for houses in their local authority areas grow, or that we are unable to attract to this country some of the people whom the financial services industry and other industries need for their expansion. Given the increasing number of households, it is necessary to be able to build more houses. We have made a number of proposals on planning, land use, social housing and the development of shared equity. I had hoped that there could be an all-party consensus on what needs to be done to build the houses that we need—high-quality, affordable houses that build communities as well as homes—but if that is not to be, we will have to press ahead to make sure that we build the housing and infrastructure of the future and do not get stuck in the past.

Stewart Hosie (Dundee, East) (SNP): Today the Chancellor has announced a doubling of the North sea supplement from 10 per cent. to 20 per cent., in effect creating a 50 per cent. corporation tax regime in the North sea or imposing a 25 per cent. hike in tax on the sector. Is he aware, as many in the industry are, that that fiscal regime may well lead to a rapid and irreversible loss of key resources, skilled people and equipment; that that resource flight may in turn lead to the loss of many of the 260,000 jobs in the sector, 60 per cent. of which are in Scotland; and that it may lead to the sector being unable to deliver the benefits to the economy that it has been delivering? Is the Chancellor confident that the £1 billion cash grab that he has made today will not lead to a massive reduction in revenue in the medium and long-term future?

Mr. Brown: First, we have given new incentives for the development of smaller oil fields. Secondly, the hon. Gentleman will know that the tax rates on new developments in other parts of the world are higher than they are in Britain and that we are bringing ours into line. Thirdly, the hon. Gentleman has to face up to the fact that the oil price when we established our regime was between $22 and $28 a barrel. Even in the last year it was estimated to be about $40, but it has risen to nearly $70 and fallen back to $55 a barrel. It is right to strike a balance between the needs of producers and consumers. The last people who can complain about taxation in relation to Scotland are the Scottish National party. In the past few weeks and months in the Holyrood Parliament SNP Members have proposed more money for child care, more money for children in care, more money for the fishing industry, more money for GPs, more money for police officers, more money for the arts, more money for local authorities and more money for social workers. They could not pay for any of it under their party's plans.

Mr. John McFall (West Dunbartonshire) (Lab/Co-op): I welcome the Chancellor's announcement of 1 million new homes and in particular what he said about shared equity schemes. Can we encourage more building societies such as Halifax and Nationwide to become involved in that important scheme?

I realise that negotiations on unclaimed assets are continuing with the banks and building societies. Will my right hon. Friend ensure that the money is not only

[Mr. John McFall]

distributed from those sources, but that, as in the Republic of Ireland, local communities are able to put in bids in relation to their own areas? They know their areas well and they know how to build them up, and it is important that they share in the windfall.

Mr. Brown: I am grateful to my right hon. Friend. I look forward to discussing those issues with the Treasury Committee on Thursday. On unclaimed assets, we are publishing more information today, and the debate about the way in which those assets can be used in other areas—not just the banks and building societies—will continue. I look forward to dealing with all the other issues raised by my right hon. Friend at the Select Committee on Thursday.

Sir Peter Tapsell (Louth and Horncastle) (Con): Does the Chancellor feel any sense of anguish that his tax policies have wrecked the retirement expectations of millions of our occupational pensioners?

Mr. Brown: If the hon. Gentleman looked at the issue, he would see that pensioners in Britain today, with the measures that we have introduced, are better off than they would have been if a Conservative Government had been in power. Not only has the basic state pension risen faster—

Sir Peter Tapsell: What about occupational pensions?

Mr. Brown: Let me deal with the question in my own way. The basic state pension has risen faster than inflation. We have introduced pension credit, as well as the winter fuel allowance and free TV licences, which the Conservative party opposed at one stage. As for occupational pensions, the savings regime and the pension tax reliefs in this country are designed to help people save more for their retirement. We will have a debate now—*[Interruption.]* The savings ratio in this country is higher than in America, the fastest growing country in the industrialised world. The British savings rate is higher and has been—*[Interruption.]*

Mr. Speaker: Order. Perhaps, one day, the hon. Member for Braintree (Mr. Newmark) may have a chance to put a case, but not today. It is the Chancellor of the Exchequer who is replying.

Mr. Brown: The debate on occupational pensions will continue as a result of discussions on the Turner report.

Helen Goodman (Bishop Auckland) (Lab): Employees at Glaxo in my constituency will undoubtedly welcome what the Chancellor said about the pharmaceutical industry, and the employers at Farmway will undoubtedly welcome what he said about the capital allowances for biofuels. Can he confirm that, in addition to those measures, he will continue to support the science base, unlike the Opposition parties?

Mr. Brown: I am grateful to my hon. Friend, who has a great knowledge of these issues, having worked on many of them as an official at the Treasury. She takes a special interest in science and the environmental issues that led us to introduce the proposals on biofuels. Let us be honest: the science base of this country—one of the most inventive countries in the world—has been neglected over the years. The fact that we now have a 10-year plan for science and are doubling investment in science is essential for our global economic future. The medical investments that are now under way as a result of the partnership between the NHS, universities and pharmaceutical companies will lead to £500,000 of new investment in the next few years, with the potential for £1 billion-worth of new investment just in medicine and medical science. That is one step towards Britain leading the way in a range of medical and other sciences, which means that we will be well placed to be one of the great success stories of the global era.

Mr. John Hayes (South Holland and The Deepings) (Con): We must assume that the real estate investment trusts that the Chancellor announced are based on the American model—they will be straightforward, simple and offer real incentives to investors—and are not based on the Treasury's original thinking that they should be revenue neutral. Does he not realise that previous land development taxes have failed, partly because of their complexity, but also because developers speculated against political change? Given the profits to be had, people will hold back development in the expectation of a change of policy, such as tax abolition. That means that there will be less land available for development, house prices will go up and home ownership will become a distant dream for a new generation of Britons under this Government.

Mr. Brown: The hon. Gentleman had better look in detail at the consultation document published today. The fact of the matter is that in an honest debate about what planning gain involved in the past, the amount of planning gain resources that have been given to local authorities for the building of infrastructure—schools, hospitals, but particularly transport and especially roads—has been small in relation to the needs of those local authorities. He would agree that if we are expanding the number of houses and if a development gain is being made it is a fair question as to how it is shared between the different beneficiaries and the different groups in a local area. That is what the debate about the planning gain supplement is about. It is a local planning gain supplement, because the money will principally go to local authorities and local areas where housing development is under way. As I understand it, planning gain provides about £1 billion of extra funds for local authorities during the year, but the fact is that local authorities are spending far more to develop the infrastructure, particularly the transport that is necessary for these services. The consultation document is there for people to see, and the Conservative party would be wise to consider the issues before it makes a wrong decision once again.

Mr. George Mudie (Leeds, East) (Lab): As we are facing one of the worst winters for many years, I congratulate the Chancellor on providing £300 million for central heating for pensioners on pension credit. I also congratulate him on the new initiative to provide an additional £300 million subsidy for private sector pensioners to install central heating. Will he assure the

House that he will keep those figures under review and ensure that that excellent initiative continues in future years and future programmes?

Mr. Brown: My hon. Friend takes a big interest in the needs of both pensioners and people without high resources in the communities of this country. I hope that the insulation and central heating scheme receives all-party support. It is a scandal that as we face the winter months, large numbers of pensioners are unable to afford either insulation to cut their heating bills or central heating, which is why the measure is open to all pensioner householders and is not restricted to one group of pensioners. Where pensioner households do not have central heating, it is possible to obtain a £300 grant to install central heating, starting immediately. Equally, where pensioner households do not have insulation, the energy companies—I am really grateful to them for what they have proposed today—will offer between £125 and £175 towards the cost of insulation. As I have said, I hope that the measure receives all-party support. We face cold winter months, so the sooner that pensioners can access the scheme, the better.

Damian Green (Ashford) (Con): International competitiveness is one of the things that the Chancellor glossed over in his statement. In its latest annual report, the Treasury has produced a helpful table based on the World Economic Forum international competitiveness league. During the right hon. Gentleman's time as Chancellor, Britain has slipped from fourth to 13th in that league—why?

Mr. Brown: If the hon. Gentleman examines the different leagues for competitiveness, productivity, stability, efficiency and regulation, we are doing very well. *[Interruption.]* If Conservative Members look at the figures, they will see that we are ahead of Germany and Japan in productivity, and we are catching up with France. Yes, we are behind America, but the measures that we are proposing are designed to enable us to catch up. In 1997, when we came into power, we had the lowest GDP per head in the G7, but now it is the third highest. It is important to look at all the different comparisons, and Conservative Members will be particularly interested in one of them: the Heritage Foundation, which is one of the more right-wing institutes in the United States, has stated that in terms of economic liberalism, deregulation and flexibility of the economy, we are better placed in the rankings than when the Conservative party was in power.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): I welcome the Chancellor's announcement of the shared-equity scheme. Does he agree that areas such as my black country constituency, which historically contains low incomes and a lot of brownfield sites, could particularly benefit from the scheme? Will he also ensure that local authorities are involved in the dialogue between banks, building societies, developers and the Government? Young people who are searching for accommodation often make the local authority their first port of call, and local authorities have an important part to play in assessing the need and potential for the scheme in areas such as mine.

Mr. Brown: I am grateful to my hon. Friend and will talk to him about the expansion of shared-equity schemes and how they will affect his constituency. We clearly need to do more on social housing, too. We need to build more housing for rent and make it possible for the pilots on disused sites to be successful in different areas of the country. I regard the shared-equity scheme as one of the most exciting developments in recent years. The fact that the building societies, building companies, investment companies and, potentially, housing associations are all examining how they can develop shared equity is an important development for our economy.

Today, I visited the home of someone who could not afford to buy a flat in London if they had to obtain a 100 per cent. mortgage. They have got a 40 per cent. mortgage—the rest is covered by a rent agreement—and can move into their first flat, which they will do before Christmas. Many thousands of people throughout the country depend on the development of shared-equity schemes to have a chance to get on to the first rung of the housing ladder. We are determined to work towards making shared-equity schemes happen as quickly as possible and, again, I hope that the measure receives all-party support.

Mr. Nigel Dodds (Belfast, North) (DUP): I, too, welcome the Chancellor's statement on tackling fuel poverty, especially among the elderly. It is a scandal that in this day and age people still have to choose between heating and eating. Given the levels of fuel poverty in my constituency and in Northern Ireland generally, can the Chancellor confirm that the measures that he announced—welcome as they are, and which I hope will be uprated year on year—will apply to Northern Ireland?

Mr. Brown: That is what the discussion will be about. Funds have been allocated for Northern Ireland. I hope that that means that insulation and central heating programmes will move ahead. I am determined, over the next few months, to ensure that as much as possible is done to insulate and to provide the necessary central heating. As the hon. Gentleman says, it is a scandal that in this day and age too many pensioners feel unable to provide the heating that is necessary for the warmth that they need, and we must take this new initiative to make it possible for them to have it.

Local Government Finance

4.51 pm

The Minister for Local Government (Mr. Phil Woolas): With permission, Mr. Speaker, I should like to make a statement about local authority revenue finance for England in 2006–07 and 2007–08.

Sensible planning for service delivery needs a stable and predictable funding environment. Freezes on grant distribution changes have helped, but the time has come to go further and give councils firm forward financial allocations. There is no reason why councils cannot now provide similar certainty for their local taxpayers when setting their council tax for 2006–07 by providing an indicative council tax for 2007–08.

To give councils as complete a picture as possible of forward financial allocations, I am today announcing, for the two years 2006–07 and 2007–08, allocations of formula grant and grant for the "Supporting People" programme. The Government will also publish, by local authority, a table of allocations of all the major revenue grants that can be allocated in advance, including the neighbourhood renewal fund, which gives indicative allocations of £525 million for 2006–07 and £525 million for 2007–08 for the 86 most deprived local authority areas in England. By the end of this week, we expect that the vast majority of individual specific grant allocations will be announced to local authorities. The only grants that cannot be announced at this stage will be performance-led or data-driven in their nature.

My right hon. Friend the Minister for Schools will shortly announce the provisional allocations to authorities of dedicated schools grant. Hon. Members should bear in mind that those allocations need to be added to those that I am announcing today to give a fuller picture of the above-inflation funding going to authorities with education and social services responsibilities. With the next spending review period, we will move to give three years of grant allocations to local government.

It is also high time that we overhauled the system that we use to distribute the formula grant. For more than 20 years, successive Governments have used a system based on notional figures for spending and local taxation. In the 1990s, the Government described the old standard spending assessments as

"intended to represent the amount which it would be appropriate for the receiving authority to calculate as its budget requirement".

We no longer take that view. The formula is simply a means of distributing Government grant. Notional spending and taxation figures none the less continue to be misunderstood and misused for a variety of purposes, such as spending or tax targets, for which they were neither intended nor suitable. Such notional figures get in the way of sensible budget setting, because councils treat them as targets or going rates, and of a more mature relationship with local government on doing business together. I propose a system that deals in honest currency—cash grant—not fanciful assumptions about spending.

I accept that most responses to the consultation were against our proposal along those lines. However, the arguments supporting that position were not strong. Many stated that the new system would be more complex or use more judgment than the existing system; neither is the case. The new system will retain the strengths of the old. It will continue to take account of the relative needs of an area and the relative ability of councils' areas to raise council tax. There will be an element of grant that is distributed on a per capita basis and a grant floor.

Total revenue grants to English local authorities will be £62.1 billion in 2006–07 and £65.1 billion in 2007–08—increases over the previous year of 4.5 per cent. and 5 per cent. respectively. Part of that increase is dedicated funding for schools, leaving formula grant for other services that will total £24.8 billion in 2006–07 and £25.6 billion in 2007–08—increases of 3 per cent. and 3.8 per cent. respectively. That means that, by 2007–08, the increase in Government grant for local services since we took office will be 39 per cent. in real terms.

We have been working with local government over the past three years on possible changes to grant distribution formulae. We consulted publicly over the summer and I am publishing the summary of consultation responses today. Following that consultation, we propose several changes. The main drivers behind the change that I propose are: updating, especially the use of 2001 census data in place of that from the 1991 census; making the system more forward looking by using projections of population and council tax base; and adapting to policy change.

The new formulae for personal social services for children and younger adults are based on extensive research and have a solid evidence base. That makes it clear that there will need to be substantial change to reflect the evidence on service provision and the very different social and demographic environment of the 2001 census. The grant system also takes account of councils' widely varying ability to raise council tax, depending on the council tax valuations of housing in their areas. We propose to increase that resource equalisation because that will make the system fairer for those authorities with relatively low ability to raise council tax locally.

I propose to adjust the grant distribution system to reflect the introduction of free off-peak bus travel for the over-60s and the disabled from next April. I shall do so by increasing the weightings in the district level environmental, protective and cultural services formula that are given to factors that reflect support for the disabled and the needs of areas where take-up is likely to be highest.

Grant floors—the minimum guaranteed increase from one year to the next—are a permanent part of the system. Given the importance that we attach to stability and predictability of grant, we shall phase in the larger changes this year with more than usual care. The changes in children's social services and younger adults' social services will be phased in with specific formula floors. On top of that, we propose grant floors for groups of authorities.

For 2006–07, the floors will be as follows: for authorities with education and social services responsibilities, 2.0 per cent.—that figure excludes the increase in schools funding, which will give all such authorities above-inflation increases in grant; for police authorities, 3.2 per cent.; for fire and rescue authorities, 1.5 per cent.—that figure masks the help we are giving

those authorities by phasing in recovery of the modernisation grant paid in 2004–05; and for shire district authorities, 3 per cent. For 2007–08, the floors will be as follows: for authorities with education and social services responsibilities, 2.7 per cent.; for police authorities, 3.7 per cent.; for fire and rescue authorities, 2.7 per cent.; and for shire district authorities, 2.7 per cent.

Within each group of authorities, those above the floor will have their grant increase scaled back to pay for the floor. The floor levels that I propose will mean that there will be a fairly narrow range of grant increases in 2006–07, with police authorities in particular all receiving approximately the average increase. For 2007–08, all authorities will receive a grant increase at least in line with inflation, and more formula change will come through for most authorities.

I would now like to come to the "Supporting People" programme, which was introduced in 2003 and is successfully providing support to more than 1.2 million vulnerable people. I am pleased to announce a two-year settlement for this programme. The "Supporting People" grant allocation for 2006–07 will be £1.685 billion, which is a significant investment, and I have also announced guaranteed minimum allocations for 2007–08 to enable authorities to plan their expenditure. Further, I am pleased to announce that authorities will be able to roll forward any savings from 2005–06 to 2006–07 in order to reinvest in the programme. This announcement will bring stability to the sector and enable authorities to work with support providers and voluntary sector and community groups to plan for the future. Building on the success of the "Supporting People" programme, I recently launched a consultation on how the programme can be further improved. Following that consultation, I will announce the full allocations for 2007–08 next summer.

This settlement is good news for councils and for council tax payers. We have been working closely with local authorities this year to identify the extent of the pressures that they face up to 2007–08, and we consider these actions necessary to mitigate those pressures. I am pleased to announce extra formula grant for the two years over and above previous plans of £305 million and £508 million for local government. We have also agreed with local government that we will jointly move forward on a number of fronts aimed at addressing the real pressures that councils face. This includes a continued commitment to the new burdens procedure, working with local government to assess the costs and savings of implementing new polices, and funding the net costs. We will be strengthening the mechanisms to enforce the new burdens procedure. Further, I announced to the House on Friday the agreement that the cost pressures arising from the temporary reinstatement of the 85-year rule in the local government pension scheme will not fall on taxpayers.

We are also aware of authorities' concerns over the costs of the new licensing scheme. I am pleased that we have been able to reassure the Local Government Association on this issue. The Minister with responsibility for creative industries and tourism has today reaffirmed the Government's commitment that the cost to local authorities of meeting the requirements of the Licensing Act 2003 will be fully met by fees within the national fee regime, provided, of course, that they are incurred legitimately and efficiently.

Local authorities will also benefit from the extra money coming in to local authority budgets through the local authority business growth incentive scheme, and from the new top-up grants for police and fire and rescue pensions, which will help budget planning and, ultimately, the council tax payer.

We have provided a stable and predictable funding basis for local services and we expect local government to respond positively on council tax. We therefore expect to see average council tax increases in each of the next two years of less than 5 per cent. Following today's announcement, there will be no excuse for excessive increases. Local government should be under no illusions—if there are excessive increases, we will take capping action, as we have done over the past two years.

I am also announcing today consultation on alternative notional amounts. The draft alternative notional amounts report sets out the proposed notional adjustments to local authorities 2005–06 budget requirements to help enable like-for-like comparisons with 2006–07 budget requirements for capping purposes. That is being issued for consultation today to ensure that authorities know, in advance of setting their budgets, the budget requirement figure for 2005–06 that the Government will use when considering using our capping powers.

The Government have provided another significant boost to local authorities with a financial package that is stable, predictable and adequate to meet the pressures that local authorities face over the next two years, while keeping down council tax increases to acceptable levels. I have placed copies of tables giving grant allocations and supporting documentation in the Vote Office and the Library of the House, and full details are being made available for local authorities on our website. I look forward to receiving consultation responses, and I commend these proposals to the House.

Mr. Eric Pickles (Brentwood and Ongar) (Con): I thank the Minister for early sight of his statement, and particularly of the supporting documents. It has been a good and worthy tradition that we get plenty of time to respond to this particular statement, and it is partly due to him giving me so much information that I missed the first 15 seconds of his statement. No disrespect was intended.

I welcome the move towards a three-year programme and settlement, which is extremely sensible, and the Opposition support the Government in their aim to achieve that in the long term.

About a month ago, we were regaled with headlines in the national press suggesting that the hon. Gentleman and his friends in the Department were wandering around Whitehall with a begging bowl for local government, as previous settlements had proved to be inadequate. That followed the same practice last year. The House will recall the views last year of a senior and, sadly, anonymous mandarin, who, when asked to spare additional funds for the hon. Gentleman's Department, told the asking official to vacate his office as expeditiously as possible. To emphasise the point, the mandarin preferred to use the shorter Anglo-Saxon version of that request, and it seems that the spirit and the gesture remain firmly embedded in this settlement.

We were told that this year things would be different. We were told that the one-off bung of £1.4 billion would be added permanently to the local government

[Mr. Eric Pickles]

settlement. It now looks like a £2 billion bung over two years. It was a settlement and then an amendment, but it need not be so. In the pre-panto season, we were promised a Robin Hood settlement in which hard-pressed local authorities would receive resources to do their job properly. On examination of the hon. Gentleman's statement, it is clear that the settlement would not please Robin Hood, but would find considerable favour with Guy of Gisborne, chief torturer to the sheriff of Nottingham.

The settlement envisages an increase in council tax of twice the rate of inflation. This year, council tax payers will see their bills approach an 80 per cent. hike since Labour came to office. Will the hon. Gentleman confirm that the small print in the Chancellor's pre-Budget report, on page 229, reveals that council tax receipts are forecast to rocket by a massive 7.1 per cent.—an extra £1.5 billion snatched from hard-working families and pensioners? That is an intolerable burden, particularly at a time when the Government have allowed a shameful drop in the take-up of council tax benefit.

Next year, like this year, we will see the sad parade of old-age pensioners being threatened with jail. Next year, like this year, we will see significant cuts in services by councils trying to keep their tax increases to as reasonable a level as possible. Next year, like this year, we will see that the optimism of the Minister's statement, as council budget meetings are held, will prove to be a false hope and a bitter reality.

Last year, we were promised that Sir Michael Lyons would have reported on this year's settlement. In October, we were promised an interim report this autumn. In today's pre-Budget statement, there was not a mention of that interim report. When will we receive it? Will it be before Christmas, after Christmas or in the early spring?—*[Interruption.]* It seems that the Minister of Communities and Local Government suggests early spring. It is no use to talk about an increase in funding without talking also about an increase in burden. The Minister's predecessor, the right hon. Member for Greenwich and Woolwich (Mr. Raynsford), who I am pleased to see in his usual place, became a late convert when addressing this problem. Some of the right hon. Gentleman's handiwork can be detected in the statement, and I am sure that many councillors will be grateful for that.

I understand that there will be a written statement today from the Secretary of State for Culture, Media and Sport on the levels of licence fees that a local authority can charge. I understand also that there will still be a lack of clarity on the level of costs that local authorities face. Will the Minister give an undertaking that local authority taxpayers will not have to fund any part of the burden? How will the Government ensure that the full start-up costs or new licensing burdens on local authorities will be fully met? In particular, how will the cost of appeals be fully met?

Last year, the Chancellor of the Exchequer announced a discretionary fare scheme for pensioners. The Minister will recall that I raised the problem of floor authorities, which he has mentioned. These are authorities that are in the process of losing grant across the board. Each year their losses are limited to the amount that is specified for the floor.

If the money designated for concessionary fares was simply included in the floor calculations, many district councils would effectively receive nothing for concessionary fares. Will the Minister clarify the position? Will he confirm that the £200 pensioners' discount was a pre-election, one-year wonder and has now disappeared? Were not the promises made to pensioners by the Government of a £200 discount on their council tax merely a simple one-year pre-election bribe? Will he further confirm that that has now gone? The Deputy Prime Minister tabled an order bearing on the local authority pension scheme. It is identical to the one submitted, only to be withdrawn, a year ago. That created a unique double U-turn, separated only by a general election.

We have heard about the 85-year-old rule, but what of the rest? Can the Minister give an assurance that no part of the burden of the Government's change of approach to the local government pension scheme will fall on council tax payers?

The Government, against the wishes of the public, are seeking to impose a regional police force. Will the Minister give an indication of how large the increase is expected to be on the police precept to pay for the rearrangement of the furniture in police headquarters? Does he recognise that the money would have been better spent on catching criminals rather than wasting it on Powerpoint presentations at headquarters?

There is the issue of external finance. The new planning gain supplement is nothing more than a new Labour land tax and, just like the old Labour land tax, it will fail. No doubt the House will have an opportunity to debate the issue in some detail. However, I have a few questions about the financial division of the tax. How will it be divided between the Government, the regions and local councils? It looks like a rip-off by the regions. Given that it is to be collected by HM Revenue and Customs, can we be sure that there will be a return to local people? It has the appearance of another stealth tax.

Given that there is a fragile housing market, is the Minister worried that, perversely, the approach might dry up housing developments? As for London, does the increase include the Olympic precept? What protection is there from the excessive city hall demands by Mayor Livingstone on the people of London?

The council tax is now in deep trouble. There is no sign of it coming out of intensive care. It is kept going by whip-rounds and the odd bone from the Chancellor of the Exchequer. It is not a strategy for independent living; it is a recipe for delay in the hope that something will turn up or that Ministers will move on to a new job. There will be another year with bills going through the roof; another year with increases that are twice the rate of inflation; another year with the council tax being Labour's stealth tax. The Government have yet again let down the people.

Mr. Woolas: I believe that the contribution of the hon. Member for Brentwood and Ongar (Mr. Pickles) has left the House in some confusion. I am not sure whether he welcomes the extra money that will enable council taxes to be kept down, or whether he is privately gritting his teeth so greatly as to rattle his fillings with anguish at the rug being pulled from under his feet. His

authority in Brentwood will receive 3.1 per cent. and 2.7 per cent. increases, while in Epping Forest, which I believe forms part of his constituency, the increases will be 5 per cent. and 6.1 per cent.

Mr. Pickles: What about pensioners?

Mr. Woolas: I intend to tell the hon. Gentleman about pensioners. First, let me say that I am grateful for his welcome for the two-year settlement, and—I think that he said this as well—for the indication of our intention to move towards three-year settlements in line with the spending review periods. Our policy is to provide predictability and stability for funding, so that local authorities and their partners can deliver services at stable council tax levels.

I reject the hon. Gentleman's interpretation of the 7.1 per cent. figure. This hoary old chestnut comes up every year, and is based on regressive estimates of council tax receipt. Again, the hon. Gentleman seems to be seeking to sow confusion—I do not say that he is doing so intentionally, although I have my own views—about the differences between council tax yield and council tax levels. The two are, of course, entirely different.

The hon. Gentleman said again that OAPs had been threatened with jail. Let me repeat, for the benefit of the House and the honourable ladies and gentlemen from the press, that no pensioner has been or will be jailed for not being able to pay council tax. There have been two instances this year of pensioners' receiving prison terms for being unwilling to pay the tax. I am surprised that the hon. Gentleman and his party should seem to seek to promote the idea that those who are unwilling to pay taxes should not do so. It is, of course, the hard-working, honest majority who suffer. *[Interruption.]* I am coming to the point about which the hon. Gentleman is shouting at me from a sedentary position. He asked 17 questions; 13 of them made sense, so I shall answer those.

I covered the hon. Gentleman's serious point about licensing fees in my statement. The written statement today from the Under-Secretary of State for Culture, Media and Sport, my hon. Friend the Member for Stalybridge and Hyde (James Purnell), the Minister who is responsible for creative industries and tourism, confirms that the system will be self-funding under the new licensing regime.

The hon. Gentleman talked about the £200 discount that was announced in this year's Budget—in the last financial year, but the current calendar year. I am sure he will join me in welcoming the fact that, as we speak, cheques for £200 are arriving on the doormats of his constituents. I note that his party is very silent on the policy for the future.

A statement on the local government pension scheme was laid before the House on Friday. The hon. Gentleman accused the Government of a double U-turn, but I can give him the assurance that he seeks. The scheme is funded, and the changes proposed following discussions between employers and employees will impose no extra burden on the taxpayer.

The hon. Gentleman asked about planning gain supplement. I can reassure him that the money is to pay for infrastructure, as requested constantly and sometimes reasonably by Opposition Members for their constituencies, and that the majority will go straight to the local area. That which is regional is, of course, for the local area, if the funding stream must inevitably be at a higher level.

I confirm that the precept for the Olympics is not included in the figures that I have given today. In answer to the hon. Gentleman's proposition that the council tax is in deep trouble, it is his policy that is in deep trouble. The predictability, the stability of funding and the extra money that is being provided following reasonable discussions with the Local Government Association mean that the Government will not tolerate excessive increases. We see no reason now why council tax increases should be above 5 per cent. Indeed, average increases could be well below that.

Mr. Nick Raynsford (Greenwich and Woolwich) (Lab): I congratulate my hon. Friend and his colleagues on securing additional funding to that provided for in the provisional settlement, which means that this is a better settlement than was anticipated. However, I do not think that he would ignore the fact that it is a tight settlement, with increases on average for education and social services authorities, excluding the dedicated schools budget, of only 3 per cent. this year, and in London of only 2.5 per cent. If I read the figures correctly, the increase is only 2.5 per cent. for my own authority, while Rutland, curiously, secures the best settlement of all education and social services authorities—a 6.8 per cent. increase. Does my hon. Friend feel that that reflects the aim of ensuring the targeting of resources on those in the greatest need?

Mr. Woolas: I welcome my right hon. Friend's contribution, given his deep and extensive knowledge of the system. One of the other reasons that Opposition Members are grating their teeth is that today's announcement scuppers the suggestion that there is a bias in the settlement against the south-east. The Government do not follow that policy; they have a fair policy. I warn my right hon. Friend that one has to look at the amended tables to ensure that we are comparing like with like, but I believe that we have provided a very fair settlement to authorities throughout the country and to different types of local authorities.

Mark Hunter (Cheadle) (LD): I thank the Minister for his statement. It is a pleasure for me to make my first contribution from the Front Bench on this subject, having spent the best part of the past 20 years in local government and as someone who still passionately believes in the case for local government.

It is interesting to see in today's statement the contortions that the Government are going through again to lay the blame for council tax rises squarely at the feet of local authorities. Let me remind the House that it is not local government's fault that Labour has failed to introduce a decent funding system for councils, just as it is not local government's fault that the only way in which it can raise money is through the abysmally unfair and unpopular council tax.

Today, we have another "one-off" bung, although this year it will fall well short of filling the black hole that councils face, which according to LGA estimates could still be the best part of £2 billion. Will the Minister

[Mark Hunter]

confirm that this is the third one-off grant in as many years? Perhaps he should consider renaming it an annual grant. Whatever we call it, though, the sad fact is that it will not be enough.

To fill the gap, councils would need to raise council tax by around 8 per cent. Of course, the statement has shown that such rises will not be permitted, thanks to the capping rules that were announced today. The planned cap of 5 per cent., far above inflation, does nothing to alleviate the problems for people who already struggle to pay their council tax bills—nothing will, frankly, except the abolition of council tax itself. Of course, the cap is an affront to local democracy. Perhaps the Minister will explain why Labour, which has boasted of its achievement in ending the Tories' "crude and universal" capping mechanism, now sees fit to introduce a two-year capping regime that is both crude and universal in itself.

Is the Minister aware that, thanks to the combination of spending pressures, tight grants—the right hon. Member for Greenwich and Woolwich (Mr. Raynsford) described this settlement as tight—and no freedom on council tax, councils will once again be forced to cut services? Did the Minister read the social exclusion unit's report, "Improving Services, Improving Lives", which concluded that the quality of services provided by local government is fundamental to tackling social exclusion? Is he not therefore concerned that this settlement, combined with absolute restrictions on council tax rises, will force cuts in services? It is likely to worsen social exclusion. After all, cuts will not be easy to come by in many local authorities; councils are already striving to be ever more efficient. Is he aware that councils are producing £58 million-worth of efficiency savings every month—more than any other sector of government? Why, therefore, are they not believed when they speak of spending pressures?

The Minister has been quick to dismiss the LGA's assessment of spending pressures, but it personally surveys every local authority's finance department; the Office of the Deputy Prime Minister does not. Does the Minister think it wise to scoff at the LGA's estimates, given that the ODPM makes so little effort to establish the situation on the ground? Will he now acknowledge that the LGA is indeed right to warn of a black hole of some £2 billion? For the benefit of councils struggling to balance next year's budget, perhaps he can tell the House where precisely he would like services to be cut. Would he prefer a reduction in care for the elderly or cuts in children's social services; or would he like the streets to be left littered with rubbish and graffiti?

As we are all too well aware, Sir Michael Lyons is conducting a review of local government and local government finance. Enjoyable though it may be—

Mr. Eric Martlew (Carlisle) (Lab): On a point of order, Mr. Deputy Speaker. Is this a question to the Minister or a speech?

Mr. Deputy Speaker (Sir Michael Lord): Order. I think that the hon. Gentleman can safely leave these matters to the Chair. The Minister will have detected questions here and there.

Mark Hunter: You are very kind, Mr. Deputy Speaker.

Enjoyable though it may be for us to assemble here every year—with the eyes of local council employees, fearful for their jobs and their futures, on us—we Liberal Democrats hope that Lyons will bring an end to this whole sorry charade. Why do we put up with the most centralised and antiquated local government finance system in Europe? Why do the Government ignore all the evidence that demonstrates that the system is failing the people of this country? Given that local government is raising only 25 per cent. of its revenue, and given that it is not even allowed to make decisions about that 25 per cent., this grant statement is councils' only hope of securing adequate resources to serve their communities.

An out-of-date statistic here or a change in Whitehall priorities there can cost councils dearly. Just last year, my own council of Stockport—

Mr. Deputy Speaker: Order. I am reluctant to stop the hon. Gentleman during his first attempt at such questioning, but he has said enough for the Minister to respond to.

Mr. Woolas: I congratulate the hon. Gentleman on his appointment to the Liberal Democrat Front Bench and on his contribution. I suspect, however, that the "Focus" leaflet was written irrespective of what I announced today. Against the background of a now 39 per cent. increase in real-terms Government grant to local authorities, it is not credible—and taxpayers know it—to paint the picture that the hon. Gentleman has attempted to paint. I suspect that, rather like the hon. Member for Brentwood and Ongar (Mr. Pickles), the Liberal Democrats feel the rug being pulled from underneath them, given the fair settlement that has been announced today and its two-year nature.

The Local Government Association's claim of a £2.2 billion shortfall has now been revised downwards, following sensible and mature discussions with the association, which is led by a very able Conservative leader. The figures have been revised, discussed and analysed, and we have a joint programme of action to pay the fair extra burdens, under the policy introduced by my right hon. Friends the Member for Greenwich and Woolwich (Mr. Raynsford) and the Deputy Prime Minister. If local authorities face genuine extra cost pressures, we have a joint strategy to address those costs, which contrasts with the yah-boo approach of the Liberal Democrats to criticise and blame every problem in local authorities on the Government, while at the same time calling for further devolution. I suspect that the "Focus" editor is at his or her word processor as we speak, making amendments.

Mr. Frank Field (Birkenhead) (Lab): I thank my hon. Friend the Minister for the amount of time that he spent with Councillor George Davies and other senior councillors from the Wirral as they expressed the injustice that they feel over the level of Government support. My hon. Friend will know from those conversations that a particular concern for the Wirral is the level of support for social services. To what extent has his statement today made good the injustice that we feel about the level of support we receive from the Government compared with that received by comparable local authorities in the south-east?

Mr. Woolas: I know that my right hon. Friend has taken a close personal interest in that matter, and especially in the Supporting People budget. Several representations have been made on that issue. I may be able to give him some reassurance, because his authority is looking at increases above the floor level, and it is also in receipt of neighbourhood renewal funds and allocations for Supporting People. I look forward to the response from his local authority when it has studied the details of the figures.

Mr. John Redwood (Wokingham) (Con): Given that the Chancellor's figures show that more than 7 per cent. extra will be collected in council tax this year, would not the Minister have been better advised to have listened to the strong representations from local government that it was not a good idea to ring-fence, in a separated grant, the amount of money for schools? Would it not be much easier for authorities to make their own decisions about priorities between schools and social services, which are the two main areas of spending? Is the Minister really saying that schools are always more important than social services? Is he saying that he thinks that councils can keep council tax down when they have their hands tied behind their back by requirements from the Government to spend certain sums in certain areas?

Mr. Woolas: The right hon. Gentleman would have a point were it not for the fact that, as I announced in the statement, we now have a floor for education and social services functions for local authorities. That will be widely welcomed by local authorities across the country and across the political spectrum. I am sure that when the right hon. Gentleman studies the figures for his area, which show above-inflation increases and—by 2007–08—an average increase in formula grant over 10 years of some 5.2 per cent. in Wokingham and 5.1 per cent. in West Berkshire, he will feel able to welcome the announcement that we have made.

Clive Efford (Eltham) (Lab): My hon. Friend has received many representations about area cost adjustment. What is his attitude to the geographical spread of area cost adjustment in the light of those representations?

Mr. Woolas: The current area cost adjustment, which was introduced in 2003–04, is generally regarded as a considerable improvement on its predecessor, and I pay tribute to my predecessor for that. Of course, the ACA is a national funding formula and any changes to it must be nationally applicable. We have taken the opportunity of the review of the ACA to implement some minor updates, simplifications and improvements. However, I recognise the real concerns felt in different types of local authority areas, and I will look again at the geography of the ACA.

Tony Baldry (Banbury) (Con): Banbury young homelessness project is quite likely to close as a result of the Government's severe cuts to the Supporting People programme in Oxfordshire: a cut of £2.5 million next year, £3.5 million the year after and over the next 15 years to £11 million in year 15—a cumulative cut of £106 million. The consultation paper that the Minister issued in no way mitigates those reductions in the Supporting People projects in Oxfordshire. Those are real cuts for vulnerable people—those with learning difficulties, the homeless and others—and the Minister does not seem to be listening to the united representations of all parties and MPs in Oxfordshire, including his colleague the right hon. Member for Oxford, East (Mr. Smith) and the hon. Member for Oxford, West and Abingdon (Dr. Harris). When the Minister considers the Supporting People budget, will he look again at his consultation paper to ensure that counties such as Oxfordshire do not suffer those severe cuts and that valuable projects such as the Banbury young homelessness project can continue?

Mr. Woolas: I am of course aware of the strength of feeling and that an all-party delegation made representations on the issue. It is in part due to that that I very much wanted to be able to make guaranteed minimum allocations—and they are minimum allocations—for 2007–08, to ensure that counties such as the hon. Gentleman's could plan with some certainty. That is of course not the end of the story. The allocations of the 2007–08 Supporting People budget will, as I said in my statement, be subject to both the consultation currently taking place on the overall strategy and further announcements in the course of next year.

Mr. David Clelland (Tyne Bridge) (Lab): I welcome the extra measures that the Minister has announced to assist local authorities with the introduction of new free off-peak bus travel schemes from next April. I thank him for the sympathetic way in which he listened to those of us who lobbied him on the matter over the past few months. Will he assure the House that the measures he has announced today will ensure that no local authority will have either to increase council tax or to cut services in order to introduce the new system, and that no eligible traveller will pay more after its introduction than they do at present?

Mr. Woolas: In the run-up to the settlement, there have been several representations from authorities across the country, including my hon. Friend's transport authority. The measures that I announced today reflect a change in the proposed formula for allocations, especially in areas where there is high usage by pensioners and disabled people. I am sure that my hon. Friend will recognise that the change has been made in response to representations from both sides of the House, and I look forward to pensioners benefiting from free bus travel in his area.

Mr. Desmond Swayne (New Forest, West) (Con): The Minister said that he was keen to look again at the geography of the area cost adjustment. Well, will he look at mine—because he also said that he wanted greater reliance on and greater scope for resource equalisation, which means that my constituents, for whom, in effect, no account is taken of the higher costs associated with Hampshire, are expected to pay for services not in the New Forest but, increasingly, in places such as Durham? That is behind their increasing unwillingness to pay up.

The Minister of Communities and Local Government (Mr. David Miliband): What is wrong with Durham?

Mr. Woolas: I think the hon. Member for New Forest, West (Mr. Swayne) suspects that they are all poor up north.

In answer to the charge that has been made, the serious point is that resource equalisation is not the method by which the funding formula compensates authorities for the income, and relative income, of people in local authority areas. It is the measure in the formula whereby we take account of the type and spread of houses in the local authority area. When the hon. Gentleman gets the opportunity to look at the figures, he will see that in Hampshire there has been a 2 per cent. and 2.7 per cent. increase and that in his constituency of New Forest—

John Bercow (Buckingham) (Con): West.

Mr. Woolas: East and West—it is all one council. There will be a 4.7 per cent. increase for the council in both years. I hope that the hon. Member for New Forest, West will issue a statement to his local paper welcoming the fairness of the settlement.

Mr. Eric Martlew (Carlisle) (Lab): On the excellent free off-peak bus travel scheme for the over-60s and the disabled, my hon. Friend will realise that the Department's initial draft was not favourable to Carlisle. He has received representations from the chief executive, and I have had conversations with him. Can we take it from the statement today that the problems that we had with the draft have been sorted out and that the good people of Carlisle will all be able to enjoy that service free?

Mr. Woolas: It is, of course, the Government's intention to ensure that that is exactly the case. It is in the nature of grant allocations using formulae that the proof of the pudding is in the eating. That is why I have made the announcement in the manner that I have today, so that all local authorities can join one another—particularly at district level in county schemes, as well as in strategic transport authorities—and the Government to ensure that we achieve what I hope we all want to achieve: free bus travel for pensioners and disabled people outside peak hours.

Dr. John Pugh (Southport) (LD): Can we take another run at the concessionary travel issue, because I am not sure that the House is clear about it? Can the Minister say whether any part of the cost of the Chancellor's pre-election promise of free concessionary travel for pensioners now falls on any council tax payer, or is that completely funded by additional grant?

Mr. Woolas: The Chancellor has allocated £350 million, which is adequate to cover the costs of the concessionary scheme, as is recognised by all parties concerned. The hon. Gentleman is shaking his head, but the hon. Member for Cheadle (Mark Hunter) criticised me a moment ago with the allegation of centralising and taking powers. The hon. Gentleman can either have devolution or not. If he wants the concessionary fare system to work—I know that he does—I hope that he supports my attempt to implement that policy using the formula grant rather than a centralised grant, which is, of course, the alternative.

Mr. Neil Turner (Wigan) (Lab): I welcome the increase in the resource allocation equalisation element, which is partly intended to ensure that local authorities such as mine that would suffer because of the lack of the revaluation will be compensated somehow, but I doubt very much whether it will fully compensate them. Will my hon. Friend ensure that the neighbourhood renewal fund is extended at least until the Lyons review is implemented? Will he also ensure that the cap on that fund comes off, so that authorities such as mine will get the full amount that they are entitled to under the formula, rather than the reduced amount that they get at the moment?

Mr. Woolas: I thank my hon. Friend for his support. For the benefit of the House, I should say that the move towards full resource equalisation has been taken because it appeared to my right hon. Friends and me to be the sensible way to implement the new system, particularly given the announcement of the abolition of the formula spending share, which has been criticised by some local authorities.

My hon. Friend's authority—Wigan metropolitan borough, which is rated as an excellent authority by the independent Audit Commission—will receive grant increases of 2.3 per cent. next year and 3.8 per cent. the following year and neighbourhood renewal funds of £4.1 million for 2006–07. That fund is, of course, subject to a transitional relief scheme whereby, as areas become more prosperous under the scheme, the funding is tapered away.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): The Minister's announcement of a two-year settlement is to be welcomed if it is a good one; of course, if it is a bad one, it merely prolongs the agony for a further year. In that connection, Gloucestershire's fire and police settlements look particularly challenging. In Gloucestershire, our fire service has already been regionalised and our police force is about to be merged. No doubt, that will be followed by the Crown Prosecution Service, the probation service and the youth offending service. Will the Minister give us an absolute assurance today that, if the savings from those mergers do not occur—in fact, if there is a cost—none of the costs of those mergers will accrue to the council tax payers of Gloucestershire?

Mr. Woolas: The proposals on police authorities, which are under consultation, are driven by the policy of improving the effectiveness and efficiency of police authorities. However, I can reassure the hon. Gentleman, because the floor level announced for next year for the fire and rescue service of 1.5 per cent. must be viewed in conjunction with the generous approach that we have taken on the repayment of modernisation fund money. Additionally, new arrangements for fire and police authorities for paying pensions—the scheme for each is unfunded—have been devised in such a way as to benefit those authorities, so I expect that they will be widely welcomed. Before the hon. Gentleman draws his conclusions, I would ask him to read the small print, although I am not accusing him of not doing so.

Margaret Moran (Luton, South) (Lab): I welcome the increase of 5.2 per cent. in grant formula for Luton council up to 2007 and the stability that the Minister is

offering. I understand that this is the eighth consecutive year in which we have received an inflation or inflation-plus settlement for local authorities. However, is he aware that Liberal-Tory Luton council has already indicated that it will make swingeing cuts to social services on the basis of anticipated Government grant cuts, thus ending day care to the elderly and all but the most acute social services? Will he clarify that that is not necessary and investigate Liberal-Tory Luton, the financial mismanagement of which appears to be putting the most vulnerable in jeopardy?

Mr. Woolas: I thank my hon. Friend for her contribution. Proposals that are put forward on the basis of formulae that have not been consulted on are not real proposals. I sometimes think that those who advocate opposition to the formulae on which there has been consultation are the same people who ask for more consultation. Perhaps in this area, if not in others, we are damned if we do and damned if we do not.

I can give my hon. Friend the reassurance for which she asks. The proposed net increase in the 2006–07 formula grant for Luton is 2.8 per cent. The figure is 5.2 per cent. for South Bedfordshire council and 2 per cent. for Bedfordshire council. In the following year, the figure for Luton will be 4.9 per cent., and it will be 4.6 per cent. and 2.7 per cent. for South Bedfordshire and Bedfordshire councils respectively.

Mr. Philip Hollobone (Kettering) (Con): I declare an interest as a member of Kettering borough council. Is the Minister aware of the special situation that faces Northamptonshire, given that it is the county that faces the highest proportionate increase in its population as a result of the Government's growth area agenda? Will he advise the House which—and whose—population projections have been used by the Registrar General? The brief look that I have had at the document that has been produced today suggests to me that the Registrar General is rather underestimating the population increase in the county.

Mr. Woolas: I thank the hon. Gentleman for his question and acknowledge readily that he has taken a close interest in the matter on behalf of his area through his participation in debates. I point him to the proposals on the use of population statistics that have been announced today. In the past there was simply a regressive look at population, but there is now a balance between historical growth and future projections. I am more than happy to look into the detail of his point, but I think that the Government should be given support and praise today for the acknowledgement that we have made—both in the pre-Budget report of my right hon. Friend the Chancellor and the local council settlement—of growth area demands, which, incidentally, exist throughout the country.

Emily Thornberry (Islington, South and Finsbury) (Lab): In addition to the grant floor for different local authority types, will my hon. Friend explain further what he means by phasing of social services?

Mr. Woolas: I thank my hon. Friend for that question, which will be important to her constituents and people throughout London. I have announced today that in addition to the floor that is provided to give stability to different types of local authorities throughout the country, social services will themselves be subject to a floor of 2.7 per cent. in both the young people and adult formulae. As I said in my statement, the floor is a permanent part of the local government formula.

Orders of the Day

Work and Families Bill

Order for Second Reading read.

5.50 pm

The Secretary of State for Trade and Industry (Alan Johnson): I beg to move, That the Bill be now read a Second time.

This Government back Britain's families and back Britain's businesses. Those aims are not mutually exclusive, but mutually supportive. Flexible working raises employment levels for our economy, widens the talent pool for business and improves people's standards of living. It enables parents and other carers not only to stay in work, but to advance at work as well. It seeks to ensure that every child gets the best possible start in life.

The Bill has four main parts. It will extend paid maternity and adoption leave, extend the successful right to request flexible working to carers of adults, help fathers to play more of a role in their child's upbringing if the mother returns to work, and make it easier for employers to manage the administration of those rights.

The Bill is about fairness, social justice and genuine choice. It is a necessary response to unprecedented change within our society, to unprecedented change within our economy, with the growth of Asia, to advances in technology, and to huge shifts in demographics. It is also a response to unprecedented change in our homes. The old formula dictated that all mothers gave up work completely on childbirth, while fathers sometimes had to work longer hours to make up for the loss of income, particularly if the mother was the higher earner. Increasingly, fathers want to play a more active role in child care, beyond the first few weeks of the baby's life, and more and more mothers want to return to the workplace after having a child, often because of a financial imperative, but also because they see work as an important part of a fulfilled life.

Around half of all mothers now return to work after having a child compared with a quarter a generation ago. Men now take on a third of all child care. So the birth of a child need not be the end of the mother's career. Mothers should not be forced out of the work force when they would rather stay on, and businesses should not be deprived of highly skilled, highly trained, highly capable staff when they want to retain them.

Mr. Mike Weir (Angus) (SNP): I understand what the Secretary of State says and very much support the Bill, but one small group—those who have a family by means of surrogacy—has been missed out, and I have taken up a constituency case with Ministers in the light of employment relations. The Bill covers only natural birth and adoption. Will he consider including that small group within the ambit of the rights?

Alan Johnson: I would be prepared to consider that again. We found some complications with it, but there is every opportunity to look into that in Committee.

Providing genuine choice is important for the individuals concerned and for the companies for which they work, but it is also important for the country's continued economic prosperity. The Government are determined to increase the proportion of people in work from 75 per cent., which is the highest of any G7 country, to 80 per cent., a level achieved only in Iceland—that is the country, incidentally, not the retail outlet.

The so-called family-friendly agenda, which has a crucial economic dimension, was neglected for too long. When we came into power in 1997, a father could watch the birth of his child in the evening and be compelled to go to work the next morning. We established the entitlement to paid paternity leave for the first time in this country.

Norman Lamb (North Norfolk) (LD): Will the Secretary of State give an idea of the current take-up of the entitlement to two weeks' paternity pay? There is a great deal of concern that because the pay is quite low, and because of the straitjacket in terms of notice requirements and so on, the take-up is low.

Alan Johnson: I do not have the exact figure, but take-up is encouraging and high. The matter does not relate just to those people taking paid paternity leave under legislation, but to the number of companies that accept that paternity leave should be a normal part of employment rights. Many companies that have had arrangements for maternity leave have their own arrangements for paternity leave. I shall ensure that the hon. Gentleman gets the correct figure, perhaps during the wind-up, but it is encouraging.

In 1997, a working mother could receive a phone call from school saying her child was ill and her employer could still insist that she stay at work. We introduced a right to time off to deal with family and domestic emergencies. In 1997, adoptive parents—incredibly—were given no help whatsoever, despite the huge benefits to society of taking children out of institutions and placing them in a loving family environment. We have given adoptive parents broadly the same rights to pay and leave as natural parents. In 1997, paid maternity leave was 18 weeks. By the end of this Parliament, it will be 52 weeks. In 1997, maternity pay was £55 a week. Today, it is £106 a week.

Mr. Mark Prisk (Hertford and Stortford) (Con): The Secretary of State rightly suggests that the Bill should be about fairness. Is it fair that families who run small businesses should have to pay for the administrative costs of the changes that he is trying to implement?

Alan Johnson: In terms of maternity leave, the hon. Gentleman well knows that small businesses get 104.5 per cent. reimbursed, unlike larger companies. He was a distinguished member of the Committee that considered the Employment Bill. We also increased the level of national insurance contributions that determines the 104.5 per cent. so that more small firms managed to benefit from it. We have been meticulous in trying to keep the cost of the arrangements to an absolute minimum. In terms of maternity leave and its extension, we have introduced, as small businesses wanted us to, various arrangements to give practical assistance.

Mr. Prisk *rose—*

Mr. David Burrowes (Enfield, Southgate) (Con) *rose—*

Alan Johnson: I want to make one final point.

In relation to paternity leave, we are taking a power in the Bill. We intend to consult widely on the regulations to enact that. A large part of that will be to determine how small businesses are affected.

Mr. Burrowes: Although small businesses can reclaim contributions, does the Secretary of State appreciate the significant impact such leave has on them? As 95 per cent. have five employees or fewer, the loss of manpower and skills could be considerable. Although much in the Bill is to be credited, many might interpret it as tokenistic. A true family-friendly policy should be within the taxation system, to give proper recognition of single-earner households and to benefit them.

Alan Johnson: I do not accept that. Interestingly, the hon. Gentleman mentions manpower, so I presume he is talking about paternity leave. We do not initially expect a large queue of people waiting to take the leave. We think that it will apply to 16,000 to 18,000, and about one in 700 small businesses will be affected every couple of years. It is unlikely to have an enormous impact.

I want to stress the positive impact on the employment market and small businesses in particular. Many small businesses, including a small business man, Simon Topman, helped us to shape much of what we have done on work-life balance since we came into power. It is about ensuring that small businesses do not lose valued members of staff. People, usually women, found it difficult to balance their working life with their domestic requirements. Many small businesses have been pleased that the legislation has been implemented because it helps to retain staff.

Several hon. Members *rose—*

Alan Johnson: I shall give way to the hon. Member for Buckingham (John Bercow).

John Bercow (Buckingham) (Con): I have just taken a short and enjoyable period of paternity leave and I might plan to take some more, to the obvious and understandable delight of the Whips. With reference to the secondary legislation provided for in clauses 3, 4, 5, 6, 7, 8 and 9, will the regulations be subject to the negative procedure of the House or to its affirmative counterpart?

Alan Johnson: The regulations will be subject to the affirmative counterpart.

John Bercow: Excellent.

Alan Johnson: Although we would all miss the hon. Gentleman when he goes on paternity leave, I hope that he takes it.

Alison Seabeck (Plymouth, Devonport) (Lab): To return to the point made by the hon. Member for Hertford and Stortford (Mr. Prisk), does my right hon. Friend agree that small businesses benefit from offering flexibility to their staff, because they might otherwise lose experienced staff whose replacements would be expensive to train? The logic behind the provision is that by offering staff flexibility, a business retains their skills.

Alan Johnson: My hon. Friend is absolutely right. In fact, the average cost, for example, of the right to request flexible working is £80 whereas the average cost of recruiting a new employee is £4,800.

Mr. Tobias Ellwood (Bournemouth, East) (Con): I am concerned about the Minister's statements on how the measure will affect small businesses. Is he not worried that if more burdens are placed on small businesses, they will design their work force to avoid the people who might receive paternity and maternity rights? *[Interruption.]*

Alan Johnson: As the chorus behind me is pointing out, that would be illegal. The hon. Gentleman makes the argument that we heard when we introduced the right to request, when we introduced the national minimum wage, when we introduced adoptive leave—in fact, on every occasion when we have tackled that agenda. Conservative Members such as the hon. Member for Buckingham (John Bercow) and the right hon. Member for Maidenhead (Mrs. May) recognise that it is an important agenda. It is about time their party adopted a positive approach to it. As soon as we get anywhere near setting up decent, civilised, minimum standards in the workplace, we hear a chorus of, "This will reduce people's ability to recruit staff." Yes, that is a crucial concern that needs to be tackled and we have tried very hard to ensure that it is, with some success.

Helen Jones (Warrington, North) (Lab): In addition to emphasising the benefits to small businesses of the measures in the Bill, will my right hon. Friend resist the siren calls to deal with the matter purely through the tax system, which is a regressive way of dealing with it? Maternity rights and benefits have benefited a lot of low-earning families and dealing with the matter through the tax system will benefit only those who can afford to live on one wage.

Alan Johnson: My hon. Friend makes an extremely important point more eloquently than I could. We must consider that during our debate.

Mr. Prisk: Some time ago, when answering my original question, the Secretary of State said that small business organisations had made clear representations that they favoured elements of the Bill.

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. Gerry Sutcliffe) *indicated assent.*

Mr. Prisk: I see the Under-Secretary of State nod. Unfortunately, he has just given me a reply to a written question that states that he is not aware of what the representations from small businesses were. Will the Secretary of State now answer a simple question? A moment ago, he told the House that he understood that the small business community was very much in favour

[Mr. Prisk]

of the changes, especially the maternity leave provisions. Will he therefore explain why 80 per cent. of the respondents to a survey conducted by the British Chambers of Commerce said that they had grave reservations and opposed those changes? I, like the right hon. Gentleman, want to do the right thing for parents, but we must do the right thing for businesses as well.

Alan Johnson: I think that that survey, if it is accurate, was about interchangeable leave, which has now turned into additional paternity leave, and the idea that small businesses would have to police a system in which they had to know that the mother had returned to work before they could give authority for the father to take the additional paternity leave. That is why we have taken a power in the Bill to ensure that we are able to consult widely. We have ideas, which will probably emerge during this debate, about how to achieve that using a very light touch.

The issues that small businesses mentioned to us included the rule that maternity leave and maternity pay start on different days and the complication that that produces. Small businesses asked why it could not all start on the same day and whether the rate could be a daily rate, rather than a weekly one. The latter would help with another issue that they raised, which was that if a woman was going to be away from the workplace for up to 12 months, there should be an opportunity to bring her back in—for a day's training, for example—with the agreement of both sides and without penalty. If that happens now, the woman loses a week's maternity pay, just for coming back for a refresher day to get used to new technology. Those are practical considerations, as is small businesses' request that a woman who returns from maternity leave before the end of that leave should have to give more than four weeks' notice, which is all she has to give now. We have therefore doubled that requirement to eight weeks, because that is a legitimate and practical thing to do. In that and many other ways, we have shown that we are keen to help small businesses to deal with these matters.

Miss Julie Kirkbride (Bromsgrove) (Con): Before moving on will the Secretary of State answer what I feel is an illogical point in the arguments made by some Labour Members? If he is right and the measures will be of great benefit to small businesses, because it would cost them £80 to process an application for maternity leave whereas it would cost some £4,000 to train high-value staff, why cannot businesses work that out for themselves, without his law making them do it?

Alan Johnson: I was talking about right to request costing £80. When we introduced the right to request—I see several faces familiar from the time spent scrutinising that legislation—we were told that it would be the end of civilisation itself, that it would be horrendously bureaucratic and would affect people's jobs, but that simply has not happened.

The cost to business of the maternity leave provisions has hardly figured in the representations. Concerns have been voiced about paternity leave and the extension of right to request, but little concern has been expressed about providing that a mother should have nine months' paid maternity leave instead of six months and that that should eventually increase to 12 months. That has widespread support.

John Bercow: The Secretary of State is being extremely generous in giving way. In clause 13, which deals with annual leave, he is proposing to be able in certain situations to introduce regulations to prescribe certain periods—presumably minimum periods—of annual leave to be allowed. I ask in all seriousness, is the intention to apply the power relatively narrowly in order to cater to the interests of groups of workers who have either no annual leave entitlement to speak of, or a very modest entitlement? I refer, for example, to the cleaners contracted to work for the House of Commons, who have a pathetically inadequate annual leave period of 12 days. If the intention were to deal with that situation, there could be a lot to be said for the clause. Perhaps the right hon. Gentleman will explain.

Alan Johnson: The intention is to fulfil a manifesto commitment that employers will no longer be allowed to take bank holidays into account as part of employees' four-weeks statutory entitlement to annual leave. Bank and public holidays must be additional to the four weeks' paid leave. That is the reason for the clause.

So, Madam Deputy Speaker, I return—

Norman Lamb: Will the Secretary of State give way?

Alan Johnson: Well, I almost returned to my script—*[Laughter.]* I give way to the hon. Gentleman.

Norman Lamb: I am grateful to the Secretary of State for his generosity. On the point that he just made, the Confederation of British Industry has suggested that any increase in annual leave entitlement to deal with bank holidays should be phased in to allow businesses to adjust. Does he have in mind such a phasing-in?

Alan Johnson: Again, we have taken a power in the Bill because we want to consult widely and listen to such arguments. That will be an important part of the debate on that part of the Bill.

Since 1997 we have trebled the financial support that a working family gets in the first year of a child's life from £2,610 in 1997 to more than £8,000 by April 2007. We have created 1.2 million additional child care places and guaranteed all three and four-year-olds a free part-time nursery place. It is worth remembering that the Conservative party opposed every single one of those measures.

The Bill has four principal parts. The first part will allow us to extend paid maternity leave and adoption leave from six months to nine months from April 2007. By the end of this Parliament, we intend to extend that to a full 12 months' paid maternity leave. The second part will extend paternity leave and paternity pay. Paternity leave will increase by up to six months in the second half of the baby's first year if the mother returns to work. The third part of the Bill will extend the right to request flexible working from April 2007 so that it covers carers of adults, as well as parents of small children and disabled children up to 18 years of age. The right to request has been an enormous success and has

been taken up by almost one in four parents—almost 1 million parents in total. Eighty per cent. of all requests for more flexible working have been agreed immediately, with a further 10 per cent. agreed with modification as a result of discussions between employer and employee. Only one in 10 requests have been refused.

Most respondents to our consultation said that carers of adults should be the priority in extending the right to request. Some 6.6 million people have caring responsibilities and 3.5 million of them have jobs. Their role in society has become more important, given the ageing population and a growing need for family care rather than institutional care. That is why this aspect of the Bill will make an important contribution to the economic as well as the social environment.

Mr. Philip Hollobone (Kettering) (Con): I hope that the Secretary of State will not finish his introductory remarks without placing on record his appreciation of mothers who decide to stay at home to bring up their children. Where in the Bill are there proposals to improve their pension entitlements when they eventually retire, perhaps after going back to work once their children have grown up?

Alan Johnson: They are not in this Bill, but they are in the Turner report, and we will have to wait for the response to Turner. As I said earlier, the Bill is about genuine choice. If a mother's genuine choice is to stay at home with her child, that is fine—that is exactly as it should be. However, we do not want women being forced to stay at home because they have no alternative and having to give up their career. Nor do employers want that; it is bad for society and for the employment market in general, but it happened quite regularly before these measures were introduced.

Barbara Keeley (Worsley) (Lab): The Secretary of State said that the right to request flexible working would be extended to carers, and I applaud that vital step. As he said, we are talking about 10 per cent. of the population, or about 6 million carers. Friday was carers' rights day, and I met carers in my constituency who were juggling work and caring, which is difficult. Will the Secretary of State tell the House what definition of caring he intends to use in the regulations, because it is important that that definition remains as simple and flexible as possible?

Alan Johnson: I agree with my hon. Friend. We have not yet decided precisely how we will define it. Obviously, we cannot be simplistic and say that it applies just to elderly parents; siblings also have to be looked after. We cannot say that people have to live in the same house; they could live in another house nearby. We therefore aim to publish draft regulations as the Bill goes through the House so that people can see at all stages what our ideas are and so that we can bring the proposals to fruition for their introduction in April 2007, as we promised in our manifesto.

Kitty Ussher (Burnley) (Lab): My right hon. Friend said that he wanted to support women in their choices. When he issues the regulations during the passage of the Bill, I urge him to bear in mind those women who want to go back to work before the six month period. They may simply want to return to work, but they may also be the higher earner in the relationship or run a business that would go to the wall if they did not take a hands-on approach. In those circumstances, I very much hope that my right hon. Friend agrees that fathers who want to exercise their paternity rights before the end of the six month period should be allowed to do so.

Alan Johnson: We will certainly reflect on that. The result of the consultation that we published in February was a clear preference to protect that first six months, not least because of the World Health Organisation drive, to which we subscribe, to encourage women to breastfeed for the first six months of a child's life. That was the overwhelming response to the consultation. However, as the Bill proceeds through Parliament, we will listen to representations to see whether we should be more flexible.

Peter Luff (Mid-Worcestershire) (Con): The Secretary of State helpfully said that draft regulations would be published while the Bill proceeds through the House. The timetabling motion says that the Bill will complete its Committee stage by Tuesday 20 December. Does he intend to make those draft regulations available to the Committee before it finishes its work?

Alan Johnson: We can try. The timetable is a little tight, but I hope that we can publish those regulations before the Committee rises. That is probably a heroic ambition, but I hope that we can publish the regulations while the Bill completes its remaining stages and certainly by the time that it returns from the Lords.

Julie Morgan (Cardiff, North) (Lab): Does my right hon. Friend agree that the consultation on the regulations is important, particularly in relation to carers for adults and disabled people, many of whom do not regard themselves as carers at all? They would not immediately recognise that they are entitled to a request for flexible working, for example, because they are motivated by a sense of duty and loyalty, and they do not regard themselves as carers.

Alan Johnson: Once the Bill has completed its passage through the House, we must ensure that people, including carers, understand the provisions that are designed to help them. When the right to request was originally introduced in 2002, it quickly became a well-known factor in the workplace. Indeed, many carers asked us at an early stage whether it could be extended to them. There is therefore quite a high level of awareness, but I accept the important point that my hon. Friend made. We must work to ensure that awareness is increased.

I was talking about the important role of carers in society, which is a significant aspect of the Bill.

Mr. Jim McGovern (Dundee, West) (Lab): To pursue the point made by my hon. Friend the Member for Burnley (Kitty Ussher) about a mother wanting to return to work before the end of the six-month period, does my right hon. Friend agree that a mother who wants to extend maternity leave beyond the six-month period may feel that she is being forced to return to

[Mr. Jim McGovern]

work, even though she does not necessarily want to do so, to allow some father and child bonding to occur and because, otherwise, the father will not be able to use his paternity leave?

Alan Johnson: Given the way in which we plan to introduce the legislation, that will not be a concern. Two criteria must be satisfied for the provision to be implemented. First, the father must be working and in employment and, secondly, the mother must take maternity leave, then return to work. The point made by my hon. Friend is one reason why people suggested that we should keep the six months exclusively for the mother. I do not accept that the danger he outlined will arise, but we will look at the provision more carefully as the Bill proceeds through the House.

Norman Lamb: To return to the issue of flexible working and carers, the right hon. Gentleman's response to an earlier intervention suggests that he is looking at a wide definition rather than one that applies to a narrow group of people, which would be of little value. Will he confirm that that is the case? The Parkinson's Disease Society points out that it is problematic to make a request only once a year, particularly with conditions that vary over time. Will the right hon. Gentleman reflect on that to ensure that there is sufficient flexibility for people who care for individuals with conditions that may change over time so that they can return to their employer to discuss alterations to their arrangements?

Alan Johnson: We will reflect further on that point—the hon. Gentleman has said that that means that we will not do so, but that is not the case. We think that one request is correct, because it would be difficult for employers and, indeed, employees if such requests were to become six-weekly rituals. In that case, someone who had been granted flexible working would have to ask for it again a little while later. Furthermore, if a dialogue were to take place in which everyone accepted that a company could not work like that, it is unlikely that that company would be able to grant a flexible working request two months later. Those are the reasons why we originally limited requests to one a year, but, obviously, if the society that the hon. Gentleman has mentioned wants to make a representation on that point, we can re-examine the matter.

Fourthly, the Bill includes a number of deregulatory measures to help business manage absences related to child care. Businesses said that they need more notice of when women who do not want to take their full entitlement plan to return from maternity leave. As I have said, we have increased the period of notice from one month to two, which provides the kind of certainty that will greatly assist employers. Employers also said that they would like to calculate maternity, adoption and paternity pay in daily as well as weekly amounts, because the rules on maternity leave and pay were out of sync and were creating problems. As I have said, we intend to address those employers' concerns.

Businesses also said that the rules about contact were too restrictive, meaning that employees were missing out on things that they wanted to do, such as training. The Bill contains a power to allow "keeping-in-touch days", so that where employers and employees agree, a limited number of days of work can be done without employees sacrificing pay or ending their leave. We will follow that up by introducing regulations that make it clear that employers can make reasonable contact with their employees on maternity leave and adoption leave.

Finally, the Bill also includes a power to deliver our manifesto commitments on annual leave. While many people already get bank holidays in addition to their statutory leave, some do not, and the powers in the Bill will enable us to rectify that. However, we do not underestimate the complexity of the matter and will consult fully before exercising those powers.

Mr. Prisk: Will the Secretary of State tell the House whether those powers are retrospective? I assume that they are not, but the legislation does not make the matter clear.

Alan Johnson: The hon. Gentleman's assumption is correct—those powers are not retrospective.

In closing, there is a myth about the family friendly agenda that it will stop employers taking on women, and we have touched on that point in interventions. Yet female employment rates are rising, and countries with more family friendly policies have more women in jobs and senior positions than elsewhere. The best businesses are competing to offer more flexible working patterns, because they know that such working patterns are good for business.

The Bill promotes, rather than hampers, competitiveness; it broadens, rather than narrows, choice; it is good for business; it is good for families; and, most importantly, it is good for children. It is a Bill that progressive politicians on both sides of the House should support, and I commend it to the House.

6.23 pm

Mrs. Theresa May (Maidenhead) (Con): I am pleased to say that we agree with many of the aims of this Bill and some of the proposals within it. However, I am bound to tell the Secretary of State that I am disappointed by the complete lack of joined-up government. I shall repeat a point that I made only a week ago in this House, when we debated the Childcare Bill and discussed how it could help parents to achieve a work-life balance: this Bill is also about helping parents to achieve a better work-life balance, so surely the two should have been put together in one Bill, which would have enabled us to examine and debate both sides of the issue. Instead, the Government have chosen to introduce this separate Bill, which has only 20 clauses.

Given the Government's insistence that the two Bills should be handled separately, it is surprising that they appear to have had such difficulty in deciding who should lead for them tonight—during the course of today, we have been told about three different ministerial line-ups, but I am pleased that the Secretary of State has led for the Government in tonight's debate.

John Bercow: We are gratified.

Mrs. May: It sounds like my hon. Friend the Member for Buckingham (John Bercow) is rather too easily gratified.

In my role as shadow Secretary of State for the family, I have opened both debates for the official Opposition, which shows that we are more interested than the Government in joined-up thinking. The fact that I have been joined by my hon. Friend the Member for Epping Forest (Mrs. Laing), who is a member of our Department of Trade and Industry Front-Bench team, shows that we want to achieve a balance between family and business needs. I urge the Government to ensure that while they are going through interesting and difficult times—the leadership, pensions reform and education reform—they do not lose sight of delivering the important aims of both this Bill and the Childcare Bill, which will have a significant impact on both families and businesses across the country.

The Secretary of State has referred to the movement among many businesses up and down the country to understand and deliver on the need for more flexible working practices. Small businesses often find it difficult to enact such provisions, but they often provide flexible working, although they would not perceive it as such—they perceive it as ensuring that long-standing or expert members of their work force can be kept within the workplace.

Conservative Members recognise that for many families, balancing the demands of family and career is incredibly difficult. Recent polling by the Equal Opportunities Commission found that nearly seven in 10 women and men agreed or agreed strongly that women's and men's lives are becoming more alike in terms of their need to balance work and family life. The poll also found that 70 per cent. of people were concerned about what family life would be like for their children and grandchildren, and more than six in 10 were concerned about spending enough time with their family. Indeed, the EOC polling showed that people were more concerned about those issues than they were about the state of the health service or crime in their local area. Many families simply have no choice about whether one or both parents goes out to work, and the kind of support that we were discussing last week on the Childcare Bill and now on this Bill can make the difference for families between coping and not.

Many new mothers want to get back to work as quickly as possible. They want to enjoy a good career and a good relationship with their children, but they sometimes find it hard to do so, because of the prohibitive costs of child care. Other mothers would like to take longer off work to care for their newborn child, but simply do not feel that they can afford the absence from work. Both are equally valid choices, and both put mothers under enormous strain.

We all recognise that the early months in a child's life are incredibly important and that the positive effects on a child's development from time spent at home with their mother can be hugely beneficial in many cases, which is why we support the Government's intention to extend the period of maternity pay to 39 weeks. Measures which give parents more choice will continue to gain our backing, but many parents will still feel unable to take so long off work. Sometimes they do not want to be away from their jobs for such a long time, but in many cases they are forced back to work earlier than they might wish because they cannot afford to stay at home on the current provision.

We have always said that new parents should have a real choice about whether and for how long they stay at home with their newborn child. All families are different, and their needs and priorities are different, and the system of maternity pay should be as flexible as possible to meet those needs. Many families will find that the pay offered over the nine-month period is still not enough, which is why we announced plans at the last election to give mothers the option of receiving the total sum that the Government propose to pay over nine months over six months instead. They would thereby have had a significantly increased sum of maternity pay over those six months. We wanted to offer parents a real choice between that significantly increased maternity pay for six months and the current level of maternity pay over nine months and to put them back in control of whether and when they go back to work.

Earlier this year, in an article in *The House Magazine*, my hon. Friend the Member for Havant (Mr. Willetts) set out several proposals that he believed the Government should be pursuing in order to ensure that businesses were protected as regards maternity and paternity pay. He cited:

> "An increase to the current 28 days notice period for all women returning to work . . . Central administration of maternity benefits with the opportunity for larger businesses to opt out of a central scheme"

and

> "clearer guidelines for communication between employers and employees during the maternity leave period."

I am pleased that the Secretary of State said that the Government will move on at least two of those points, notably on the increased period of notice, which will be welcomed by all employers, and on communication between employers and employers during the maternity leave period. For many mothers, it is extremely important to continue to have contact with the workplace, not only to keep abreast of developments but to feel that they are still in touch with the workplace and have not been forgotten and left to one side.

I note that those matters are to be taken up in regulations instead of being covered in the Bill. I return to the point that was ably made by my hon. Friend the Member for Buckingham, who cited several clauses that refer to regulations. A significant amount of the Bill's detail is subject to regulations. I welcome the Secretary of State's commitment to publishing draft regulations as soon as possible. It would be preferable if that could be dealt with in Committee, but at least we should be able to look at the detail when the Bill returns on Report. This is a short Bill, and an awful lot of it will be subject to what those regulations say.

John Bercow: I am grateful to my right hon. Friend for her remarks. The Secretary of State responded to my intervention dextrously and without a moment's hesitation, as is his wont, but I am not entirely certain that his answer was correct. I specifically asked him about the order-making powers in clauses 3, 4, 5, 6, 7, 8 and 9, where no reference to the affirmative procedure is made, in marked contrast to provisions in later clauses. If I am wrong, I am happy to concede that, but I do not think that I am.

Mrs. May: I understood the Secretary of State to indicate that all the regulations in those clauses would be subject to the affirmative procedure, notwithstanding that that is not mentioned in the Bill. Perhaps he could clarify that.

Alan Johnson: I shall try to be as dextrous as possible. I am pretty sure that that applies to all the clauses. The point to which I gave a quick answer concerned paternity leave, which will be subject to affirmative resolution.

Mrs. May: I suspect that we will return to this in Committee.

We recognise that the right to request has been successful since it was introduced. Everyone, including employers' organisations such as the CBI, agrees that it has worked in balancing the needs of employers and employees. It is encouraging that 90 per cent. of requests are being accommodated by employers. That has had a positive impact on the families who have benefited and on business. In looking to extend it, it is right that the Government should do so only one group at a time.

As the Secretary of State acknowledged, Britain's carers make a significant contribution to our society. Indeed, it is estimated that they save the Treasury about £57 billion a year. They deserve the same life chances that we all take for granted—to enjoy a fulfilling career and to have a healthy life and financial stability in old age. Many carers want to continue working and enjoy the independence and the break from their caring responsibilities that work provides. More than 2.5 million of the 6 million or more carers juggle care with paid work, but as many as 50 per cent. have been forced to give up work because of their caring responsibilities.

Flexible working and the promotion of family-friendly policies are good for employers and benefit business, with improved employee relations, greater staff retention, lower recruitment costs and a happier, more motivated work force. That is why we will support the Government's aim of extending the right to request to carers. We are, however, concerned that the definition of "carer" needs careful consideration. As the hon. Member for Worsley (Barbara Keeley) said, we must ensure that we get it correct. What plans do the Government have to work with carers' groups and businesses to ensure that it not only benefits the groups that it is intended to benefit but is workable for the businesses that will put this into practice?

It is clear that some employees feel increasingly put upon or hard done by as a result of parents or carers being allowed rights such as the right to request. Many of these new rights work only because of the goodwill of work colleagues who do the extra shifts or accommodate the changes in work patterns for employees. It is important to ensure that the system does not build up resentment in the workplace. Many businesses are now seeing the case for allowing all employees the right to request flexible working. I would be interested to hear what discussions the Government are having with the CBI and others on extending these rights further in due course.

As I said, we support moves to help families and to give them greater control over their working and family lives. However, we all recognise that any family-friendly policies in the workplace will be successful only if they help business to innovate and to stay competitive. The measures that we have talked about, along with better child care and increased support for parents, allow business to make better use of its work force. They allow employers to retain skilled and effective staff and to keep up morale. The business case has been proven. That is why, in so many cases, business has been leading the way. We should pay tribute to that. Many businesses have found yet more innovative ways to help their staff and to get the best out of them. But the Government's measures will not work if they affect competitiveness. There is no point in being family-friendly if we are not job-friendly.

When the Secretary of State went on the "Today" programme to herald the Bill, he prayed in aid the CBI and claimed that the Bill was supported by business, but that is not quite the case. Yes, the CBI supports the extension of paid maternity leave and the extension of flexible working, as well as the increase from 28 days to two months of the notice period for employers when the mother intends to return to work, and the clarification about reasonable contact. However, business has grave concerns about other parts of the Bill. As the CBI said in the briefing that it sent out today:

> "Serious concerns remain over Additional Paternity Leave and whether the Government will deliver significant support for employers".

In the words of John Cridland, the CBI's deputy director general:

> "The government cannot have its cake and eat it".

Employers were originally told that this would be a "balanced" Bill giving increased rights to employees, with greater powers for and decreased burdens on business. However, several of the measures set to help business that the Government flagged up at an earlier stage have been dropped, seriously affecting the balance between family-friendly and employer-friendly policies.

Why did the Government decide not to proceed with the proposed transferable maternity leave and pay scheme that they outlined in their election manifesto earlier this year? The hon. Member for Burnley (Kitty Ussher) mentioned that in her intervention on the Secretary of State. Do officials believe that there is a significant risk that the manifesto pledge on transferability would contravene equality legislation? It would be interesting for Members who will serve on the Committee to see the legal advice that the Government received. The Government have a habit of ditching manifesto commitments, but it is unusual to see it so early after a general election. There is genuine concern in business that the Government are not, as they first proposed, implementing transferable maternity leave, which the CBI accepted as long as it was administratively simple, but are instead introducing a new right to paternity leave. There is a real difference between those two things.

Alan Johnson: We have been at pains to explain to the CBI and others that the paternity leave proposals will introduce precisely what would have applied under interchangeability. European and domestic law is tight on protecting the rights of women, so providing for some interchangeability and for them to be allowed to give up some of their leave was difficult legally. We have

found another way to achieve that: the woman must be back at work for her partner, the father, to pick up the remaining leave. We always intended—because it was the result of the consultation—for that to happen in the second six months of the baby's first year. The actual outcome is therefore exactly as we pledged it in the manifesto. It is simply not interchangeability, which we originally envisaged, because of the legal problems.

Mrs. May: I am grateful for that clarification and I accept that an element of transferability remains in the Government's introduction of the additional paternity leave. However, the way in which it is being done in the Bill creates a new right to paternity leave and many employers are concerned about that. They are not necessarily worried about the transferability element but about the potential requirements for the paternity leave further down the line. I remain attracted to the concept of interchangeability. Indeed, we proposed that for consideration more than a year ago. The hon. Member for Burnley set out some of the circumstances in which a family may feel that it makes sense for them for the transferability to happen earlier than at the end of the first six months. I am sure that we shall revert to transferability and its legal aspects when we consider the Bill in more detail in Committee.

Earlier, I referred to the comments of my hon. Friend the Member for Havant. One of his suggestions to the Government related to the central administration of maternity benefits. Small employers in particular find the statutory maternity pay calculation and the paperwork involved complex. As has been widely discussed in the past, small firms should focus on winning new business, not filling in forms for the Government. They would greatly benefit if the administration of statutory maternity pay were handed back to the Revenue, assuming that a simple procedure for supplying the information to the Government could be developed.

Many larger firms are happy to continue to administer statutory maternity pay because they are more aware of the rules and more likely to pay occupational maternity pay and they have already invested in the systems that enable them to do that easily. However, many small businesses would perceive the central administration of maternity pay as a significant opportunity to reduce the burden of maternity leave. I continue to believe that it would make sense for the Government to allow firms to choose whether they hand back the administration of statutory maternity pay to the Revenue, providing employers, especially small businesses, with much-needed extra support to help them cope with the significant extra and unexpected burdens.

Alan Johnson: I accept that Opposition Members have not had time to absorb the figures but does the right hon. Lady agree that, if direct payments cost the taxpayer £75 million for a saving to business of £1.1 million and only £400,000 to small businesses—those figures are the outcome of extensive discussions with businesses—it is not worth proceeding with the idea?

Mrs. May: I have only recently heard those figures. I have not seen the calculation and I do not therefore necessarily accept them. I acknowledge that the Government wish to make a balanced judgment on the cost to the taxpayer and that to small business. However, I find it surprising that the benefit to small business is as small as the Secretary of State suggests. Business organisations have asked questions about the validity of the Government's figures.

Mr. Prisk: I accept that the figures are recent and that the Secretary of State's offer to make the process more transparent is welcome. However, does my right hon. Friend agree that it is a shame that the regulatory impact assessments appear to make several omissions? Indeed, no calculation is made for time loss. For businesses, time equals money. Does my right hon. Friend agree that Government regulatory impact assessments make a huge mistake in not including the cost to business of the loss of time?

Mrs. May: I agree with my hon. Friend's analysis of the problems with the figures that the Government provide. That is precisely why I am reluctant to accept the figures that the Secretary of State cited at the Dispatch Box today.

Mr. Peter Bone (Wellingborough) (Con): It strikes me that the Secretary of State's statement clearly shows that private business can do things a lot better than the Government. However, it probably also shows that the Government have grossly underestimated the cost to small businesses. There must be some mechanism whereby small businesses get additional payments if they are to continue to do the administration.

Mrs. May: My hon. Friend makes some valid points about the genuine impact of legislation on small businesses. Our debate is about getting the balance right between the need to encourage greater ability for families to find the work-life balance that will suit them and to ensure that, in doing so, we are not restricting the competitiveness of British business.

Peter Luff: The Secretary of State produced a fascinating set of figures. If they are accurate, it is difficult to argue with his case. However, it might help us to form a judgment if we knew whether the figures had come from the Treasury or the Department of Trade and Industry. That would colour my interpretation of them.

Mrs. May: My understanding is that the Treasury, not the Department of Trade and Industry, did the major work on the figures. That may colour both the figures and my hon. Friend's view of them.

Although we support measures that make parents more able to spend time with their children, we remain to be convinced that the Government can introduce a system for managing paternity pay that allows the necessary checks to prevent abuse but is not overly bureaucratic for employers to administer. On past form, we are doubtful that the Government will deliver.

We also seek greater clarification of the proposals, to which my hon. Friend the Member for Buckingham and the hon. Member for North Norfolk (Norman Lamb) referred, for introducing regulations to give the Government the power through secondary legislation to bring in new rules on leave entitlement.

[Mrs. May]

In his responses to interventions, the Secretary of State made it clear that the Government intended to introduce powers to ensure that the annual leave entitlement for employees did not include the UK's eight bank holidays. If my hon. Friend the Member for Buckingham is correct, the House authorities will have to pay some attention to that proposal.

I am sure that most employers want to ensure that their staff have adequate paid holiday and will support the need to provide it for their employees, but that move will impose a substantial cost on some businesses and I doubt that many will relish the thought of giving the Government carte blanche to change the rules. Although the Secretary of State was specific about the intention of clause 13, the provision is vague and simply gives the Secretary of State the power to introduce secondary legislation that can affect the rules on leave entitlement. We will want to press the Government on that. If they have a specific intention, it should be in the Bill. Many employers might accept what the Government and the Secretary of State say about bank holidays as part of annual leave entitlement, but they would be worried about giving the Government a simple power to introduce—at some stage in the future—other regulations on leave entitlement.

John Bercow: As a general principle, there should be even-handedness between the treatment of the private sector and the public sector. Or, to put it another way, it is certainly not reasonable to impose on the private sector financial costs that it is not judged proper to impose on the public sector. In that context, does my right hon. Friend agree that it would be useful to know, in regard to clause 13(4), whether the Government intend to apply the provisions to persons in Crown employment?

Mrs. May: Perhaps the Minister will clarify that point for my hon. Friend when he winds up the debate. The power in clause 13 would certainly give the Government the right to do that. I accept my hon. Friend's overall point about the need to ensure that we strike a balance between the public and private sectors. Indeed, many people are exercised at the moment about the balance between public and private sector pension entitlements. There is a significant and growing gap there, and the Secretary of State has recently made decisions that will encourage that gap to grow. It is incumbent on the Government to look upon themselves as an employer, and to ensure that their house is in order. Another area in which I am afraid they do not come up to the standard that we would expect is that of equal pay. I understand that, while the pay gap in this country is generally between 17 and 18 per cent., it is 21 per cent. in the civil service. The Government really need to look at these issues, and to put their house in order.

On the regulations that the Government will use to introduce the rules on leave entitlement, it is important that they should discuss with business the impact that any sudden change would have, and that they ensure that any change is introduced in a way that would reduce the severity of that impact on business. A balance needs to be struck between meeting the needs of employees and ensuring that any new provision does not have a detrimental impact on keeping the business environment competitive.

Families are increasingly looking to us in Parliament to provide a framework to help them cope with the pressures of modern life. Businesses are looking to us to ensure that we do not tie their hands and make them unable to compete in a fiercely competitive global market. It is up to us in this place to ensure that we strike the right balance between being family friendly and business friendly. We on this side of the House will work constructively to achieve that.

Several hon. Members *rose—*

Madam Deputy Speaker (Sylvia Heal): Order. May I remind right hon. and hon. Members that Mr. Speaker has imposed a 10-minute limit on Back-Bench speeches in this debate?

6.52 pm

Liz Blackman (Erewash) (Lab): Thank you, Madam Deputy Speaker for calling me. I do not think that I shall use up all my allotted time this evening.

I e-mailed an officer from the National Autistic Society—which supports the aims of the all-party group on autism—for a briefing on the Bill. He e-mailed me back to say:

"We focus on clause 12 on flexible working, and it is short because we are basically happy with it!"

I should like to tell the Secretary of State that I am pleased, too. Clause 12 builds on the flexible working provisions in the Employment Act 2002, which confers on parents of children under six, or of youngsters up to 18 with a disability, a statutory right to request a change in their terms and conditions, so that they can move into either part-time or home working, or some other mode of flexible working that fits in with their needs. The Act places on employers a duty seriously to consider such requests, while also providing them with certain grounds for refusing them. It is worth reading those provisions. They aim to protect the employment base and have increased the confidence of employers to move into flexible working, which has led to greater productivity in the business world.

It was inevitable that the provisions in clause 12 would be introduced after they had been signalled in 2004, and they are the result of extensive consultation. They extend the right to request flexible working to those people who care for sick and disabled adults, and they will come into force in 2007. That represents a ground-breaking change, and it has been introduced in response to the relevant evidence. According to the Equal Opportunities Commission, there are 4.4 million carers of working age in this country, one in five of whom have either left a job or been unable to take one because they could not balance all the different responsibilities involved. Some 2 million people take on a caring responsibility each year, and the demographic trend forecasts that more and more of us will become carers. This provision in the Bill will give such people the right to balance their lives.

There is also a sound economic case for businesses to take such people into their work force under these conditions, given the wasted potential of carers with

skills and talents who could be contributing to the economy in a tight labour market. It is grossly wasteful not to use them. The provisions will also offer carers, many of whom are on low incomes, the opportunity to boost their income and to put aside a little more for their pension provision.

Several hon. Members have mentioned the fact that we must get right the definition of carers, and I am extremely pleased that this knotty problem is to go out to significant consultation before any definition is decided on. Such a definition needs to capture the full army of carers whom we are seeking to encompass in the Bill. The preferred definition of Employers for Carers, the Equal Opportunities Commission and the National Autistic Society is:

"Carers are employees with significant caring responsibilities that have a substantial impact on their working lives. These employees are responsible for the care and support of disabled, elderly or sick partners, relatives or friends who are unable to care for themselves."

I understand that there is no point in having a consultation if we alight on a particular definition right at the outset, but I hope that the Secretary of State will consider that definition as the basis of a working consultation process.

How are the provisions working at the moment? It is one thing to introduce a good piece of legislation; it is another for it to translate into effective action. Many employers already offer flexible working to groups outside the scope of the existing law. According to the Office for National Statistics, however, only a quarter of employees who are eligible to request flexible working have done so; four fifths of them have been successful. The Work Foundation report found that parents on low incomes were less successful in having their requests accepted. All those statistics illustrate that we still have a long way to go and that we need to be more proactive, particularly in helping carers who are not already in work or who do not belong to carers' groups. They fall below the radar, so we need to think more proactively about how we can inform them and engage with them.

Another aspect of the debate on clause 12 relates to including the carers of children aged six to 18 who do not fall within the disabled category in the right to request flexible working. The phasing in of different groups is sensible, but I hope that we can look at this issue sooner rather than later. Many children do not fall into the categories for which we are legislating, but need their parents to be around more than other children do. There are issues such as family breakdown, young children and older children with mental health problems, 16 and 17-year-olds who are beginning to develop schizophrenia, young girls who develop anorexia and teenagers with drug dependency.

That said, the Bill will make an enormous difference to carers because it will enable them to spend the time that they need with the people who are important to them, and either to stay in or to take up work. For them, that is not just an economic advantage; it provides a sense of self.

7 pm

Norman Lamb (North Norfolk) (LD): To pick up on the point made by the hon. Member for Erewash (Liz Blackman) about flexible working for parents of teenage children, as the father of two teenagers I am acutely aware of the pressures of being a parent of children of that age. There is a strong case to extend the right to that group of parents, as well as to carers, at some stage. I hope that the Government will consider the timing of introducing that.

It is a pleasure to return to some of the issues that we debated back in 2002, on the Employment Bill, when the Secretary of State was not in his current elevated position. It is fair to say that the introduction in that Bill, now the Employment Act 2002, of the right to flexible working has been a real success. That is because it has a light-touch approach, it does not impose too heavy a burden on employers and it has helped to change the culture of the workplace. That is a good thing.

The Liberal Democrats broadly support the Bill. We have questions about a number of aspects of it, and we believe that further measures can be taken to lighten the administrative burden, simplify procedures and simplify the law, which remains complex in this area. However, we broadly support the package of measures and will vote for it at this stage should there be a Division. Although there are reservations among the wide group of interested organisations, to which the Conservative spokesman referred earlier, it is none the less interesting that, with reservations, the CBI, the Equal Opportunities Commission, Citizens Advice and the Chartered Institute of Personnel and Development have all broadly welcomed large aspects of the Bill. That is a good thing.

Why is the Bill important? It is important because getting the balance right between work and family is critical. We would all recognise that the pressures on families have grown considerably. There has been a revolution in the workplace since the days when there was a sole male breadwinner and the mother was at home looking after the children. Now, more than ever, both parents work, which can mean insufficient time to look after and care for children. It is therefore in all our interests to do more to get the balance right. If the Bill helps in that direction, that is a good thing.

For children who need time with parents and for the increasing number of people who are now cared for at home rather than in institutions—disabled adults, elderly people and so on—the Bill is of great importance. It is also of importance in terms of maintaining the sanity of those parents and carers and trying to balance the pressures of work and caring, whether for a small child or an adult loved one. It seems to me entirely legitimate for the state to be concerned about setting the right legal framework to balance all those competing interests.

It is also important, as the Conservative spokesman rightly pointed out, to ensure that we balance the interests of employers in this area. Broadly, the step-by-step, light-touch approach is the right one. The right to request is the obvious example of how that applies, and it seems to me that trying to get employer and employee to discuss and reach agreement about flexible working is much better than the approach taken from the working time directive of seeking to impose an absolute limit on working hours, which the Government rejected, and on which I supported them. There are some questions around trying to lighten the burden on employers. Is enough being done to limit the bureaucratic burden,

[Norman Lamb]

particularly for small employers? In terms of the cost and the time taken to recruit replacements for those who go on maternity leave, the burden is considerable.

As the Conservative spokesman suggested, more consideration should be given to the right to opt for a transfer of administration of the payment of maternity and paternity pay to the state, particularly for small employers. I was interested in the exchange about the costs of the private sector doing that as opposed to the state. More analysis needs to be done, and I am not entirely convinced that, as one other speaker suggested, the time cost to smaller employers is analysed sufficiently. I know what it is like for someone employing two or three people to have to cope, in terms of time, with the administration of those payments. Is the analysis to which the Secretary of State referred sufficiently robust in identifying what those costs really are to small businesses?

Mr. Prisk: The hon. Gentleman, the Secretary of State and I are all former members of the Standing Committee that considered the Employment Act 2002. That camaraderie aside, does he share my concern that the Secretary of State suddenly leapt up to the Dispatch Box with a set of figures of which, I suspect, most Members of the House and of the Committee are not aware? Does he agree that it is necessary for the House to have complete transparency in relation to the figures, rather than having the legislation apparently rushed through Committee by 25 December?

Norman Lamb: I agree with the hon. Gentleman. I was not aware of those figures, and I hope that in the wind up the Secretary of State or the Minister will confirm that that analysis will be shared with the Committee from the start, so that we can debate those issues properly.

Another concern for employers has always been the complicated procedures and time limits for a woman seeking to return to work. It is welcome that the Government propose to extend the period required for notification of a return.

As I mentioned at the beginning of my remarks, the law remains complex in this area and there could be a much more comprehensive assessment of the legal provisions. For a long time, for example, there has been a provision with regard to indirect sex discrimination, where women are disproportionately affected by a particular rule. That has resulted in a lot of claims being brought by women seeking the right to return to work from maternity leave on reduced hours. In effect, it has created a right for many women to have reduced hours—not a right to request, but a right to have. That overlays the right to request, which is much more light-touch. Many employers simply are not aware of the extra burden of the law on indirect sex discrimination, and the juxtaposition of those two competing rights is a matter that the Government need to consider further as it causes complication for both employers and employees. It seems to me that entitlements only really exist if people understand what they are.

In raising concerns on the part of employers, it is worth acknowledging that the proposed changes are not necessarily all bad news. The Secretary of State suggested that, overall, the concept of embracing flexible working is good for the economy. In my constituency there is a company called Listawood, which, from the start, has embraced the idea of flexible working. It has enabled women to work different hours during term time and during the summer holidays. They have been able to change their shift patterns to facilitate caring for their children while they are on holiday. They have been enabled to take time out of work to watch their children playing sport at school, including sports' days. The concept from the start has been flexible working. Rather than that being a burden that has driven the company into liquidation, the process has been a fantastic economic success. The company has won award after award, not only for family-friendly policies but because of its financial acumen and financial success.

It can be a win-win for employers fully to embrace these measures, and there is the potential that they could lead to more motivated staff and greater productivity if people are working hours that suit them. There is also the potential for greater retention of staff and assistance with recruitment. If a company has a reputation for embracing the entire concept of flexible working, it is much more likely to recruit motivated staff. The idea of keeping-in-touch days and the clarification that the Bill provides of the ability to maintain contact during maternity leave are good things.

To an extent, the Bill depends for implementation upon regulations. The issue has been raised already by the hon. Member for Buckingham (John Bercow) in interventions. Although that provides the opportunity for some flexibility in that provisions will be able to be changed as time goes by, the process will make scrutiny more difficult. The devil will be in the detail of the regulations. The Secretary of State indicated that he would try to ensure that the draft regulations would be available before the end of the Bill's consideration in Committee. However, if there is to be a proper debate in Committee, surely we should have the draft regulations available at the start of that consideration.

Mr. Sutcliffe: We need to nail the point about regulation. The principles that we are trying to implement are set out in the Bill. The Government are criticised for not consulting widely on the detail of the impact on business. That is what the secondary process of legislation is all about. There is the opportunity during that process for the Government to be questioned on the validity of regulations. Surely that is a way forward for better scrutiny.

Norman Lamb: Indeed; it is to be hoped that that will be the case. Consultation can take place on the detail before a Bill is presented as well as before regulations. At this stage, while considering the Bill, we are not aware of much of the detail in the proposed legislation other than by way of indications and hints. I suggest that that is not entirely satisfactory.

Mr. Prisk: I wonder whether the hon. Gentleman detects in the decent manner of the Minister that perhaps there is the scintilla of an opportunity in this instance. The need for the 20 December date is set only by a programme motion. If we are to have proper scrutiny, to which the Minister referred, does the

hon. Gentleman agree that there could be merit in a small slippage in the timing of consideration in Committee to allow the statutory order to be before Members so that they might give it due consideration?

Norman Lamb: I entirely agree with that suggestion, which was well made. I hope that the Minister will respond positively to it. I am sure that he will.

Peter Luff: While the hon. Gentleman is making the point, perhaps he will explore the question raised by my hon. Friend the Member for Buckingham (John Bercow). The Secretary of State gave partial clarification in response to a helpful intervention. The regulations that will come under clauses 3, 4 and 6 are apparently not affirmative while the regulations under clauses 13 and 14 are affirmative. The reason for that difference escapes me.

Norman Lamb: I am grateful to the hon. Gentleman for that intervention. He reminded me of something with which I wanted to deal. Clearly, the Minister must respond as the two responses by the Secretary of State were inconsistent. The right hon. Gentleman said that everything was subject to the affirmative process. Later, he confined the process to the paternity leave provisions. There is no logic to the affirmative procedure applying only to the paternity leave provisions and not to other provisions. If the Minister will confirm that the Secretary of State's first answer is the right one and that the affirmative procedure applies to everything, that would be of great assistance. I know that the Minister is always co-operative and helpful. I am sure that Conservative Members share my optimism that he will respond positively.

Peter Luff: I sense that the Secretary of State may be reading a note from the Box. I could be wrong on that. If I am wrong, so be it. I was trying to be helpful in giving him more time. As I understand it, affirmative regulations refer to annual leave in clause 13, and an increase in the maximum amount of weeks pay for certain purposes in clause 14, and not paternity pay. I could be wrong about that.

Norman Lamb: Perhaps I could give the Secretary of State an opportunity to intervene to clarify the matter. There seems to be complete confusion on the Government Benches. Labour Members seem remarkably reluctant to get to their feet. I am giving them the opportunity, here and now, to intervene. Let us hope that we will have a response when the Minister winds up. I am sure that he will have got his act together by then.

I shall deal with some of the key measures in the Bill. First, there is maternity pay. The provisions will extend the maximum period to a year. By regulation, that will be phased in with the introduction of 39 weeks from 1 April 2007. Representations have been made by a number of groups, and one of the issues is the level of income that maternity pay provides. For many women, the provision is at an inadequate level for them to take the full opportunity that the extension to a year provides. I share the view that has been expressed by the right hon. Member for Maidenhead (Mrs. May) that a degree of flexibility would be a good thing. There should be the entitlement to take the full amount of pay over the entire period. Over a shorter period, there should be the entitlement to take that pay at a higher rate. That seems potentially to benefit employers because they will have the employee back in employment earlier. At the same time, it gives the employee a real opportunity to take advantage of their leave if they are unable to afford to take it at the rate of £106. For many people, that is an inadequate level to enable them to take advantage of the scheme.

At the last election, the Liberal Democrats proposed the introduction of a maternity income guarantee for the first child, which would have guaranteed at least £4,420 for the first 26 weeks. That would have helped lower-paid women in particular, and it is something that the Government should consider. There are also the proposed changes to adoption leave and pay, which mirror what is happening to maternity leave. That is entirely welcome. As the Secretary of State said, it is remarkable that it has taken so long for us to reach the point where people who adopt children have such rights. It is particularly important for them to have time to get to know their new child.

I move on to paternity leave and pay. I shall deal first with the existing entitlement of two weeks. There is a case for making that right more flexible in its take-up. Indeed, there is a fairly low take-up. The Secretary of State said that it is encouraging, but I understand that it is still less than 50 per cent. That is partly because the figure is only £106 a week. That is inadequate for many fathers, given the burden of paying a mortgage and so forth. I am told that many people lose out because they are unaware of the notice requirements. By the time that they decide that they want to take paternity leave, they have missed the requirements. If an employer chooses to be difficult, they can be denied the right to leave. There is something of a straitjacket, and if someone chooses to take one week rather than two weeks they will lose their entitlement to the second week. It is not a week that can be taken later. As the Secretary of State will know, there have been many calls for an extension to the entitlement rather than for the substitution entitlement. As part of the assessment to determine whether the substitution entitlement is workable, the regulations will have to be analysed closely. Many people fear that it will be administratively burdensome. At least two employers—more than two if people have two types of part-time employment—will have to liaise and exchange paperwork to ensure that the father is entitled to take paternity leave because the mother has returned to work for another employer.

The Secretary of State said that the Bill is unlikely to have an enormous impact, but that is because the pay is only £106 a week. The regulatory impact assessment suggests that as few as 9,000 people a year may take up the entitlement to paid paternity leave. Inevitably, they will tend to be those who are better off. People on lower incomes will not be able to afford it. Again, I think that the Government should consider allowing people to claim the total amount over a shorter period at a higher weekly rate. It might well suit someone to take a month of paternity leave at a higher rate of pay. Some fathers will not benefit because the mothers were not working when pregnant and were therefore not entitled to maternity leave. Four out of 10 mothers are not in paid employment during pregnancy. The Equal

[Norman Lamb]

Opportunities Commission has suggested extending entitlement to fathers whose partners return to work after the birth but who are not eligible for maternity leave. Would the Government consider doing that?

Although the provision for circumstances in which a mother dies after childbirth will affect only about 300 couples, it is a valuable and long-overdue measure, allowing fathers to take the full equivalent of maternity leave. As for the flexible working provision, it is, as I have said, a light touch, and is appropriate for that reason. I fully support the extension of the right to carers but, as many have pointed out—including the hon. Member for Erewash—it all comes down to the definition of "carer". The Secretary of State did not respond to my question about whether he intended the definition to be broad. If it is narrow, it will be of little value. It must be broad to meet the expectations of many people who have welcomed the new right in general.

On the concerns of the Parkinson's Disease Society, I understand why employers do not want a multiplicity of applications—but following the extension of the provisions to carers there may be circumstances in which the needs of a cared-for person change a great deal. Will the Government consider an increase in the frequency of applications, perhaps to once every six months?

Earlier, I mentioned the possibility of extending the entitlement to cover children aged up to 17. As has been argued by the Chartered Institute of Personnel and Development and many others, we may in time reach a point at which every employee will have the right to request entitlement. We heard earlier of the risk that employees without family or caring responsibilities might begin to resent all the new rights in the workplace. The right to request flexible working is light-touch, however, and the employer can refuse the request without fear of a legal claim. Employees will have a greater chance to discuss the matter with their employers in order to get the balance right and to secure a level of employment that will enable them to be fully committed and productive. Surveys show that most employers are already willing to consider applications for flexible working from a wider group than those who are entitled to request it, and I think that that is worth building on.

Overall, the Bill presents a good package that addresses the need for us to balance the needs of families with those of the economy. We will support it.

7.26 pm

Helen Jones (Warrington, North) (Lab): I am grateful for the opportunity to comment briefly on what I consider to be a good Bill. I agree with my right hon. Friend the Secretary of State that it is good for families, employers and society as a whole. I am sometimes bemused by the rather grudging tone of the Opposition, who present themselves as the party of the family but who, when we try to give families more rights, sound as if we are doing something dreadful.

Let me begin by making the business case for what we are doing. It builds on what the Government have already done, but, as my right hon. Friend said, it is also good for businesses. Employees perform better when they know that their child care needs, or the needs of those caring for their dependants, are being taken care of so that they can focus on their work. It is also much more valuable to businesses to keep staff whom they have trained and skilled than to lose them and have to re-employ and retrain others. Skills will be kept in the business.

The needs of society as a whole must also be considered. If we want to create a good society, we must first create good citizens. That means investing time in our young people. We do that through education and, I hope, through the youth service, but it is most important to do it through the family. As a parent, I know that the most important thing we can give our children is time. That is particularly true during the important first year of life, but it is also true when children are ill, have special needs, or are particularly dependent on us in any way.

The Bill represents an important step. It will help people to balance the demands of work and family life. One of the Government's great achievements has been to get so many people back to work. My constituency, parts of which were experiencing second or third-generation unemployment, now has almost full employment. Rightly, however, people are demanding more of us. They demand the ability to manage work and family responsibilities sensibly. The Bill will help us to provide that, and I welcome the extensions of maternity, paternity and adoption leave.

I also welcome the clause that allows the Secretary of State to make provisions relating to annual leave, but I want to ask a question about it. I understand that it arises from the need to ensure that everyone is entitled to bank holidays, and that such holidays are not deemed to be part of annual leave. Currently, about 2.75 million people are not granted the bank holidays that most of us take for granted. I would be grateful if the Minister told us whether it is his intention that there should be a right to paid bank holidays, so that people who take a bank holiday as a day's leave receive holiday pay for it, and those who have to work on a bank holiday are entitled to a paid day's holiday in lieu.

I want to raise a couple of questions on what is happening with maternity leave. Currently, six months is classed as ordinary maternity leave, and six months is classed as additional maternity leave. The right to additional leave is not much used at the moment, but I believe that it will be when three months of it becomes paid from 2007. However, I cannot see why we maintain the distinction between ordinary and additional maternity leave. I understand the need to protect the first six months to ensure that the mother is not pressurised to go back to work too early, but maintaining the distinction brings a number of unintended consequences that are a problem, particularly for poorer families.

For example, a mother has the right to get her job back if she returns to work after ordinary maternity leave. If she returns after additional maternity leave, she has that right so far as is reasonably practical and, if she cannot have her old job back, she is entitled to one that is not substantially less favourable—I think that that is the phrase. Apart from creating a lot of work for employment tribunals that try to define those terms, evidence is accumulating that, particularly in the retail trade, women are being offered jobs on very different

hours from those that they had previously worked and, often, it is difficult for them to manage on those hours. Therefore, they are being forced to reject those jobs and are falling into the poverty trap. I do not think that that is what the Government intended and we should examine that.

The other problem is that, although those on ordinary maternity leave are classed as being in full-time work and therefore entitled to tax credits, those on additional maternity leave are not. Again, that impacts on poorer families, single parents, a parent whose partner works for fewer than 16 hours a week, or even parents who wish to go back to work part-time for fewer than 16 hours—many mothers may wish to do so, particularly if they are still breast-feeding—and whose partner then cannot claim the tax credits when the leave is transferred. I hope that my hon. Friend the Minister will undertake to examine those issues as the Bill goes through the House.

On the tragic cases of mothers who die during child birth or shortly after, I am not sure that the comments of the hon. Member for North Norfolk (Norman Lamb) were accurate. As I understand it, currently, a father in those tragic circumstances is still entitled to only two weeks' paid paternity leave and four weeks' unpaid. The problem is that, when a family has been tragically bereaved, there are real problems not only in finding child care but perhaps in caring for other children. It is difficult to find child care for babies under three months old, and even with children over three months one usually has to make plans very early on, so we are forcing more stress on families that are already under great stress.

Those cases are rare. I think that there were only 261 child birth-related deaths between 1999 and 2002—229 babies were born and more than 500 other children needed care. For that reason, I am sure that it is possible to ensure that families in those tragic circumstances are catered for. Since the Bill enshrines the right to transfer some form of maternity leave, I wonder whether the Minister would undertake to consider in Committee fathers who find themselves in that tragic situation and to see whether it is possible to transfer the mother's rights to leave to those fathers. That would help those families at a very stressful time and prevent more families from falling into the poverty trap. If that is not done, fathers will often end up coming out of the work force to care for their children and find it difficult to get back into it.

As I said, this is a very good Bill. It builds on what the Government have done, but there are one or two issues that I hope the Minister will undertake to consider as the Bill goes through Committee. If those issues were looked at, it would make it an even better Bill, provide better services for families and help to protect some of our most vulnerable children.

7.35 pm

Miss Julie Kirkbride (Bromsgrove) (Con): I am particularly grateful to be called at this point. I think someone on the Conservative Benches had a little word in your ear, Madam Deputy Speaker, as I am hoping to get home to say goodnight to my little boy, which I try to do every evening, although the demands of the House make it difficult on occasions. I wish no discourtesy to you and to the next hon. Member to make a speech, but I will be chasing off after my remarks. Obviously, I hope to be back to listen to the Minister's response to our concerns and to my hon. Friend the Member for Epping Forest (Mrs. Laing).

On the whole, I welcome what the Government are doing. I echo the remarks of my right hon. Friend the Member for Maidenhead (Mrs. May) as to what the Government are seeking to do. The Government were right on taking office to extend the time for maternity leave and to extend payments for women seeking to take maternity leave. Labour Members always pretend that the gain would have stopped in 1997 and that the Conservative party might not have made equal progress on many of these matters, but time moves on and, given the wonderfully performing economy that was left at the time, clearly these things could have been more easily afforded.

Kitty Ussher: In that case why did the Conservatives oppose our policies on the working tax credit, the child tax credit, extending maternity leave to 26 weeks, two weeks' paid paternity leave, three months' adoption leave, the right to flexible working, increased maternity pay, giving part-time workers the same rights as full-time workers, four weeks' paid leave and the national minimum wage?

Miss Kirkbride: I am not sure whether new Members should always follow the Whips' brief, because I am told by my hon. Friend the Member for Epping Forest, who is sitting on the Front Bench, that we certainly did not oppose all those measures. If the hon. Lady had been listening, she would have heard that I included some of those measures in my remarks. We opposed some, but not all. However, as Back Benchers have a limited time to make their contributions and as I wish to get home tonight, I will proceed.

Kitty Ussher: Will the hon. Lady give way?

Miss Kirkbride: Not again, sorry.

It is important that mothers, where they wish to do so, take maternity leave. It is also important that mothers should not be pressurised into thinking that they are being neglectful or inadequate if they feel that they cannot take maternity leave and they wish to go back to work, whether for their personal and professional development or because their families cannot afford for them to take maternity leave.

I implore the Minister to take on board the ideas put forward by my right hon. Friend the Member for Maidenhead and endorsed by the Liberal Democrat Front-Bench spokesman, the hon. Member for North Norfolk (Norman Lamb), that more flexibility should be attached to maternity leave. The Secretary of State pointed out that on the continent there are much more successful models of women being encouraged by family-friendly policies. There is a correlation between those countries where there are such family-friendly policies and the success of women at work. They are much more generous in maternity leave than we presently are in the UK. Therefore, a system whereby a woman can take six months' maternity leave but roll up the money she would receive to £212 a week, rather than

[Miss Kirkbride]

the £106 a week for taking a year's maternity leave, might enable many more women to access maternity leave. That would begin to match the provision in other countries that are more successful at encouraging women to take maternity leave and to return to the work force at the level they left it without having to take career breaks, which inevitably mean that women fall back in the race for the top jobs.

It is desirable that, where women want to, they stay at home to look after their children. As my right hon. Friend said, it is a shame that this Bill and the Childcare Bill, the Standing Committee of which I will serve on tomorrow, were not put together. There is considerable and growing evidence of the importance of what is called the attachment theory, with which the Minister is doubtless very familiar. It is very important that babies and young children form a profound bond with their primary carer in order to have proper emotional development later. The studies on this subject are quite frightening, given the mistakes that have already been made in not encouraging such bonding to take place. Attachment theory is subject to no class or income barriers; it is as relevant to professional families as it is to low-income ones.

We should recognise that women who are able to afford to take such time off and to work on their relationship with their baby might find their baby quite frightening to begin with. For those of us who have been used to living a professional life—having things done when we want them to be done, and having our entire environment work to a time scale that we are in control of—being at home with a child is a truly different experience. We should enable women to deal with that situation in a less stressful environment. Of course, the same point applies to paternity leave. The average male wage is some £505 a week, so in calculating the average female wage, we can take 20 per cent. off that figure, which gives us a female wage of about £400 a week. Given those figures, it is much more realistic for women to take such time off.

Although I am in favour of more flexibility and enabling women to take time off work, I want also to put a little of the employer's case. The hon. Member for Warrington, North (Helen Jones) encouraged the Minister in somewhat the wrong direction in this regard. I do not dispute her motive in wanting women to be able to return to work without being required to accept more onerous and less attractive terms and conditions, but I want to draw attention to an issue that many employers mention to me. When a replacement employee comes in while someone is away on maternity leave, that creates a problem; particularly for small companies, which have much less flexibility in terms of the role played by other employees. This is a cost that society and business has to bear, and it is a fact of life if we want to carry on reproducing. However, extending maternity leave entitlement to one year creates an added difficulty. The person employed to take over that job for a year gets employment rights, because they are in post for the requisite period. Such rights cannot be got rid of—at least, not without a cost.

The Minister is trying to work around this problem by doing something of which the hon. Member for Warrington, North is somewhat disapproving; nevertheless, I urge him to be cognisant of this issue when framing his proposals. After all, small businesses cannot afford to take someone on, only to have to get rid of them in an expensive and uncomfortable fashion because they have to maintain the right of the original employee to return to work. I am not saying that there is an easy answer to this problem; I am simply pointing out that the problem is a very real one for small businesses, and that in framing the law, we need to consider it.

I welcome the Government's initiative enabling women to keep in touch with the workplace. Many women who are at home with their babies genuinely want to be kept in touch with the normal world that they were used to. It is good to be kept aware of what is going on in the company, rather than simply gossiping with one's old friends. The two-month, rather than one-month, notification period for returning to work will also help in dealing with the difficult issue of the replacement employee.

Like other Members, I agree that the Government's giving carers the right to request flexible working has proved a very good idea, and I applaud their creating this opportunity for parents. There is no doubt that it has been successful, so we should say "Well done." It was successful because the Government were flexible—they are not always flexible—and created not a right to flexible working, but a right to ask for it. That helped to foster good relations between both parties, and to create an environment in which the employee can continue at work while dealing with their other responsibilities, and in which the employer can gain the value of their skills.

It is right that carers, who have similar responsibilities, be included under this provision; however, the Government are right to phase in such rights. We live in a society in which many people have caring responsibilities, and that they fulfil them is wonderful for all concerned, but we need to consider how swiftly to phase in these new rights. I urge a little caution on the Minister; we must not swamp the system. It is right that such requests be annual, rather than frequent. Frequent requests would be unfair, given that employers have other considerations on their minds.

We should extend the right to request flexibility to all the work force, as some employers already do, given that we will always come up against difficult child care cases. Children up to the age of 17 might well be dependent on their carers because they have schizophrenia or other mental health problems, for example. Of course, such problems do not go away: they continue into adulthood, and the parent may feel that they still need to care for their son or daughter well into their adult life. We want society to go in that direction, and some employers have already been successful in that regard; others should be given a little gentle encouragement to do the same.

In concluding, I apologise to the next speaker for my having to rush off.

7.46 pm

Julie Morgan (Cardiff, North) (Lab): I am very pleased to welcome another progressive Bill. Last week, we considered the Childcare Bill, and we recently considered the Equality Bill. All these Bills will contribute to a healthier, happier society and to the

country's economic prosperity by ensuring a diverse and more contented work force; they will also ensure that the diverse needs of parents and carers ar .nore recognised than ever.

I want in particular to discuss clause 12 and the part of the Bill that deals with carers of adults. I am very pleased that the existing law will be amended so that carers of adults can apply for flexible working. I must declare an interest, in that I have been the carer of my 94-year-old mother for five years, since she was severely disabled by a stroke. I have managed to continue in the very demanding job of Member of Parliament with the help of an army of paid carers—I pay tribute to the people, mainly women, who work in the caring professions—and with a lot of understanding and support both here and at home. However, I meet many carers who are isolated and are struggling to do their best for their relatives, often at the expense of their own health and well-being. It is well recognised that the health of carers suffers; most reports on carers have shown the strain that caring for somebody can impose.

Many carers are in employment and have to give up their job because they cannot manage both roles. There is now much greater recognition of the importance of caring for older and disabled people, but, as I said in an earlier intervention, many carers do not think of themselves as carers in a formal sense; they think of carers as being paid people. They are doing what they regard as their duty, and what they want to do for members of their family—for people whom they love. Nor do the many people who are working and caring for adults recognise their huge contribution to the welfare state—the billions of pounds that they save the welfare state. The Carers (Equal Opportunities) Bill, which was introduced by my hon. Friend the Member for Aberavon (Dr. Francis), recognised the need for carers to have access to the education and employment opportunities enjoyed by those who are not carers. This Bill partly addresses that issue.

The Employment Act 2002 introduced flexible working rights for parents of young or disabled children and, as everybody has said today, that has been a success, despite concerns that it granted only the right to make the request. I was very concerned at the time of the debate on the Act that the provision would not be strong enough and that employers would not respond properly. The employer has to consider the request and take certain factors into consideration when deciding whether to allow flexible working. In any case, as many hon. Members have said, the Act has been a tremendous success and only about 10 per cent. of requests are refused.

The Government did the right thing, because the Act has made it much easier for parents of young or disabled children to continue to work. It has also brought benefits for the employer. I declare an interest, as my two daughters have benefited from the provision. After they had children, they requested flexible working and benefited from it. It is logical, therefore, that the right to request flexible working should be extended to carers of adult relatives or others, and I am pleased that the Government propose to introduce that right from April 2007. Several hon. Members have suggested that the right to request flexible working should be extended to all employees, and I believe that the consultation by the Equal Opportunities Commission has reached that conclusion.

When we talk about family friendly policies, we tend to think of the family as a unit with dependent children, but in the UK more adults care for elderly relatives than for children. The Government have concentrated on work-life balance as one of their priorities, the benefits of which are as great for the carers of adults as they are for the carers of children. Many hon. Members have mentioned the benefits to employers of family friendly practices, such as reduced sickness absence, better staff retention, greater productivity, and better morale and commitment. Those are real and important points.

I remember the stress of juggling bringing up children and working as a local authority social worker. When the Government first took office, we undertook a major consultation of women, and it revealed that work-life balance was one of the primary concerns. Women wanted us to do something about it, and all the measures in the Bill will help. They will also involve fathers more meaningfully, and I very much welcome the paternity leave provisions.

I am glad that the Government recognise that families are not just those with children. My hon. Friend the Minister and other hon. Members spoke of the importance of the definition of "carer". I hope that the definition will be flexible and will take into account the many varied ways in which carers cope and provide support. I was pleased to hear my right hon. Friend the Secretary of State say that a carer does not necessarily have to live in the same house as the person for whom he or she cares. I can think of many carers in my constituency who hold down full-time jobs yet support elderly or disabled parents in their own homes. I hope that such carers will benefit from the Bill.

It is also important that the Government consult closely with carers' groups. The UK has some well established carers' groups, such as Carers UK, whose members know the reality of caring. We will have to consider their needs when we examine how clause 12 will work in practice. One of the big issues for carers who care for adults is lack of sleep. We all go through sleep deprivation when we have small children and, like many, I am used to getting up frequently in the night. However, if one has to do it for an adult, one knows that the situation will not change—indeed, it may get worse, not better—but children grow out of it and allow their carer to have a good night's sleep. However, it is difficult to give one's best to one's job without a good night's sleep and we need to talk about that issue with carers. The lack of sleep is one of the major issues raised with me by carers in my constituency. We must take such issues on board.

People cope with caring in many varied ways, and we have to try to address that. It will not be easy, and the regulations will have to be as flexible as possible. Presumably, we will have to consider the amount of time that people spend caring. Some, for example, are not actually physically present, but keep in frequent phone contact to check whether everything is okay. They may get a response that means that they have to alter the pattern of their day, so we will need to be flexible to address that issue.

I congratulate the Government on the Bill, especially clause 12, and I think that we are making progress towards a society in which everyone can make a greater contribution than they have been able to make in the past. The Bill will be of benefit to society as a whole.

7.56 pm

Peter Luff (Mid-Worcestershire) (Con): It is a pleasure to follow the civilised speech from the hon. Member for Cardiff, North (Julie Morgan) and I am glad that, like earlier speakers, she emphasised the role of carers. This is an important issue and I agree with much of what she said. Having said that, I fear that my speech will probably fall into the category that the hon. Member for Warrington, North (Helen Jones) described as "grudging".

It is important that work is made family friendly, that mothers can take a decent amount of maternity leave, that fathers should spend a decent amount of time with newly born or adopted children, and that carers should have the right to flexible working hours. It is important that the House protects those rights. As the son of a single mother, I benefited from the flexible arrangements that were possible in our small family stationery business, which largely meant that as a latch-key child at the age of eight or nine I could attend my mother in her place of work—the ultimate flexibility. I understand, therefore, the benefits that flow from flexibility in such circumstances, but I am not as clear as Labour Members that the House is always best placed to judge what employers should do to protect their economic interests.

We must be careful about balancing the needs of employees against those of employers. Indeed, I met two very senior ladies from a FTSE-100 company this morning who expressed the same reservations about the Bill. I am concerned more by the summary of the regulatory impact assessment than by the RIA itself. The summary often cites the benefits that will flow to those affected by the Bill to justify the costs being imposed on employers. My understanding is that the RIA should be much more neutral in its tone and consider the costs imposed on employers and the state by such regulations. I am disappointed by the way in which the RIA so regularly seeks to justify the Bill by reference to the benefits that will flow to employees.

I recognise that much of the Bill will bring benefits to business, as well as employees, such as the keeping in touch days, which will ensure reasonable contact between employer and employee; the extension of the period of notice that a woman has to give when returning from maternity leave; and the detailed changes to the payment of statutory maternity pay, on which the Secretary of State placed so much stress. However, some people are sounding notes of caution. Richard Smith, employment services director at Croner, which is an expert adviser in employment law, warns that the pendulum may have swung too far. He says:

> "Employers are facing a legal maze of parental legislation over government proposals in the Work and Families Bill. The law could be shifting too far in favour of family needs, bringing into question a basic principle of employment law that supports the employer's need for the work to be done."

My right hon. Friend the Member for Maidenhead (Mrs. May), in her opening remarks, talked of the reservations of bodies such as the CBI. A Library research paper tells us that the CBI said, in its response to the consultation on the Bill:

> "CBI members accept in principle the Government's desire to extend family friendly rights further but believe there should be compensating changes to reflect the increased burden on employers."

That is really my central point. The Bill probably does good, important and useful things that the House should support, but every time we add new legislative burdens to business, especially small and medium-sized businesses, we should operate the one in, one out principle. What real relief will be given to employers for the new burdens they will have to bear under the measure?

Some say that one consequence of the Bill and similar measures will be an increasing reluctance by businesses to employ women of child-bearing age. When that point was made earlier, the cry came from the Labour Benches, "It's illegal". It may be illegal, but that does not mean that it is not a problem. The recruitment industry says that many businesses, particularly small ones, now routinely avoid women in their late 20s and early 30s precisely because of the increased costs of maternity leave and temporary cover. It may be against the law, but it is happening.

The Recruitment and Employment Confederation recently reported that 75 per cent. of its members had been told by a business not to send them female job candidates in their late 20s or early 30s. More than one in 10 said that they discriminated against pregnant women or those likely to be planning to have children. That is actually happening and it is difficult for the law to catch.

I have a rather cynical view: perhaps the measure is the beginning of an attempt to level up fathers' rights to make it less unattractive to employ women. I was interested to hear the Secretary of State say that only a few men in small businesses would be eligible for parental rights. I have a horrid fear that in a couple of years we shall be told that as so few men are taking advantage of those rights, we shall make them even more attractive for men, thereby further increasing the burden on businesses. I hope that my cynicism is misplaced.

The hon. Member for Burnley (Kitty Ussher) reeled off a list of things—regulatory burdens imposed on business, as I would describe them, even though there might be good reasons for them—and challenged us to say whether we would support them. I was one of those who opposed the minimum wage. I now accept that the level at which it was introduced did not cause a problem for business, but it is slowly being ratcheted up. Only this morning, the newspapers reported that the British Retail Consortium is expressing concerns about the latest increase, saying that it will lead to job losses. The minimum wage was brought in at a benign level that had little if any economic impact, but it is now being increased. We must be extremely careful about such issues.

I pay tribute to the Government for their attempts at robust protection of British business from the impact of the working time directive, but I have in my hand a list provided by the Engineering Employers Federation that I will rattle through. For the benefit of the *Hansard* writers, I shall give them a full copy. These are the reasons for which employees can currently have days off [illegible] sick leave, annual leave, reasonable time for [illegible] duties; if they are a member of a local authority, a statutory tribunal, a police authority, the service authority for the national criminal intelligence service or the National Crime Squad, a board of prison visitors, a health authority, a "relevant education body", the

Environment Agency or a water customer consultation panel. They can have time off for antenatal care and reasonable time off for trade union duties or training. There is time off for pension scheme trustees, for employee representatives, for members of European work councils and for domestic information and consultation representatives.

There is not enough time to read out the whole list. It is a jolly list and depending on how we count up the categories, there are 21, 30, 34 or 36 different existing rights for employees to have time off from their place of employment. In fact, I am told that the No. 10 policy adviser in this field was recently reported to have said jokingly that one day the Government would have to legislate for employers to have the right to request employees to come to work.

Alison Seabeck: Can the hon. Gentleman pick out from the list that he half read out which of those rights would be an unreasonable request?

Peter Luff: That is the problem. Each and every one on its own is perfectly reasonable, yet their sum total is unreasonable. To govern is to choose, and some of them will probably have to go, or some other regulations that are burdens on employers will have to go in their place. My contention is that the burden is getting dangerously heavy.

Kitty Ussher: I am delighted that I made such a huge impression on the hon. Gentleman. He said that regulations would have to go. Which ones? Can he be more specific?

Peter Luff: I shall not do that in the short time available, although I would happily discuss it with the hon. Lady over a drink later. When the Government are imposing new burdens in a heavily regulated area they should adopt the principle of one in, one out. We have reached the point when that principle should be respected. The CBI was asking for that. The hon. Lady looks disbelieving, or disapproving, but that is what I believe.

Britain faces huge competitive challenges in the world economy, yet in this Chamber we often behave as though they do not exist. Under the Government, we have already slipped from fourth to 13th place in the world competitive table compiled by the World Economic Forum, and it is no laughing matter. We face huge competitive challenges and we cannot afford to be complacent in the face of them. We cannot afford to behave as though the world owes us a living: it does not. We owe ourselves a living and it is only by our own hard work that we shall actually get things right.

My concern is that there will come a moment when some legislation will be introduced to give new rights to employees that is the straw that breaks the camel's back. I do not know when that point will come. I have cried wolf before about this—I plead guilty—but the moment will come. I am fond of cricket, Mr. Deputy Speaker, like one of your colleagues. It is odd that when one watches a game of cricket one thinks that one side is winning, but in retrospect one realises that the other side has started to win. One cannot quite pin down the moment, but it happens. There will come a moment when Britain's competitive advantage has eroded so much that we shall start to lose in the world economy.

These questions are important and I do not deride the Bill. I respect what it seeks to do. I am a passionate believer in the family, and as has been said I do not believe that we can do everything through the fiscal system. There is a need for rights in this field, but the issues are complex and I am perturbed about the short timetable for the Committee, especially if the draft regulations are not available. Often, I respect the reason for drawing up Bills that leave so much to secondary legislation, but in such an important field it would be much better for the Committee to have access to the regulations. The Bill will be out of Committee before Christmas and that is too short a time.

The Bill is literally motherhood and apple pie—perhaps fatherhood and apple pie. Apple pie is a good thing, especially if made with fine Worcestershire apples, but if the meal that comes before it is too large, there may not be room for it. We need to eat a little less of the other courses to make room for something else that is desirable. That is the fundamental point. Bad legislation and bad regulations are always unwelcome, but sometimes good regulations are unwelcome, too. This may be one of those occasions.

There is too little time for the Committee to consider such important questions, and the Bill would have been much better if it had been accompanied by a clear statement from the Government of which other regulations they were removing from the shoulders of British business.

8.7 pm

Ms Diana R. Johnson (Kingston upon Hull, North) (Lab): I listened with particular care to the contributions of Opposition Members. I was pleased that my hon. Friend the Member for Burnley (Kitty Ussher) listed the approaches that they had taken in recent years on the range of employment legislation that has been introduced. It was enlightening and very different from several of the contributions that have been made.

I want to talk about the context for the measure. I was a lawyer before I entered the House of Commons. I worked in law centres, mainly advising low-paid and non-unionised employees about their employment rights. Statutory employment rights were important to that group, as they did not have the benefit of strong contractual terms and conditions. One of my clients was a security guard in his 30s, with a young family. He came to see me after he had worked for nine months without a day off and asked whether he had a right to annual leave and time off. I had to advise him that he had no rights because the then Government did not want to introduce the social chapter. His only rights were those he had negotiated with his employer and at that time the security industry was, to a large extent, non-unionised. I had to tell him that his rights were minimal.

Good employers have always recognised the right to annual leave and time off, but bad employers have not. That gentleman, whose name was Andy, had to wait until 1998 when we introduced the working time regulations, which gave the right to annual leave and a limit to the working week. It is outrageous that less than 10 years ago a person could have been in his position. Since 1997, the Government have been committed to fairness at work, which includes recognition of the need for not only economic efficiency but social justice in the

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workplace. As I said earlier, I am very pleased that we had read into the record a list of the legislation that the Conservative party has opposed since 1997, including rights in respect of annual leave, flexibility in the workplace, part-time workers and extended maternity leave.

Mrs. Eleanor Laing (Epping Forest) (Con): Will the hon. Lady give way?

Ms Johnson: No, I will continue because I have only a short amount of time.

Peter Luff: On a point of order, Mr. Deputy Speaker. It may help the hon. Lady to know that, if she gives way, extra time is added to her speech.

Mr. Deputy Speaker (Sir Michael Lord): I am sure that the hon. Lady is aware that, if she gives way, time is added to her speech, so she does not miss out by giving way twice, after which, things are rather different.

Ms Johnson: I am grateful to you for that information, Mr. Deputy Speaker.

The Bill is important in setting out a floor of statutory rights.

Mrs. Laing: Will the hon. Lady give way?

Ms Johnson: On the basis of the information that I have just been given, I will gladly give way.

Mrs. Laing: I thank the hon. Lady for giving way so graciously. I wonder whether she will explain why she is so intent on talking about past times and past legislation. The Conservative party does not oppose the Bill. Should we not get on with making the Bill better, rather than harking back to the past?

Ms Johnson: I am grateful to the hon. Lady for that intervention. When debating such Bills, it is important to consider the context and to ask why we want to implement such provisions. We need to set the record straight about how we have reached this point. It is great credit to the Government that, since 1997, employment rights have been extended while economic efficiency has grown and more people are in work than ever before.

Clause 13 is an enabling provision to introduce the right for the additional public and bank holidays to be included in addition to the 20 days' annual leave to which employees now have the right. As I said when I gave the example of a client that I had years ago, unscrupulous employers have included the eight public holidays in those 20 days. Those who legislated on the issue were clear that that was not what they intended. I am very pleased indeed that clause 13 includes the right to have the additional eight days' public holiday.

Clauses 1 to 6 extend maternity and paternity leave and the right to adoption leave with pay, as my right hon. Friend the Secretary of State said clearly in his opening remarks. It is shocking that employers still discriminate against women who are pregnant. I have been appalled by some of the comments made in the debate about the actions of certain employers who have either not interviewed or not considered pregnant women or women of child-bearing age for employment. That is very wrong and clearly a very poor business decision. Such employers miss the talent of a whole group of women. I am very concerned that certain Members think that that is acceptable.

Peter Luff: I wish to put on record that I have never suggested that that was acceptable. It is never acceptable to break the law. I agree with the hon. Lady that many businesses face an economic cost if they take such a foolish decision, but my point was that the evidence shows that things are happening in substantial numbers.

Ms Johnson: With the greatest respect, the hon. Gentleman was not the only hon. Member to raise that point. I am glad that he was able to clarify his position, but other Members seemed to imply earlier in the debate that they understood why decisions were taken that clearly amount to discrimination that should be challenged in tribunals.

I am very pleased indeed that we recognise that maternity leave should be extended to nine months from April 2007 and, I hope, to one year by the end of this Parliament. Of course, that will benefit about 400,000 women in this country.

Clause 2, as other hon. Members have said, brings into line the rules about adopting parents. All hon. Members would agree that parents who adopt should be given the same consideration and rights as other parents.

Clause 6 deals with the entitlement to additional paternity pay, about which the Equal Opportunities Commission has carried out extensive research. About 70 to 80 per cent. of new mums and dads support the opportunity for paternity pay to be used over a six-month period if any of the woman's maternity pay entitlement is unexpired. That is obviously very useful.

A number of hon. Members have spoken about clause 12, and it is absolutely right that carers are included in the provision to request flexible working. There are more than 6 million carers in this country. As time goes on, the right to flexible working will be extended to other groups, but the Government are taking the right approach by extending such rights piece by piece.

Hon. Members have put forward various arguments about business efficiency and the problems of small businesses in dealing with maternity and paternity matters. The provisions on the keeping-in-touch days for women on maternity leave are welcome, but some consideration must be given to the reasonableness of those days. Obviously, we do not want to overburden women during their maternity leave, and I hope that those days will be determined by agreement and used positively and constructively.

The view that a written statement of the rights and responsibilities of employees and employers should be given is very positive. It is certainly my experience that people find great difficulty in understanding the complexities of maternity and paternity law, so clear written statements would be useful. I agree that the request that a woman should give two months' notice of her return date is the right way to do things. That will provide clarity on both sides.

The Department of Trade and Industry has indicated that it will work to try to reduce that bureaucratic burden of SMP, SPP and SAP. Again, that is absolutely right. There is a need to make the calculations easier—in particular, I remember trying years ago to work out when statutory maternity pay should start. As my right hon. Friend the Secretary of State has indicated, SMP does not necessarily start on the same day that maternity leave commences. Those matters must be simplified and sorted out. Overall, the Bill is very welcome. It adds to the range of employment rights that we need. It is good for business; it is good for employees; and it is very good for families.

8.17 pm

Mr. Mark Prisk (Hertford and Stortford) (Con): It is a pleasure to follow the hon. Member for Kingston upon Hull, North (Ms Johnson), who clearly showed the House her expertise as a former employment rights lawyer, and I am sure that all hon. Members welcome her contribution.

This is indeed a Bill of good intentions. For that reason, I support many of the intentions that were expressed so ably by the Secretary of State at the beginning of the debate. He was right to suggest that the concept of fairness should be at the heart of such legislation. That is why I say, with some disappointment, that there is a large group of families for whom fairness does not appear to be at the heart of the Bill. I refer to the 3 million or so families who run and own small businesses. All too often in such legislation, we tend to talk about families generally and we forget the peculiar circumstances of an owner-managed enterprise. I say that as both a grandson and a son of the owner of such an enterprise. It is therefore my intention in the short time that I have available to try to express the views of that group of families, rather than the others to which hon. Members have already referred.

It is true to say that the Bill comes in a long line of similar legislation. We have had many employment and similar regulatory measures in the past few years. Indeed, since 1997, there has been a 53 per cent. increase in the regulatory burden on businesses, small and otherwise, and the net result is an additional 15 new regulations every working day. The cost to business, which the Government have accepted and is recognised among the leading experts in business, is now equated to £14 billion. That figure comes from the British Chambers of Commerce. Given that 97 per cent. of all enterprises are small businesses, it is clear that the brunt of those costs fall on those firms.

When we consider regulations, it is important to remember that these kinds of measures have a disproportionately large impact on the smallest firms. I highlight that in the context of the Bill by referring to an excellent survey by the Federation of Small Businesses on the amount of time that firms spend trying to comply with Government requests for information and regulations. Prior to the past six months or so, that figure had reached 28 hours for each firm every month. Each firm thus loses 336 hours a year.

We normally discuss the productivity and competitiveness question, but we should also consider the time lost to the families of those who own and manage such enterprises. Families lose evenings, and fathers and mothers are sometimes unable to be part of a family Sunday. I used to run my own business, so I well recall the number of Sunday afternoons that I lost filling in the dreaded quarterly VAT return and a raft of other forms. I am worried that although we often—quite rightly—talk about the need to engage parents in bringing up their children, we forget that such legislation not only has a monetary cost for small businesses, but leads to people losing time in which they can participate in their children's upbringing.

The irony is that the small firms to which I am referring often have the flexibility for which the Bill tries to legislate. They are the ones that lead because their owners know their employees. I can think of at least three businesses in my constituency that are owned and managed by people going back through several generations and have employees going back through several generations. The owners know about their employees' family situations, so they are able to work around them and to be flexible and engaging. I suspect that the response of the small businesses who read the Bill will be to say, "Hang on a moment. We are already doing this. Please don't restrain us by the dead hand of legislation." Of course there are enterprises that do not do such things, and they need to be examined and encouraged to change their habits. However, legislation is all too often a pair of handcuffs that does not enable change in the way in which I suspect that hon. Members would wish it to.

Let me refer to several specific aspects of the Bill. We have debated the question of maternity leave, but I do not think that the scale of the change has been truly considered. We are talking about increasing maternity leave through two steps from six months to 12 months, which is a doubling of the amount and thus a significant change. The previous Bill, for which the Secretary of State was the Minister, increased the time period from 18 weeks to six months. That was manageable, but an increase from six months to 12 months is a different ball game altogether. The crossover to other legislation and the change in rights that that might well create have been referred to.

I suspect that the Government did not take account of several matters when they considered the change. If a firm with two or three people loses a key worker for a year, it is tremendously disruptive. One must also take account of the cost of training a new individual, let alone the agency fees that are often incurred when employing that person. Of course, there will also be training costs involved when people return to work. I am not sure whether the Government have seriously considered the full costs involved. When the Minister winds up the debate, will he confirm whether the costs to which I have referred are specifically included in the regulatory impact assessment? I could not see that they were, but perhaps he has a sharper eye than me. I ask that question simply because if we are genuinely to understand the benefits and costs of the Bill, we must have the full information before us.

Let me turn to what is loosely described as the transfer of parental leave. I appreciate that the provisions in the Bill do not reflect the Labour party's original intention. The concept of mothers and fathers sharing parental leave is good in principle, but what about the practicalities? It is likely that a mum and dad will work

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for different employers, so we must ask how the measure will be implemented. The Federation of Small Businesses said:

"we fear that the plans will be highly complex and virtually impossible to enforce, with small employers facing an administrative nightmare as they try to comply."

I have a question in my mind as the consultation proceeds. At the moment, it appears that the onus is on small businesses to manage the process, but why should that be the case? Small businesses are already asked to be unpaid tax collectors and unpaid benefit offices. Why should they now administer the Government's social policies? There could be a dangerous precedent. I do not want to make wild forecasts—the Minister knows that I will not try to do so—but I would like to know whether the Government have really thought the measure through.

Given the inherent complexity of the measure, would it not be fairer if the Government took some responsibility for their own policies and introduced direct payment of both statutory maternity and paternity pay from state to employee? I know that the Minister touched on the matter earlier in the debate, but I would welcome any clarity that he can bring to our deliberations.

Peter Luff: My hon. Friend makes an important point. The full regulatory impact assessment seems to cost in remarkable detail the burdens on Government, but the burdens on small and medium-sized companies are set out in sketchy detail.

Mr. Prisk: I wish that I were surprised, but I suspect that on closer examination—when the Committee gets its teeth into the matter—we will find further omissions. My hon. Friend makes a sensible point.

I have repeatedly raised the question of the cost of the Bill during the debate. Hon. Members might not have noticed this, but apparently the Government expect to spend £369 million more each year, as an employer, as a direct result of the Bill. It is thus expected that during the next Parliament, there will be a £1.8 billion increase in the cost of employing the same people who are employed today, although I suspect that there will be no noticeable change in the delivery of public services.

There are costs for private employers, too. The cost will be £208 million in the first year, and that will rise to £284 million in each and every year following that. As the mathematicians among us will realise, that represents £1.3 billion over the course of the next full Parliament, which is a substantial sum. Given the point that my hon. Friend the Member for Mid-Worcestershire (Peter Luff) has just made, our earlier exchanges with the Secretary of State and the omissions that we have clearly identified, I am worried that the Bill will lead to substantial costs. I have identified £3.1 billion of costs to begin with that do not seem to have been fully considered during the deliberations on the Bill. However, I know that the Minister is a reasonable man and will want to make sure that we have such information, so I look forward to receiving it.

I have had insufficient time to consider many of the Bill's positive aspects. I make no bones about that because it is important that we try to tease out the weaknesses of legislation during our scrutiny. I fully accept that there is a need to balance our work and family lives, but we need to make sure that that balance extends to all families, especially those involved in small business and those of entrepreneurs. The Secretary of State promised us in his opening remarks that the Bill would be good for business and good for families. Conservative Members agree with those sentiments, so we intend to ensure that he keeps his word.

8.28 pm

Alison Seabeck (Plymouth, Devonport) (Lab): We heard my right hon. Friend the Secretary of State explain the Government's intentions in introducing the Bill, including extending the maximum period for which maternity pay, maternity allowance and adoption pay are payable from 26 weeks to 52 weeks during the course of this Parliament, as well as introducing a new scheme that provides certain employees with a new entitlement to take leave to care for a child. In listening to the Secretary of State's remarks, I found myself drawn back to the time when my daughters were born and the position in which I, along with other mothers and, indeed, fathers, were in. I hope that the House bears with me if I draw a little on my personal experience. My daughters were born in 1981 and 1985, when the Conservatives were in power, and my entitlement was just 29 weeks post-confinement, supported by a payment of 90 per cent. of income over just six weeks. I was employed in a further education college and my husband was a town planner. Neither of us earned generous salaries and there was clearly a need for both of us to work. However, because I wanted to stay at home initially with my first child, I resigned from my full-time post and had to face finding a suitable part-time job and child care when the financial imperative kicked in and I needed to go back to work. After the birth of my second child, I returned to work immediately at the end of the statutory period, but I would have welcomed the keeping-in-touch days that are proposed.

In a perfect world, I would have preferred to have had the option of remaining at home for a longer period or, indeed, of allowing my husband to take part of the leave to care for our children, a subject raised by my hon. Friend the Member for Burnley (Kitty Ussher). Although the evidence suggests that the number of fathers wishing to take up the option is small, there are, none the less, those for whom it would be a very welcome option. Some 24 years on from my experience, there is clear evidence to show that both mothers and fathers believe that it should be the norm for there to be greater paternal involvement in the early months of their child's life. Indeed, in a recent Equal Opportunities Commission survey, seven out of 10 women and men agreed or agreed strongly that women's and men's lives are becoming more alike in terms of their need to balance work and family life.

Opportunities to improve the work and caring balance have been lost in the past. For example, in November 1985, shortly after the birth of my second child, there was a debate in the House on parental and family leave. The then Conservative Government could have accepted a European Economic Community directive extending paternity rights, but they chose simply to note the directive. As that great campaign

for equal rights, the late Jo Richardson, commented at the time, it showed how out of touch they were with the day-to-day reality of people's lives. Unfortunately, one or two Conservative Members are still a little out of touch, although I acknowledge the positive comments from the Front Bench.

A significant number of fathers probably want to take paternity leave but are unclear about their rights early enough in the process to plan properly. Evidence suggests that, in parallel to the powers in the Bill, an information campaign needs to take place to inform them of their rights. I am concerned that fathers whose earnings are below £20,000 per annum are less likely to find out about their rights prior to the birth of their child than those fathers whose income exceeds that figure.

Given the findings of the Equal Opportunities Commission's survey "Dads and their babies", which was funded in part by the Department of Trade and Industry, I would welcome the Minister's comments on whether he accepts that there is a real job of work to be done to ensure that fathers are properly informed of their paternity rights from formal sources, rather than simply relying on friends and family for that information. Given that many of these important proposals require change via regulations, I also seek reassurance that there will be no significant delay in introducing them, allowing, of course, for the caveat that we need to consult on some of them.

The Bill addresses not only the period immediately following the child's birth, but the need for further amendments to existing legislation to allow a wider range of individuals greater flexibility of working. Clause 12, which has been mentioned by a number of hon. Members, gives carers the right to request flexible working for the first time. We know that in the region of 3.5 million carers are struggling to work as well as care. I share the support that my hon. Friend the Member for Erewash (Liz Blackman) and the National Autistic Society have given to the clause. Without that flexibility, we lose a number of highly skilled workers who have to make a difficult decision between work and caring. Our economy can ill afford to lose the expertise of those workers, especially at a time of skills shortage. The cost to employers of recruiting and training new employees to fill their shoes is a burden, and I refer the House to the figures given by my right hon. Friend the Secretary of State.

Enabling people to remain in the workplace also has the added advantage of enabling them to continue to build a better pension for themselves. I also welcome the proposed extension of rights to carers of adult dependants, but hope that in due course that freedom will be extended to parents of older children through the use of the regulatory powers in the Bill.

It is still a little unclear where the age definition will fall, something that was mentioned by hon. Members on both sides of the House. We need greater clarity on the definition of the relationship between the employee and the child or person over 18 who requires care. A number of employers, both large and small, already encourage flexible working, but there are different definitions of what they understand a carer to be. Let me give some examples. In Centrica's view:

"If you are a carer, you have responsibilities, which have an impact on your working life. You will be responsible for the care and support of a disabled, elderly or sick partner, relative or close friend who is unable to care for themselves as they are ill, frail or have a disability."

According to British Telecom:

"A carer is an employee with significant caring responsibilities, which have a substantial impact on their working life. These employees will be responsible for the care and support of a disabled, elderly or sick partner, relative or friend".

and HSBC defines carers as:

"Employees who are the prime carer of a sick child, elderly, disabled or chronically sick relative or other close dependant."

Each has a slightly different understanding of what a carer is, so it is important that we provide as simple and as flexible a definition as possible.

That said, I warmly welcome the Bill and look forward to the Minister's closing remarks.

8.35 pm

Mr. Mike Weir (Angus) (SNP): The Scottish National party and Plaid Cymru welcome the Bill. We recognise that the rights it gives are an important step forward for men and women in employment. I should like to comment on one or two aspects.

I join in the general welcome for clause 12. The extension to carers of the right to ask for flexible working is extremely important. I have met many carers in my time as a Member of Parliament and I have been struck by how many had to give up work to look after sick children or relatives and ended up relying on state benefits. When, sadly, their elderly relative dies, they often find it very difficult to get back into work. If the clause helps people to stay in work, it is very welcome and long overdue.

I also welcome the provisions on paternity leave, but I ask the Minister to consider creating greater flexibility. I know that it will be difficult, but several hon. Members have mentioned that point. I look back to the time when my children were born. I was self-employed and was able to change my work patterns to tie in with what was needed and to be with my wife when our children were just babies. It was an important and useful thing to be able to do. As I see it, the problem with the Minister's proposal is that there no cross-over period—the mother will have the first six months and the father the second. We should find a way to work in a little flexibility to allow both parents to stay at home, especially when a child is first born. That could be very important, because it is often difficult for new and young parents, or in some cases not-so-young parents, to come to terms with the changes in their lives that a baby brings.

It is also important that employers understand the rights in the Bill. Although we give employees rights, enforcing them is often a different matter. Good employers will always try to keep good employees and will bend over backwards to give them the consideration they need, but that is not true of all employers, and that is a problem. Other hon. Members will have received Citizens Advice's excellent booklet on the Bill, "Hard labour: Making maternity and paternity at rights at work a reality for all". Some of the case studies it contains are disturbing, but Citizens Advice also makes the valid point that

"the Government's strategy in relation to these and other statutory workplace rights must include steps to ensure more universal compliance by small employers, including more pro-active enforcement against rogue employers."

Although it is possible to take employers to an industrial tribunal, it is often not easy to do so. It is time consuming and many employees find the process of

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taking an employer to an industrial tribunal extremely difficult and daunting. I know from my experience as a solicitor representing people at industrial tribunals that it can also take a very long time.

One group that does not appear to be adequately covered at present is those who are, as the Library note puts it, somewhat coldly,

"commissioning parents in surrogacy arrangements."

I was encouraged by the Secretary of State saying in response to my earlier intervention that he would look again at that matter. My interest was prompted by a constituency case. My constituent could not obtain a decision from her employer about what, if any, rights she had to take time off to spend with her new baby. The case did not appear to be covered by either maternity or adoption leave legislation, and the couple were left in limbo. When they approached me, I thought that the matter should be treated in the same way as adoption, with which it had many similarities. However, that is not the case under the existing legislation, and there was no automatic right to leave or pay. I intervened with the employer—a major public sector employer—which, to its credit, accepted that the situation should be treated in the same way as adoption and agreed to do so. However—and this is the point I wish to make—that was at its discretion, and my constituent did not have any automatic rights, which is unfair.

I took the matter up with the Minister, who confirmed the legal position in a letter:

"There is no specific statutory right for parents who have a child through surrogacy to take time off following the birth of their child, and currently no plans to change this."

To be fair, he explained that maternity rights were originally a health and safety issue, but things have moved on. We are now talking about a work-life balance for families, and surrogacy is an important issue. The number of people involved is low, but the matter should be given due consideration.

The Bill does not change the position, as the Minister accepted. When the Bill was published I asked the Library to prepare a briefing note, which confirmed that nothing has changed. That note now appears in the Library research paper, so perhaps I have secured my place in history by achieving a mention of the subject in such a paper. I urge the Minister to consider the particular circumstances of surrogacy as parents in that category appear to suffer discrimination.

When I first became involved in the matter I assumed, perhaps naively, that some form of adoption would be required, but there are several different methods of dealing with surrogacy. The Library briefing cites the submission to the Government's original consultation by the National Association of Schoolmasters Union of Women Teachers, which puts the matter very well:

"In these circumstances the commissioning mother usually has the baby soon after the birth but cannot formally adopt until six weeks after the birth. Clearly she will need to take leave from the date she receives the baby but currently she has no statutory rights to any pay or leave, even after the formal adoption."

If that is indeed the case, the mother is in a disadvantaged position. Had there been no surrogacy agreement but only an adoption, she would have been entitled to rights under adoption regulations. However, because of the surrogacy she has no rights whatsoever.

Various legislative proposals apply in surrogacy arrangements, and different means by which parental rights are given to the intended parents and the parental rights of the surrogate mother extinguished. As well as formal adoption, parental orders can be imposed, allowing a married couple who commission the surrogate birth to apply for an order so that they are treated in law as the parents of the child. That is not necessarily a quick process because, as in all cases that involve children, the court would have to be convinced that the welfare of the child was secure. Similarly, it may be possible for a commissioning father to apply to the courts for a parental responsibility order by virtue of the fact that he is the genetic father of the child. I am not sure of the position in English law, but in Scotland such an order would have to be accompanied by a residency order to specify that the child is to reside with the father and his wife—the child's putative mother. If that order was not granted, the original order would not do much good. In any event, the parental responsibility order would not give any automatic rights to the wife of the applicant. Even though she would almost certainly be the main carer, she would not necessarily obtain any benefit though time off or pay. Those procedures may not work as intended.

It is particularly strange that that point has not been covered by the legislation as the legal frameworks for surrogacy and adoption are closely related. It is iniquitous that parents in a surrogacy arrangement should have no automatic legal rights, but must rely on their contract of employment. In my constituent's case that worked out—it might not in other cases—so I urge the Minister to reconsider the matter and ensure that all families are treated equally. After all, in his letter to hon. Members of 19 October, the Secretary of State specifically stated that the Bill would

"deliver our commitment to give parents more choice about how they balance their work and family life".

That should be as true of those seeking a family through surrogacy as it is of those seeking a family through any other means. For the sake of fairness and completeness, I urge the Minister to re-examine the matter and introduce proposals to include such a measure in the Bill.

8.44 pm

Kitty Ussher (Burnley) (Lab): I am pleased to have the opportunity to speak in this debate, Mr. Deputy Speaker. I add my name to those of other hon. Members who support the Bill—I believe that supporting this legislation is something of which we should all be very proud. The Bill provides legislative support for what we all know deep down to be true: all parents, regardless of gender, may want to spend time with their young children—many do. It is crucial to our fight against discrimination that it should be seen as normal for both men and women to take time off for a new baby.

This evening, we have discussed whether the Bill will make it more or less likely that women of childbearing age will be discriminated against. The hon. Member for Mid-Worcestershire (Peter Luff) is no longer in his seat, but I note that he said that he has evidence of that practice taking place, in which case I hope that he will give it to the police.

I am sorry that the hon. Gentleman is not here, because I wanted him to have the opportunity to withdraw his comment, which I found rather condescending, that we should have a drink and discuss the issues. A few minutes earlier, he did not even know my name—I wonder whether it is normal for him to invite ladies to go for drinks when he does not know their names.

Mr. Peter Bone (Wellingborough) (Con): I do not know whether the hon. Lady knows that my hon. Friend the Member for Mid-Worcestershire (Peter Luff) is Chairman of the Trade and Industry Committee, which is probably why he was interested in her views.

Kitty Ussher: I thank the hon. Gentleman for that clarification. I am sure that the hon. Member for Mid-Worcestershire will mention it to me in person, if we ever discuss the matter.

I believe that the legislation will reduce discrimination against women of childbearing age, because if more men of the same age act as role models by taking greater paternity leave, it will become normal for all parents to do so. That is one of the reasons why I support the Bill, which will help us move towards a culture in which all people—male and female—can organise their lives to suit their caring responsibilities without fear of stigma in the workplace.

I am in the unusual position of agreeing with something that the right hon. Member for Maidenhead (Mrs. May) said—she said that the business case for the legislation is proven, which is true. Businesses will benefit by having higher staff retention if they make it easier through this legislation to allow their employees to balance their work and family commitments, and anecdotal evidence shows that productivity rises in such cases. They will also have access to greater talents not only among their existing employees, who will not have to leave their jobs when the time comes to look after their families, but among a larger pool of potential employees, because more people will want to apply for work, realising that they can more easily balance their work and family commitments.

I particularly support the measures in the Bill that give greater parental rights to fathers, which the evidence shows that they want. An Equal Opportunities Commission survey conducted earlier this year found that two thirds of fathers intend to take up their paternity rights, and nine out of 10 fathers take time off when their children are born. Crucially, half of fathers say that the existing legislation is not sufficient.

The Bill is good for men, but because it is good for men, it is potentially good for women, too. It will end the pernicious cycle by which young adults who form a couple and who are equal on the career ladder before they start a family inevitably end up in a situation in which the woman experiences a pay gap after the first or second child. At the moment, because only the mother can take a substantial period of time off when a child is born, it becomes financially logical for the father to work longer hours and seek promotion and for the mother to remain at home. Fathers often work harder when their child is in its first year until their pay rises. When the mother returns to work after six months or one year, a wedge has begun to be driven between the salary of the man and the salary of the woman.

Norman Lamb: I agree with what the hon. Lady is saying about redressing the balance between men and women as women become increasingly unequal as a result of time off relating to childbirth. Does she recognise, however, that the Government estimate in their regulatory impact assessment that it is possible that as few as 9,000 people will take advantage of the right to paid paternity leave because, at £106 a week, it will be uneconomic for many fathers to do so? Does she see some merit in giving a father, like the mother, greater flexibility in taking a shorter time than the maximum but with a higher weekly rate than £106?

Kitty Ussher: I do not favour that, because it would send out the wrong signal. We should either support someone on parental leave or not support them. I note the hon. Gentleman's general point. I hope that take-up by new fathers will be high, because fathers and families would benefit from that. However, it is not up to the Government to tell families how they should organise their lives. We should provide an enabling environment so that they can make the choices that work for them.

The Bill will allow both parents to be equal at the end of the first year, if that is what they want. The mother can take the first six months off, during which time the father continues to work. The father can then take the second six months off while the mother returns to work to seek promotion opportunities and whatever else she wants to do. That is a wholly advantageous move that we should all support.

I want to take my example a little further. Earlier, I asked the Secretary of State about a situation in which a woman wants to go back to work after three months. We should not force her to do so, but I can imagine many situations where she might want to, perhaps because she likes working or because she is in a sufficiently senior position in the organisation that she is genuinely worried that there will be negative business effects if she does not go back—or, God forbid, she is a Member of Parliament whose constituents could not tolerate the idea of her having six months off. Colleagues will know that I have some experience of that.

It would be wrong if the mother wanted to go back to work when the baby was three months old and the father wanted to take over but the legislation or regulations did not allow it. The mother would have to remain at home for the second three months to wait for the father to be allowed to take over, thereby damaging her business, or they would have to employ another form of child care for that period. It would be unnecessarily disruptive for the child if both parents wanted to share the year between them. When I mentioned that to my right hon. Friend the Secretary of State, he said that it was not favoured in the consultations. I have read those, however, and some groups did favour it, particularly Fathers Direct, which claims to speak for a large interest group on this matter and should not be ignored.

Earlier, my right hon. Friend said that World Health Organisation guidelines suggest that women should breast-feed for six months—so does the Department of

[Kitty Ussher]

Health, but it also recommends several other things including not smoking, not drinking too much, and eating five portions of fruit and veg each day. In the end, it is up to individuals to decide how they wish to interpret such advice. If the Government really think that women should breast-feed for six months, they should legislate to that effect, but I am sure that they do not think that women should be forced to do so. In fact, the Government have, I am proud to say, introduced regulations that require employers to provide areas where women can breast-feed or—without troubling the House with too much technicality—express milk and so on. I therefore urge my hon. Friends on the Front Bench to consider as they consult further whether greater flexibility should be allowed on the matter.

In summary, the Bill will transform the culture of our workplaces, and that is excellent. It will help to provide male and female role models to whom young parents can look when they decide how to balance their work and family lives. It will lead to less, not more discrimination. It will be good for small and large companies as they realise that the measure requires them to think beyond their existing talent pool. That is good for our economy and for families in this country.

8.55 pm

Mr. Peter Bone (Wellingborough) (Con): It is a pleasure to follow the hon. Member for Burnley (Kitty Ussher), who made such a powerful speech. I agree with many of her points. However, I hope to deal with matters that have been touched on only briefly in the debate.

I read the Work and Families Bill with interest. It details how parents should have more choice through flexible working to create a better work-life balance. It advocates a longer period of paternity pay from 26 to 39 weeks from April 2007. It allows regulations to be made for additional statutory paternity leave and ties in with the Government's 10-year strategy for child care. That is all good and to be welcomed. However, the measure is incomplete—it is half a Bill. It does not mention those mothers who want to stay at home to bring up their children. What about mothers who are forced back to work for financial reasons but would prefer to stay at home to look after their children?

The measure is simply another Government initiative that will break down the family model, forcing parents to go out to work instead of giving them the genuine choice of looking after their children at home. It is a proven fact that children do better when they are brought up in a family environment and even better when one parent is at home to give them constant care and attention in the early years of their lives.

I have run the Listening to Wellingborough and Rushden campaign in my constituency for many years. It aims to seek the views of local people, groups and organisations and campaign on their behalf for change. I listen to people through surveys, public meetings, door-to-door canvassing and visiting local residents. Throughout the time that I have run the campaign, the length of maternity pay, paternity leave or flexible working has never come up. However, families' concern about the amount of tax that they have to pay comes up all the time. They are concerned about the detrimental effects of the inefficient and inconsistent tax credit system. They are worried that they would be financially better off if they lived apart.

The Government are determined to get parents back to work as soon as possible after a birth. They have now realised that they need to extend maternity and paternity leave. However, they still believe that, after a few months—whether nine or 12—parents should return to work. They have given no thought to mothers who decide not to work but to bring up their children.

Many parents are frustrated because there is no option to stay at home in the early years of their children's lives. I must declare an interest. I have a son, Thomas, who is nearly five years old. I also have two older children who are 23 and 21. My wife has spent time at home to bring them up. She returned to full-time working only since Thomas started school. As with our other two children, Jennie and I believed that it was vital that she was with them in the early years. We were in a position to do that, but the Government have ensured that that is not an option for most families in our country. Such woolly-minded, liberal thinking will lead to disaster.

The Government's desire to control everything, whether through their nought-to-five curriculum, their insistence on getting children into school as soon as possible or the pressure on mothers to go back to work, constitutes nanny-state, centralist intervention. It is socialist planning that might go down well with Labour Back Benchers, but it is not good for 21st century Britain. It has more in common with the state planning of the former Soviet Union than with a modern, 21st-century country. When will the Government trust families and allow them personal responsibility? When will they allow children to be brought up by their parents, rather than by the state?

I have no illusions; we are living in a changing world, and work and family life are very different from what they used to be. I completely understand that many women now choose to pursue a successful career, and that should be welcomed. However, my concerns rest with those women who want to be full-time mothers. The Government have removed the choice for such women to stay at home and bring up their children.

The Government have also discriminated against the family by introducing measures that benefit couples living apart. In a recent report published by the charity Care, the tax credit system is blamed as one of the drivers forcing mothers out to work even if they would prefer to look after their children at home. The Government do not regard running a home and bringing up children as a worthwhile career option. They do not believe that it constitutes work, let alone hard work. If Ministers were to spend a few weeks trying to run a home and look after two young children, there could be a rapid rethinking of Government policy.

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. Gerry Sutcliffe): I do not want the hon. Gentleman to run away with the idea that Ministers do not have parental responsibilities. I have three boys, and I also have three grandchildren. I am well aware of the roles that parents and grandparents can play.

Mr. Bone: I am grateful to the Minister for that comment. However, if he had had to bring up those children at home, rather than working in the House of Commons, he would understand that it was actually rather hard work. When my wife was bringing up our first two children and I was working away from home, she was working exceptionally hard on something that was of great benefit not only to our family but, ultimately, to the nation.

The balance has now swung so far in favour of making people go out to work that there are huge financial disadvantages for the traditional family. The Care report examined 74 couples, and found that 64 of them would have been better off financially if they lived apart. It also showed that, on average, a couple lost £50 a week by staying together rather than living apart. One of the families studied, with average earnings of £25,000 a year, would gain £206 a week—yes, £206 a week—by splitting up. Where are the incentives in the Bill to keep families together? Children will always do better if they are brought up in a loving and secure family environment. I am not saying that financial reasons are the only factor involved when a couple split up, but they certainly play a big part.

The tax credit system is, by its very nature, flawed. Since coming to Parliament in May, I have been inundated by worried constituents who have been victims of a system that is so ambiguous and complicated, with so many forms to be filled in, that many of them have been penalised. Let me give the House a specific example. I have had a mother crying in my office, fearful that the family would have to sell their home because they had had their tax credits stopped and had received a demand from the Inland Revenue for thousands of pounds in overpaid tax credits. When I looked at the situation, I found that my constituents had done nothing wrong; it seemed to be a gross error by the tax credit office. However, that did little to relieve the despair and hurt caused to my constituents by the tax credit system.

The problem with this Government is that they believe that all mothers want to return to work for a career. They do not even consider the possibility that some mothers want to stay at home to bring up their children; that is not in their psyche. The Bill is only half a Bill; it addresses one issue but totally ignores the other.

9.4 pm

Mr. Jim McGovern (Dundee, West) (Lab): It is a pleasure to speak in this debate on a welcome and important Bill. The research paper suggests that it has come on the back of a raft of policy documents and consultation papers. I am delighted that it also comes on the back of a manifesto commitment that came via the Warwick agreement, and I am glad that the Government are pursuing it so early in this Parliament. I look forward to seeing more manifesto commitments with regard to the Warwick agreement, such as an end to two-tier work forces and increased protection for migrant workers. One step at a time—

Mr. Jim Devine (Livingston) (Lab): Is it not embarrassing that in this place we have a two-tier work force for domestics, one of which is employed by this place and earns a good salary, while the other is employed by a private contractor and is clearly being exploited?

Mr. McGovern: I agree with my hon. Friend entirely. I am against two-tier work forces, regardless of where they exist, and the sooner we get the situation sorted in this place, the happier I will be.

The Bill is crucial—I am afraid that I must use the jargon—to the work-life balance in the 21st century. A recent ICM poll suggested that three out of five women today believe that it is more difficult for them to attain an acceptable work-life balance than it was for their mothers 30 years ago. Obviously, there are a number of reasons for that, not least of which is that many more women are working now than 30 years ago. I welcome the progress that the Government have made on variable working hours, job shares and part-time working, but there is much more to be done. I also want to remind the Minister that flexible working is not sustainable without addressing the pensions issue. In the light of last week's Turner report, I hope that any future debate on pensions will take due cognizance of the pension rights of women and carers.

Any Bill that will provide extra flexibility in relation to the period for which women can take maternity leave and in relation to fathers taking paternity leave must be welcomed. Obviously, the way in which families have been viewed in the context of work has undergone a massive sea change in the past 40 years. Again, there are many reasons for that. All too slowly, but at least surely, women have gradually gained more rights in the world of work.

My older sister was born in 1955 in a hospital in Dundee—unfortunately, the hospital is no longer there. My father went to work as normal that day. When I was born 14 months later in a hospital in Glasgow, my father again regarded it as a normal working day—he had to—and went to work. Five years later, when my mother was again due to give birth, she decided, to coin a phrase, on a "home delivery", and my father had to take the day off work, because he had to look after my sister and me. While my father, Tommy, my sister, Carol, and I sat in the kitchen—we were living in what was known as a room and kitchen in Maryhill road, Glasgow—my mother, ably assisted by our GP, Dr. John Fitzsimmons, who, incidentally, was also the Celtic football club doctor at the time—*[Interruption.]* I think that my hon. Friend the Member for Livingston (Mr. Devine) comments from a sedentary position that that explains a lot. *[Laughter.]* My mother, ably assisted by Dr. Fitzsimmons, gave birth to my younger sister Angela, and my father had to take the day off, but simply lost a day's wages.

The hon. Member for North Norfolk (Norman Lamb) said that in those days the man was expected to be the breadwinner, and the woman was expected to stay at home and look after the children. That was certainly how my father viewed it, and I am slightly ashamed to say that I do not think that his view has changed much since then. Obviously, however, as in most father-son relationships, we agree to differ on certain issues. I am glad that the days when women were regarded as going out to work for pin money are long gone. In most cases, women's work is now a requirement.

[Mr. McGovern]

There are many reasons why a man would want to take paternity leave, and evidence seems to suggest that many men take their annual leave in the first few months of a baby's life. Obviously, that is not just to get to know the baby but to support the mother. There is also evidence that at least 20 per cent. of women suffer some sort of post-natal depression, so I would regard it as the father's right to be with the mother and the child at that time, and I hope that that can be considered. I am not sure whether I made myself clear in intervening on my right hon. Friend the Secretary of State in his introductory remarks. However, many contributions since then seemed to confirm what I was trying to say. If a father can take paternity leave only on the second sixth months of the first year of the child's life, and that is dependent on the mother returning to work, that puts undue pressure on the mother to return to work, perhaps earlier than she would otherwise wish. I hope that the issue will be clarified when the Front Bench spokespersons respond. If the mother were allowed to take her additional maternity leave for the second six months and the father were allowed to take paternity leave, that would be a better proposition. My preferred option is that, if they so choose, both parents should be allowed to take their maternity and paternity leave concurrently, during the first six months of the child's life. If we are legislating for choice, surely we should not deny both parents the choice to be with the new addition to the family in the earliest stages of its life.

Discrimination has been mentioned. The hon. Member for Mid-Worcestershire (Peter Luff), who is no longer in his place, envisaged paternity leave being talked up to the same level as maternity leave, resulting in women no longer experiencing discrimination because they were of child-bearing age. I agree with the hon. Gentleman on that. I think that that is desirable, but I am not sure that he would agree with me. I do not think that that is the point that he was trying to make.

I welcome the provisions that deal with redundancy. Before being elected to this place, I was a full-time trade union official. I dealt with numerous instances of long-serving employees being denied equal redundancy packages because they were six months over the age of 64. Anything that would remove such blatantly unfair practices is welcome.

Mention has been made of the eight statutory public holidays being added to the minimum of 20 days' annual leave. I ask my hon. Friend the Minister to re-examine that. Some employers do not recognise public holidays. Employees of such companies will find that the change in the legislation will mean nothing to them. Perhaps my hon. Friend will consider two options. We can move to 28 days' minimum annual leave or we can add eight public holidays as a legal entitlement to the 20 days of annual leave; otherwise, there will be a large loophole.

The hon. Member for North Norfolk (Norman Lamb) mentioned the CBI's desire to see extra days phased in over a period. As a former negotiator, I feel that if we closed the loophole on bank holidays, we could accommodate the CBI in phasing on the basis of two days each year.

I welcome the Bill. I ask right hon. and hon. Members to support it. I look forward to it being debated again early in the new year.

9.12 pm

Mrs. Madeleine Moon (Bridgend) (Lab): It is a great honour to follow my hon. Friend the Member for Dundee, West (Mr. McGovern), especially with his story of his father's management of the birth of his sister. Only recently, I had a discussion with my mother, who is 91. I talked about the birth of my younger sister and of overhearing my father saying to his employer over the telephone that he could not come into work because I had been misbehaving. He said that I had been behaving very badly following the birth of my younger sister. I told my mother that I had been shocked to hear that call. I had been given a wonderful present of some whimsies and I thought that I had been behaving well.

At 87, my mother told me rather belatedly, "Good grief, you were not behaving badly. It was just an excuse to get him off work because I needed him at home to look after you. We did not have all this leave in those days and your father had run out of his leave." For years, people had been lying to employers, managing employment situations and falsely creating impressions to manage family responsibilities. It is ludicrous that we lived in that world.

Last night, I watched Ian Hislop, who appeared in a programme about the way in which the role of women in society was changed by the great war, when they were needed to take on jobs and responsibilities because men were at the front. Years of suffrage had not secured women the vote. The experience of seeing how women rose to the challenge of the workplace led to suffrage being extended to women. That extension of suffrage changed British society. I see the Bill as being very much part of another great change that is taking place in British society. We need to recognise that parents and carers are critical to our future, and that as a society we should support them.

We heard from the hon. Member for Wellingborough (Mr. Bone) that the Government were trying to force women into the workplace. There is an element of truth in what he said. We have a falling birth rate. We have a falling number of people in the pool of those available to work, because we have high levels of employment. We have an ageing society, and an increasing number of people need care and support. If we are to provide for those who want to work, those who need to work and those whose lifestyles have been limited by poverty, social isolation and caring responsibilities, we must engage in a new way of working. We must engage in a new relationship between society and working people, be they parents or carers of older people. We need to build into our work force regulation both flexibility and choice.

Last week I was in the Chamber debating the Childcare Bill, which recognised the importance of quality-based care for children, parents, employers and Government. Speaker after speaker acknowledged the importance of parents' spending time with their children in the early years. The Bill introduces a change in maternity and adoption pay, which will enable parents to remain at home for 39 weeks by April 2007. The goal of eventually providing a year's maternity leave is one that we should all embrace and welcome.

I ask the Minister, however, to consider a possible change. If we are to support the 61,000 people who adopt children each year, we must ensure that maternity

pay and adoption pay are of equal value, recognising that the role that they play as parents is equally important. Statutory maternity pay is currently 90 per cent. of salary for the first six weeks, and £106 a week for the next 20 weeks. Statutory adoption pay is £106 a week for 26 weeks. I should like the first six weeks of statutory adoption pay to be 90 per cent. of salary, which would bring it into line with maternity pay and send adopters a clear message that their financial recognition as parents is equal, like their status in law.

I welcome the change that allows parents, particularly mothers, to return to work for training or appraisals while receiving maternity or adoption pay. For adopters in particular, a placement may be sudden. They and their employers must have time to adapt to their leave to take on child care responsibilities. That flexibility and choice is imperative for natural, birth parents and for adoptive parents.

I do not want to be seen as the Member of Parliament who always quotes from *The Western Mail*—[HON. MEMBERS: "Oh, go on."] It is too late. Last week, *The Western Mail*—every Welsh Member's morning reading—reported that, according to the Equal Opportunities Commission in Wales, many women in Wales are still affected by poverty, isolation and exclusion. David Rosser, director of CBI Wales, admitted that women still dominate in child care responsibility, and that until men take equal caring responsibility in society, that will prove difficult to address. In 2005, we are still talking about women having a disproportionate experience of poverty, isolation and exclusion.

Paternity leave was the first step of both Government and society to move towards giving men equal caring responsibilities. I hope that we can introduce changes to make the two weeks' paternity leave more family friendly. Too many fathers are excluded from paternity leave because of the need to give 15 weeks' notice, which employers do not really need. Fathers can take paternity leave up to eight weeks after the birth. However, a father's support and care may be more appropriate later than eight weeks after the birth. The child may become ill. The mother may remain ill in hospital. As we all know, doting grandparents flock in after the birth. It may be more appropriate for the father to be around later on. Perhaps we could look at breaking down the two-week period into two separate one-week opportunities for a break. It would create no additional costs for employers, give employers and families greater flexibility and could be of far greater value to families.

In the Childcare Bill debate, I spoke of how families with children with disabilities are one of society's most disadvantaged groups, with 55 per cent. living in poverty, in serious debt and with both parents and children living in loneliness and social isolation. That picture of poverty and isolation can be extended to most people with caring responsibilities. I welcome the Bill's extension of the right to seek flexible working to all carers and adults. However, I believe that that right should be extended to cover all children until they have left school. As all parents know, children need the support of their parents at different stages of their lives. A child could be going through a period of illness, of difficulty at school or that most difficult of periods, adolescence, when they need a parent at home to give them the support and structure to guide them through that difficult process. If we do not have that flexibility, we are not building in the support that families, children and parents need.

There are 6 million carers in the United Kingdom, 3 million of whom are working, who will welcome the opportunity that the Bill provides to tackle the stress, social isolation and, for many, the poverty created by caring. The peak ages for becoming a carer are 45 to 64. Eighty per cent. of carers fall within that working age band. Their experience, skills—

Mr. Deputy Speaker: Order. The hon. Lady has had her 10 minutes.

9.22 pm

Mrs. Eleanor Laing (Epping Forest) (Con): To finish the sentence of the hon. Member for Bridgend (Mrs. Moon), it is likely nowadays that someone may be a carer and a parent of young children at the same time. It is a serious matter that we must all recognise.

We welcome the intention of the Bill and we want it to work but we have, of course, some concerns about its detail. There are two points in particular. First, the Bill must be kept simple. If it leads to an explosion in red tape and bureaucracy and extra rules for businesses of all sizes and for employees as well as employers, it will not work because people will not have confidence in it. Secondly, we do not want the pendulum to swing so far that the Bill becomes counter-productive. As some of my hon. Friends have mentioned, it would be wrong if rights were created that required so much of employers, particularly small businesses, that they were unwilling to employ people who had family duties, particularly young women of child-bearing age. If that were to happen, and I hope that it does not, the Bill would backfire and it would not work. We want it to work. In everything I say, I want to ensure that the Bill is improved, so that those concerns are taken care of and the legislation will work.

As my right hon. Friend the Member for Maidenhead (Mrs. May) said earlier, the economic case for such a measure is proven. In today's work force, for the economy to work with maximum efficiency, it is absolutely necessary that every single person who is willing and able to work, and who has the experience and talent to do so, is able to use their abilities to their fullest extent.

Unusually, the Minister for Women and Equality, the hon. Member for Sheffield, Heeley (Meg Munn), is not here, although I am not surprised, given the burden of legislation that she has had to deal with in the past few weeks. I pay tribute to her for bringing to light a fascinating statistic, which I have mentioned several times in recent weeks in this Chamber and in Committees considering similar legislation. If all the women in the UK work force were working at the height of their capacity and to the best of their talents—instead of taking jobs of a lower standard because they want to work part-time; or taking a career break and subsequently being unable to slot in at their previous level—our gross domestic product would improve by 3 per cent. That is a stunning statistic: 3 per cent. of GDP is equal to our annual trade with Germany. That is an enormous sum and I am sure that the Chancellor would welcome such an improvement, given the awful

[Mrs. Eleanor Laing]

figures that he was forced to announce to the House today. That said, I stress that we want this legislation to work.

The hon. Member for Bridgend made a very good point about people often having to tell white lies, let us say, in order to cope with a situation about which they should not have to tell lies. When I discovered last week that the Bill was to be given its Second Reading today and that I would have the great honour of winding up for the Opposition, I had to change some of my arrangements for this evening, which had included attending a very worthwhile charity event. I also had to change arrangements with my nanny, who looks after my small son. I told her this morning that unfortunately, I would be unable to go to the ball because I had to be here this evening, and she said, "Can't you just call in sick?" I had to explain that it does not work that way here, but at that point it occurred to me that, of course, that is what people have always done. People call in sick when in fact, if the employment arrangements were reasonable and flexible, there could be far more honesty, and both employer and employee could be above board about what is actually going on.

The hon. Member for Bridgend told a very good story about her father, but my hon. Friend the Member for Newbury (Mr. Benyon) takes the prize in this regard. Just a few weeks ago, his wife gave birth to—a child. *[Interruption.]* My helpful hon. Friends tell me that it was a boy: my hon. Friend the Member for Newbury has a new son. Unlike my hon. Friend the Member for Buckingham (John Bercow), who had to explain to the Whips in rather difficult circumstances that he intended to take paternity leave, my hon. Friend the Member for Newbury simply fell over on his way out of the hospital and broke his leg. *[Interruption.]* I am inaccurate in that as well; apparently, he broke his foot, as my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) helpfully points out. The principle is that it should not be necessary for people to find excuses to be there for the first few weeks of their child's life, whether they are the mother or father.

We have had a constructive debate this evening. The hon. Member for Erewash (Liz Blackman) spoke passionately about carers and she was right to highlight the predicament of parents who have children who are in need of extra care but who may not be categorised as having special needs. They may still have extra needs that should be taken into consideration as far as their parents' employment is concerned. The hon. Member for North Norfolk (Norman Lamb), who spoke on behalf of the Liberal Democrats, was right to talk of the need to get the work-life balance right. I hope that that term has not become jargon, because it is important. We are trying to achieve a reasonable balance and, for once, I did not disagree with everything that the spokesman for the Liberal Democrats said. We may have a constructive time in Committee.

The hon. Member for Warrington, North (Helen Jones) is right about the business case. She made a good case that was similar to what my hon. Friends and I have said, so I do not understand why she claims that the Opposition are unsupportive of the Bill. We welcome these provisions. She has listened to a small number of my colleagues, but not to me. Nor has she listened to my hon. Friend the Member for Bromsgrove (Miss Kirkbride), who made a powerful speech. She understands these issues very well and she is right to have spent some time with her son this evening. We forgive her for not having been here for the whole of the debate, because that is what she was doing.

Miss Kirkbride: I am sure that my hon. Friend would like to know, as a good friend of my right hon. Friend the Member for Bracknell (Mr. Mackay), that before I got home, bath and tea had been provided, by someone who is not noted as a new man. Jimmy-jammies were on and it was straight to bed.

Mrs. Laing: I am amazed and gobsmacked. The Bill has already had an effect if it has made my right hon. Friend the Member for Bracknell (Mr. Mackay) deal with putting his son to bed. I am extremely impressed.

Peter Luff: I have to let my hon. Friend into a secret. My right hon. Friend the Member for Bracknell (Mr. Mackay) has already expressed his pleasure that the Trade and Industry Committee intends to visit India a week after his Committee goes elsewhere, so that he can look after the baby while his hon. Friend—in every sense of the word—the Member for Bromsgrove (Miss Kirkbride) is away. He is really becoming a new man.

Mrs. Laing: I am not sure that my right hon. Friend the Member for Bracknell will be pleased to be called a new man, but he is clearly becoming the perfect father, and we should all commend him for that.

Mr. Devine: Is it not silly to be talking about work-life balances when we are sitting here at half-past nine at night?

Mrs. Laing: The hon. Gentleman makes a good point, but each hon. Member has a different hour at which they want to be somewhere else. The fact that I want to be at a charity ball right now is not the point—*[Interruption.]* I am not used to playing Cinderella. The time that mattered most to me was 7 o'clock, just before my hon. Friend the Member for Bromsgrove left the Chamber having explained what she was going to do. I could not, of course, take that amount of time away from the debate, so I had to telephone my four-year-old son to say goodnight. As always, he asked me what I was doing and I said that I was about to make a speech at Big Ben—as he calls this place. He asked what the speech was about and I replied that it was about mummies having more time to spend with their children. He said, "Great, so you'll be able to come home and read my story then." That makes extremely well a point that others have made.

It annoys me that just because Conservative Members speak up for small businesses and analyse the economic effect of proposals such as these, some Labour Members suggest that we do not understand the needs of children and families as much as they do. We do.

Mr. Charles Walker (Broxbourne) (Con): I am very much a new man. Indeed, it was my daughter Charlotte's ninth birthday today and I managed to get home to south Hertfordshire for 45 minutes at 4.30 pm to wish her a happy birthday, so I am in favour of the work-life balance.

Mrs. Laing: I am most impressed, although I will not encourage any more of my hon. Friends to display their new man credentials. The Bill has already had an effect.

The hon. Member for Cardiff, North (Julie Morgan) made a powerful speech about carers. She is absolutely right and we should pay attention to her example. It is worth looking further at whether the right to request should be extended to all employees. It is difficult to work out where the line should be drawn. I make no commitment to the Minister about exactly what our position will be, but the matter is certainly worth considering.

Mr. Sutcliffe *rose—*

Mrs. Laing: I will of course give way to the Minister as long as he understands that my speech will go on longer due to interventions.

Mr. Sutcliffe: I am grateful to the hon. Lady for giving me the opportunity to intervene. I am sorry that she has missed the ball, as she has mentioned twice.

The hon. Lady is making an important point about the extension of the right to request and the work-life balance, and I welcome what she says, but we have been told by Opposition Members about the role of business and the CBI, so is she committing her party to supporting an extension of the right to request, even though organisations such as the CBI are opposed to it?

Mrs. Laing: No. I am glad the Minister asked that question. I am not committing my party to anything; I was saying that it was worth looking at the point further. I am not ruling it out. It would be just as easy for me to say, "No, we absolutely rule it out", but we do not. The hon. Member for Cardiff, North made some important points and I hope that we shall have an opportunity to consider them further in Committee.

My hon. Friend the Member for Mid-Worcestershire (Peter Luff) was right to stress the importance of the balance between employees and employers. He made the important point that just because discrimination against women is illegal does not mean that some employers will not find a way around the law. That is what lawyers are for, so I stress again the importance of keeping the legislation simple and balanced.

My hon. Friend the Member for Hertford and Stortford (Mr. Prisk) put well the case for small businesses. It is vital that the Government respect their position. After all, most employees work for small businesses.

The hon. Member for Plymouth, Devonport (Alison Seabeck) was right in what she said. I do not disagree with the detail of the contributions made by Labour Members. We are all trying to achieve the best from the Bill and I hope that we can go into it in more detail in Committee.

The hon. Member for Angus (Mr. Weir) raised an issue that the Government had not taken into consideration: surrogacy. I hope that we can amend the Bill in Committee to take account of what he said. It is right that a child born of a surrogate mother should be treated appropriately, not exactly in the same way as the child of a birth mother or an adopted child, but not left out of the provisions altogether.

The hon. Gentleman also addressed the issue of enforcement through tribunals. We do not want to encourage more litigation as a result of the Bill. It is much better to have reasonable, balanced law that need not be broken by either side.

The hon. Member for Burnley (Kitty Ussher) also speaks with authority, because she probably has the youngest child of any female Member.

Kitty Ussher: I understand that my hon. Friend the Member for North-East Derbyshire (Natascha Engel) had her child first.

Mrs. Laing: The hon. Lady speaks with authority on this matter because she has a very small baby, and it is quite understandable that she will not have time to discuss any matter with my hon. Friend the Member for Mid-Worcestershire because she cannot possibly have time while balancing her duties in the House and in her constituency with such a small baby.

My hon. Friend the Member for Wellingborough (Mr. Bone) mentioned some vital aspects of the Bill. Parents' time with children is an essential part of helping to create and nurture children and therefore the next generation. Parents who have jobs are doing two jobs, especially the mothers of small children who also have a job outside the family, and we should respect that fact, but my hon. Friend is right: looking after a home and children is an important and extremely hard job. In my own humble opinion, it is the hardest job that there is, and I am glad that I do not have to do it full-time. We must respect women who choose to stay at home and look after their families. They must also have rights.

The hon. Member for Dundee, West (Mr. McGovern) gave us a very good historical canter around what used to happen. I am glad that we live in more enlightened times.

Much of the Bill is reliant on subsequent regulations that we have not yet seen. This is the third Bill in a month to which I have spoken from the Dispatch Box—I assume therefore that this must apply to many more—for which there has been a very short period, usually eight days, between the debate on Second Reading and the beginning of consideration in Committee and for which the Committee stage will be commenced too early and be rushed. We have had to examine Bills in Committee without the benefit of having the regulations before us. I hope that that will not happen with this Bill. It is hard to imagine why the Government are in such haste to push the Bill through. Another couple of weeks so that we could have the regulations in front of us to give the Bill proper consideration would have been much better.

In conclusion, we all want the Bill to work, so it must have flexibility and balance between employer and employee because we have jobs to talk about in the context that we have been discussing them this evening only if we have a successful economy, and we have a successful economy only if we have competitive businesses. So if anything in the Bill undermines the competitiveness of businesses, the Bill will backfire. I do not want that to happen; I want the business community and families to have confidence in the legislation that we have examined this evening. We want to examine the Bill further in Committee. We therefore want it to have a Second Reading. We will not oppose it this evening, but we look forward to improving it.

9.43 pm

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. Gerry Sutcliffe): I have listened with great interest to the contributions of hon. Members from both sides of the House. We have heard contributions from the right hon. Member for Maidenhead (Mrs. May), the hon. Member for North Norfolk (Norman Lamb), my hon. Friends the Members for Warrington, North (Helen Jones) and for Cardiff, North (Julie Morgan), the hon. Member for Mid-Worcestershire (Peter Luff), my hon. Friend the Member for Kingston upon Hull, North (Ms Johnson), the hon. Member for Hertford and Stortford (Mr. Prisk), my hon. Friend the Member for Plymouth, Devonport (Alison Seabeck), the hon. Member for Angus (Mr. Weir), my hon. Friend the Member for Burnley (Kitty Ussher), the hon. Member for Wellingborough (Mr. Bone), my hon. Friends the Members for Dundee, West (Mr. McGovern) and for Bridgend (Mrs. Moon) and, latterly, the hon. Member for Epping Forest (Mrs. Laing).

All hon. Members who have contributed to the debate understand what the Government are trying to achieve through the Bill. The Government have clearly set out their strategy in their three terms and they will develop it further in their fourth. Given the legacy of the previous Government, our first term was about getting people back into work. The second term was about fairness at work and getting the balance of fairness in the workplace right. The third term has been about the world of work.

All hon. Members who have spoken in the debate have said that the world of work has changed dramatically. This country faces demographic changes due to a reducing birth rate and the fact that people are, thankfully, living longer. We need to ensure that we get as many people back into work as possible. I was grateful and delighted that the Conservative Front-Bench spokesmen said that the business case had been made for the Bill because it is right and proper that that is the language in which we talk.

All hon. Members agree that every child deserves the best possible start in life. The Bill attempts to achieve that by providing more choice and flexibility for families when balancing work and caring responsibilities. However, as my right hon. Friend the Secretary of State said, the Bill includes measures to help employers to manage the administration of leave and pay and to plan ahead with greater confidence and certainty. It will enable better interaction between parents and employers, which was surely the point that the hon. Member for North Norfolk made when he said that it was important to get employers and employees to sit down together so that they can work through the needs of the business and their own needs, too.

That is the context of the different style of approach on employment relations in this country that the Government have tried to introduce. We have tried to move away from the adversarial times of the 1970s and 1980s and towards more consensus. We face global challenges and demographic changes. There is a need for employers to understand the needs of their employees because the labour market is tight, more people are in work than ever before and we have such a low level of unemployment. However, employees must also understand the needs of business because they can change due to globalisation. The business case for the Bill has been made and it is important that there is a new regime of understanding by both employers and employees.

We all know that enabling people with caring responsibilities to work means that the UK economy benefits and that employers can recruit from a wider talent pool and retain the people in whom they have invested. The Bill will not only result in more choice and flexibility for families, but help to achieve greater equality by enabling men to spend more time caring for their children and encouraging women back into the workplace.

Many people have put their credentials as new men or women on the table, so I will put my credentials on the table. I am a parent of three boys and I have three grandchildren—[HON. MEMBERS: "Surely not."] I know that it is hard to believe. I was thus a little taken aback when the hon. Member for Wellingborough said that Ministers do not understand the needs of youngsters and children and the requirements when bringing them up. I accept that some women make the choice to stay at home and bring up their children. Indeed, some men now want to stay at home to look after their children, especially in the first year of their lives. As the whole House has agreed, there is a benefit if people are with their children during those first 12 months.

The package is good news for working parents and employers. It represents a big step forward on giving children the best start in life and enabling all families to have genuine choices about how they balance their work and family caring responsibilities. The changes will support employers in recruiting and retaining the best people, thus keeping much needed skills and experience in the workplace. In February, we published the consultation document "Work and Families: Choice and Flexibility" and consulted widely on how to take forward the commitments set out in our 10-year child care strategy.

Miss Kirkbride: I hope that the Minister will address the point made by Conservative Members about flexibility and allowing women—or men, for that matter—to double up or increase the amount of money that they get a week by reducing the amount of time that they take off work. Will the Government consider that proposal?

Mr. Sutcliffe: I hope to come on to that point later in my speech. However, we do not accept that the proposal that the Tories put forward at the last election would have been of any benefit to either employees or employers.

We consulted widely on choice and flexibility. Our aim was to establish and maintain a balanced framework of rights and responsibilities for both employers and employees. As well as providing more choice for employees, we are introducing measures to ease administration burdens for business in line with the Government's better regulation agenda.

The majority of the costs fall to the Government, as the Treasury reimburses business for statutory maternity, adoption or paternity pay at 92 per cent. for large businesses and 104.5 per cent. for smaller businesses. That is worth around £390 million a year.

The net cost to business of the package is small once we take into account the savings and the increased productivity as a result of the measures. It will be about £40 million to £90 million in year 1 and £35 million to £70 million in year 2.

Throughout the consultation, we considered how we could help business to offset administrative burdens in line with the Government's better regulation agenda. We set up an external advisory group, made up of people with human resources expertise, to examine how to ease the compliance for employers. As a result of the Bill and subsequent regulations, the notice that mothers must give to their employers when changing the date of their return from maternity leave will be doubled from four weeks to eight weeks, and statutory maternity pay will start on the same day as maternity leave and be calculated on a daily basis, if that suits employers, to ease administration and align payments with employers' usual business practice.

Women will be able to come into work for a few days during their maternity leave without losing a week's statutory pay and can end their leave early if that is what they and their employer want. That will help them to keep in touch and to ease their return to work. Again, many hon. Members accepted that. It will be explicit in the maternity leave regulations that employers may make reasonable contact during maternity leave. We will improve the guidance provided to employers and employees.

Norman Lamb: The Minister mentions regulations. I am sure that he is about to get to it, but will he confirm precisely which of the regulations will be subject to the affirmative process rather than the alternative?

Mr. Sutcliffe: Perhaps the hon. Gentleman will let me make my own speech and get to those points when I can.

We have had a great deal of dialogue on the Bill. It is not a case of pulling something out of thin air. We consulted a range of stakeholders, including employers, both large and small. Only my hon. Friend the Member for Dundee, West mentioned the role of trade unions. It is important that we have full buy-in from both sides of industry in ensuring that the Bill's contents are supported.

The right hon. Member for Maidenhead broadly welcomed the Bill, as did the hon. Member for Epping Forest. However, actions speak louder than words. The hon. Member for Bromsgrove (Miss Kirkbride) said that had there been a Conservative Government in 1997, they would have eventually got around to measures on work and families.

The Secretary of State for Health (Ms Patricia Hewitt): Eighteen years was too soon for that.

Mr. Sutcliffe: It took the Conservatives a long time to get anywhere, and they did not get to the stage of benefiting working people.

We have ensured that there is the opportunity for broad consensus on the measures because of the change in economic circumstances and the need to get people back into work, if that is what they want to do. The right hon. Member for Maidenhead said that we should have put the provisions alongside the measures in the Childcare Bill that has come from the Department for Education and Skills. She will know that the scope of the Bills is different. The Opposition would have attacked us for not taking into account the interests of business had we put them together. She will understand why there is a separate Bill and why we need to look at it in detail.

The Bill sets out minimum standards. The reality is that most good employers already see the business case for ensuring that their employees are well treated and that they retain employment. Surely the Government's role is to set out a series of minimum standards so that people do not fall below what is expected.

My hon. Friend the Member for Erewash (Liz Blackman) was grateful for the Government's work on the role and value of carers. She raised a particular issue on the definition of carers. As my right hon. Friend the Secretary of State said, we will consider that in great detail and ensure that we listen to hon. Members on both sides of the House and to the various bodies that need to give us their view on what the definition should be. We need to balance the responsibilities and rights of employers and employees.

The point was made that some employers will not employ women of childbearing age. That is a disgrace. We need to highlight the bad business sense of doing that and ensure that people know that it is illegal to discriminate in that way.

My hon. Friend the Member for Warrington, North welcomed the Bill and asked whether the bank holiday entitlement would be paid. Our manifesto commitment was that bank holidays should be an additional, paid entitlement. She also asked us to consider what should happen in the tragic cases in which the mother dies after childbirth. I shall do that and I shall be interested to hear what my hon. Friend and others have to say about what we can do in such circumstances.

Unusually, the hon. Member for Bromsgrove welcomed the Government's progressive policies on work and families, but she asked for more flexibility in maternity leave. She explained the role of management and middle managers, who have to understand the need for maternity leave and for good employment practices to ensure that people are looked after. She asked about the changes to employment law relating to a replacement employee who might be in place for up to 12 months. She said that that person would get employment rights and asked what their situation would be. Clearly, a contract would be entered into at the outset of the replacement explaining the reasons for that period of employment.

My hon. Friend the Member for Cardiff, North also asked about the definition of carers. She gave a moving account of how she cares for her 94-year-old mother, with the help of an army of carers, mainly women. She made an important point about the way in which caring responsibilities affect carers' ability to advance their careers, or to obtain employment in the first place. She acknowledged the success of the Employment Act 2002, but also raised important issues relating to sleep deprivation and other factors that affect the work-life balance.

The Chairman of the Trade and Industry Committee, the hon. Member for Mid-Worcestershire, spoke of his experience as the son of a single mother, commonly known as a latch-key kid. He emphasised the balance

[Mr. Sutcliffe]

that we have to strike between the role of the employer and the role of the employee. He read out a list of things that he said are contributing to a lack of competitiveness in the job market by cumulatively putting a burden on business. The most notable item on that list was the national minimum wage, although he repented of having voted against the National Minimum Wage Act 1998. Good businesses want to ensure that they are not at a disadvantage compared with bad or rogue employers, and our debate has focused on what good employers should do and on ensuring that they are not disadvantaged because poor employers do not do those things. That is why the legislation is important.

The hon. Member for Hertford and Stortford was scathing about the fact that the Government have not taken into account the costs of the Bill. He wants us to delay its implementation, but that is not appropriate. We have tried to ensure that the costs are reflected in the regulatory impact assessment and I am sure that the details will be examined in Committee.

A range of detailed issues have been raised this evening, and in the time allowed I cannot answer all of them. However, as is my wont, I shall write to hon. Members on those detailed issues. I know from previous experience that we will have the opportunity to discuss them in Committee. The good thing about tonight is that we have had the opportunity to discuss the Bill in the round. I commend it to the House.

Question put and agreed to.

Bill read a Second time.

WORK AND FAMILIES BILL (PROGRAMME)

Motion made, and Question put forthwith, pursuant to Standing Order No. 83A(6) (Programme motions).

That the following provisions shall apply to the Work and Families Bill

Committal

1. The Bill shall be committed to a Standing Committee.

Proceedings in Standing Committee

2. Proceedings in the Standing Committee shall (so far as not previously concluded) be brought to a conclusion on Tuesday 20th December 2005.

3. The Standing Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.—*[Tony Cunningham.]*

Question agreed to.

WORK AND FAMILIES BILL *[MONEY]*

Queen's recommendation having been signified.

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a) (Money resolutions and ways and means resolutions in connection with bills).

That, for the purposes of any Act resulting from the Work and Families Bill, it is expedient to authorise—

(1) the payment out of money provided by Parliament of—

(a) any expenditure incurred by a Minister of the Crown or government department under the Act; and

(b) any increase attributable to the Act in the sums payable under any other Act out of money so provided; and

(2) the payment into the Consolidated Fund of any increase attributable to the Act in the sums payable into that Fund under any other Act.—*[Tony Cunningham.]*

Question agreed to.

DELEGATED LEGISLATION

Agriculture

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

That the draft Farm Woodland Premium Schemes (Amendment) (England) Scheme 2005, which was laid before this House on 2nd November, be approved. .—*[Tony Cunningham.]*

Police

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

That the draft Police and Criminal Evidence Act 1984 (Codes of Practice) Order 2005, which was laid before this House on 9th November, be approved.—*[Tony Cunningham.]*

Question agreed to.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith, pursuant to Standing Order No. 119(9) (European Standing Committees),

Control of Avian Influenza

That this House takes note of European Union Document No. 8630/05 and Addendum 1, draft Council Directive on Community measures for the control of avian influenza and draft Council Decision amending Council Decision 80/424/EEC on expenditure for the veterinary field; and supports the Government's objective of agreeing measures for the control and eradication of avian influenza.—*[Tony Cunningham.]*

Question agreed to.

Motion made, and Question put forthwith, pursuant to Standing Order No. 119(9) (European Standing Committees),

European Evidence Warrant

That this House takes note of European Union Document No. 11288/05, draft Council Framework Decision on the European Evidence Warrant for obtaining objects, documents and data for use in proceedings in criminal matters; and supports the Government's position that the application of mutual recognition in this area will speedup and improve the transmission between Member States of evidence required to prosecute cross-border crime, whilst maintaining fundamental rights.—*[Tony Cunningham.]*

Question agreed to.

SECTION 5 OF THE EUROPEAN COMMUNITIES (AMENDMENT) ACT 1993

Ordered,

That, for the purposes of their approval under section 5 of the European Communities (Amendment) Act 1993, the Government's assessment as set out in the Pre-Budget Report 2005 shall be treated as if it were an instrument subject to the provisions of Standing Order No. 118 (Standing Committees on Delegated Legislation).—*[Tony Cunningham.]*

DELEGATED LEGISLATION

Ordered,

That the Films (Exclusivity Agreements) (Revocation) Order 2005, (S.I., 2005, No. 3098), dated 1st November 2005, and the Forensic Science Service Trading Fund (Revocation) Order (S.I., 2005, No. 3138), dated 10th November 2005, be referred to Standing Committees on Delegated Legislation.— *[Tony Cunningham.]*

CROSSRAIL BILL

Ordered,

That Mr Brian Binley, Ms Katy Clark, Mr Phillip Hollobone, Kelvin Hopkins, Mrs Sian C. James, Mr Ian Liddell-Grainger, Mr Alan Meale, Dr John Pugh, Mrs. Linda Riordan and Sir Peter Soulsby be members of the Select Committee on the Crossrail Bill.—*[Rosemary McKenna, on behalf of the Committee of Selection.]*

PUBLIC ACCOUNTS

Ordered,

That Ms Diana R. Johnson be discharged from the Public Accounts Committee and Mr Austin Mitchell be added.—*[Rosemary McKenna, on behalf of the Committee of Selection.]*

OFFICE OF THE DEPUTY PRIME MINISTER: HOUSING, PLANNING, LOCAL GOVERNMENT AND THE REGIONS

Ordered,

That Mr Jim Cunningham be discharged from the Office of the Deputy Prime Minister: Housing, Planning, Local Government and the Regions Committee and Lyn Brown be added.—*[Rosemary McKenna, on behalf of the Committee of Selection.]*

Health Services (West Cumbria)

Motion made, and Question proposed, That this House do now adjourn.—*[Tony Cunningham.]*

10.1 pm

Mr. Jamie Reed (Copeland) (Lab): A preponderance of health-related issues and debates is raised at this time of year, and I am sure that that will be especially true if the forecasts of a harsh winter are even remotely accurate. The issues that I wish to raise are, sadly for west Cumbria, neither seasonal nor unusual, but endemic to the area. As one of the youngest Members in the House and as someone with the privilege of representing the constituency in which I was born and raised, I know that they have been a problem for 20 years. Stability in the west and north Cumbrian health economy is desperately needed, as two decades of uncertainty and anxiety have eroded the morale of staff and the confidence of patients throughout the area. That must change.

West Cumbria consists of approximately 150,000 people who are dispersed in towns and villages covering a huge geographical area that is served by a poor road infrastructure. Car ownership is in the lowest bracket in the country, and public transport is woefully inadequate. As a result, urban towns and rural villages, although often technically close to one another are isolated by the difficulties associated with the communications infrastructure. As regards health services, west Cumbria is covered by the West Cumbria primary care trust, the North Cumbria acute hospitals NHS trust and mental health and ambulance trusts established in the same area. All those trusts recently informed the public that they must fundamentally examine the way in which services in west Cumbria are delivered.

The PCT did so on 18 November, when it circulated to some staff, but not all, proposals for changing services in west Cumbria, including the closure of all beds in community hospitals in Millom, Keswick, Workington, Maryport and Cockermouth. The community hospital in Workington is brand new, and was opened by my hon. Friend the Member for Workington (Tony Cunningham) about a year ago following new investment of £12 million. The proposals were sent to staff in the PCT, and an accompanying press release was sent to the media. Neither my hon. Friend nor I was notified, and we still await official notification. In the absence of that basic courtesy, I have relied on members of the PCT who have sent me anonymous copies of the proposals, and the reporting of the local and regional media. That is a scandal, which I utterly condemn.

Most importantly, given the difficulties posed by geography, the sparsity of population, low car ownership, poor public transport and an ageing population, the proposals to remove hospital beds from west Cumbrian communities were a disgrace. Moreover, they were made at a time when the NHS, both nationally and in north and west Cumbria, has received record levels of investment. It is not an exaggeration to say that our local health service has more money than it has ever had, and has received record injections of investment since 1997.

To avoid accusations of politicking, in preparation for our debate my office asked the House of Commons Library—an independent, non-partisan resource—to

[Mr. Jamie Reed]

provide figures for investment in the West Cumbria PCT and its predecessor since the Government were elected in 1997. I was delighted to find that allocations for west Cumbria have increased by 96 per cent. over that period—effectively, they have doubled.

My hon. Friend the Member for Workington and I began working for the withdrawal of those proposals as soon as we learned about them, and in doing so brought the matter to the attention of Health Ministers, including the Secretary of State and the Under-Secretary of State for Health, my hon. Friend the Member for Birmingham, Hodge Hill (Mr. Byrne), who is present tonight. There are a number of reasons why Health Ministers were as aghast as me. First, the proposals make no sense given the record funding since 1997.

Secondly, the proposals do not reflect our manifesto pledge, which we made in May this year, to

"develop a new generation of modern NHS community hospitals ... These state of the art centres will provide diagnostics, day surgery and outpatients facilities closer to where people live and work."

Thirdly, the proposals are entirely contrary to the very precise thrust of health policy in this country. The forthcoming White Paper will outline the details in the spring, but let us be clear about the policy direction. The Secretary of State for Health recently told a meeting of the NHS Alliance that

"we need to focus on primary health and community services—where 90 per cent. of people's contacts with the NHS take place".

In a truly refreshing and insightful address, my right hon. Friend also told the same audience that from the consultation undertaken by the Department of Health, it is clear that people

"want more care and treatment closer to home, in community hospitals or health centres—although we have to become much smarter at engaging people at an early stage in designing and considering options that involve fewer beds and other changes to acute hospitals alongside better services in the community."

That point is particularly telling, because the PCT consultation in west Cumbria was also launched against the background of what is likely to lead to a new acute hospital for west Cumbria. Like any new hospital in the UK, it would be smaller in size—I stress that services should not be diminished—which is right for the model of health care that is being progressed through not only national policy but, more importantly, through the advocacy of patients and health care professionals.

In short, any new acute hospital in west Cumbria—or a comprehensive refurbishment of the existing hospital, for that matter—will rely on a network of fully functioning, fit-for-purpose community hospitals. Consequently, those proposals threatened not only the community hospitals themselves, but the delivery of a new acute hospital by a separate trust—a quite incredible state of affairs. Will the Minister consider whether the community hospitals are in the wrong trust? Perhaps the acute hospital trust would be a better place from which to run community hospitals throughout west Cumbria, which is an idea that certainly makes sense to me.

The acute hospital in west Cumbria, the West Cumberland hospital, which is in my constituency, is an issue to which I hope to return at a later date, but for now I inform the House and the Minister that any new hospital must be of an equal status to the other acute hospital maintained by the same health care trust in Carlisle, in order not only to achieve social justice in the provision of health services in west Cumbria, but to deliver equality of access and equal standards of health care throughout north and west Cumbria.

Mr. Peter Bone (Wellingborough) (Con): Will the hon. Gentleman give way?

Mr. Reed: If the hon. Gentleman does not mind, I want to get on. If he has any telling or pressing points, we can discuss them outside the House or he can write to me.

I urge the Minister and his Department to pay close attention over the coming months to this unfolding issue and, in particular, to the principles that I have outlined: equity of access and of standards. At this point, I ask the Minister to assess the funding formula for the NHS within the forthcoming White Paper and ensure that issues such as socio-economic factors and sparsity of population are addressed.

Returning to the PCT, only this Friday I met clinical staff at Millom community hospital and the friends of Millom hospital to discuss the PCT's proposals. I expected anger, anxiety and dejection among those whom I was to meet, but I must extend to the Minister their sincere thanks and appreciation following his intervention. Like me and my hon. Friend the Member for Workington, the staff, friends and users of Millom hospital were delighted to learn about the Minister's intervention and are now hopeful for the future, given the plan that he has identified. The people of Keswick, Maryport, Cockermouth and Workington are also equally grateful.

The Minister will correct me if I am wrong, but the plan states that West Cumbria PCT is in line for a record cash boost over the next two years totalling more than £30 million, which is nearly twice this year's underlying deficit. Local health chiefs must spend that money wisely following a much needed detailed debate and consultation on how to redesign services for the better. Over the next three months, the consultation in west Cumbria, which, as I understand it, will be undertaken by the strategic health authority rather than the PCT, will explain how the existing infrastructure of community facilities will be expanded. The Minister will visit west Cumbria in the new year to ensure that all of the above takes place.

As a result, the PCT's proposals have, as I had hoped, been withdrawn. Let me assure the Minister that at no point did anyone believe that those proposals belonged to the Government. There is widespread acknowledgement of the fact that Labour is the only party with the interests of the NHS at heart. The Minister might be interested to learn that in my constituency at the last general election the Conservatives campaigned on a platform of reduced health spending and health service privatisation, and received their worst result for almost 100 years. The persistent and continual Conservative threat to the health services of west Cumbria rightly led to the Tories in Copeland receiving the lowest number of votes since the NHS was introduced. That damning condemnation

of the Tories' health policy, and attitude, shows precisely how the people of Copeland and west Cumbria value their health services. I can put it no better than a farmer constituent who told me at the weekend that he would rather let a fox look after his chickens than let the Tories look after the NHS.

Two groups are central to any consultation and redesign of services in west Cumbria—patients and staff. Patients are not slow in coming forward with their views. Civic engagement is evidently lacking in several policy areas, but health is not one of them. However, sufficient consideration needs to be given to the views, hopes, concerns and often wise and insightful suggestions of front-line service providers in west Cumbria. Having spoken to a good number of health care professionals from across a broad spectrum of services and professional standing, I know that all too often they do not feel that their knowledge and experience is valued, or even considered relevant, when management boards launch consultations. I urge the Minister to ensure that the new consultation in west Cumbria pays sufficient attention and proper regard to the views of health care professionals, who will after all deliver the model of care that is agreed on.

West Cumbria PCT, against a background of record investment, is projecting a recurring deficit for next year of approximately £15 million. It is absolutely right that all trusts should be expected to balance their books. However, the fundamental question that lies at the heart of this debate is this: where has the money gone? I know that the Minister is as keen as me and my hon. Friend the Member for Workington to find the answer, and I hope that he can help us in that endeavour, particularly in the light of the effective doubling of investment since 1997. It is clear that the various trust boards serving west Cumbria are not working together. West Cumbria cannot sustain a viable health economy on that basis. I therefore ask for the Minister's help in achieving this for the benefit of all its health service staff and patients.

One of the most pressing medical issues in west Cumbria is its lack of dentists. I appreciate that that does not fall within the Minister's brief and is the responsibility of the Minister of State, my hon. Friend the Member for Doncaster, Central (Ms Winterton), but it is entirely relevant to the scope of this debate. I was recently honoured to welcome the university of Central Lancashire to the Westlakes science park in my constituency, where the university has established a significant permanent presence. UCLan has an excellent academic and medical research record. On the strength of that, I approached the vice-chancellor and the dean of the Westlakes campus to discuss the possibility of the university's helping to expand dentistry provision throughout west Cumbria. I am pleased to say that it has, as part of a higher education consortium involving Lancaster university, the university of Liverpool and St. Martin's college, submitted a bid to the Department of Health, which if successful would see a dental school established in west Cumbria.

This week, my hon. Friend the Member for Workington and I will write officially to the appropriate Minister to express our support for the bid and to outline precisely the direct and exponential benefits that such a development would have in west Cumbria with regard not only to dental provision but to the wider health service agenda. I hope that the Minister will urge his departmental colleagues to give due detailed consideration to the bid.

I thank the Minister for the close personal attention and effort that he has given to this issue. I look forward to meeting him in west Cumbria in the new year, when I hope that we can progress the agenda of improving the health services serving west Cumbria in a sustainable, effective and permanent manner, while serving the needs and aspirations of patients and staff.

10.13 pm

The Parliamentary Under-Secretary of State for Health (Mr. Liam Byrne): I sincerely congratulate my hon. Friend the Member for Copeland (Mr. Reed) on securing this debate. He has not been in this House for long, but he has already established himself as a powerful advocate for his local community and as a voice on health issues in particular. It was in one of my first debates as a Front Bencher that I heard his contribution to the debate about dentistry. If he will forgive me, I will pass on the comments that he made this evening to the Minister of State, my hon. Friend the Member for Doncaster, Central (Ms Winterton).

My hon. Friend has come to the House tonight to ensure that health care provision in his constituency is debated on the Floor. In congratulating him, I also congratulate my hon. Friend the Member for Workington (Tony Cunningham). His position on the Front Bench precludes his contributing to the debate, but he has contacted me on five or six occasions in the past week to give me counsel about how best to tackle the issue in his community. I should like to put on record my thanks to him for that. I also congratulate the *Evening Mail* and the Workington *Times and Star* on their excellent coverage of the debate. They have proved once again that they are a powerful voice for their local community.

In reply to my hon. Friend the Member for Copeland, I want to elucidate three lines of debate. The first is about the future finances for health care in his constituency. The second deals with the sort of health care provision that we might expect for that money over the next few years. The third is the manner and method whereby decisions about the future of health care will be made.

I should like to begin with a few words of thanks and praise for the front-line national health service staff in my hon. Friend's area who have seized the record investment and reform of the past few years to transform the health service locally. I was glad that he could celebrate their role so eloquently this evening.

The transformation of the NHS in my hon. Friend's constituency has been remarkable. Our funding for the NHS has been at great and record levels in the past few years. From £34.7 billion in 1997, we have increased spending by nearly £70 billion in 2004–05. What does that mean for my hon. Friend? He partly answered that question himself. In this financial year, West Cumbria primary care trust will get £145 million—a real-terms increase of nearly 6 per cent. in the past year.

If we compare such increases with those that we enjoyed—if that is the right word—under the previous Administration, we realise that, in their last five years,

[Mr. Liam Byrne]

the average real-terms increase for the NHS was only 2.6 per cent. Indeed, in their entire 18 years in office, it was only 3 per cent.

My hon. Friend asked where the increased funding has gone. I am glad to be able to provide some answers. More than 150 consultants have worked in Cumbria and Lancashire strategic health authority area, in which his constituency sits, since 1997. More than 3,000 nurses and more than 1,800 health care assistants now work there, thanks to the investment that we have made since 1997.

With the extra staff come shorter waits. The number of people in Cumbria and Lancashire who wait more than six months for in-patient treatment has dropped by an extraordinary 90 per cent. since 1997. The number of people who wait 13 weeks for an out-patient appointment has dropped by more than 85 per cent. since 1998.

With shorter waits come better drugs, which, with the extra staff, have delivered longer lives. The mortality rate in west Cumbria from coronary heart disease has fallen by around 29 per cent.—an extraordinary fall. Cancer mortality rates are down by more than 9 per cent. since 1997. Good progress has been made but a great deal more remains to do. That is why extra investment is being routed to my hon. Friend's constituency.

My first line of argument is therefore about the increased resources to my hon. Friend's constituency. Funding in his PCT has increased from £112 million to £145 million. It is set to rise again from £145 million to £188 million in 2007-08. My maths makes that an increase of approximately £43 million. The underlying deficit at the beginning of the year was around £17 million; the increase over the next two years is more than two and a half times the current deficit.

I am glad that my hon. Friend mentioned the funding formula. He pointed out that it still contains a few imperfections in his constituency. He referred to socio-economic conditions and sparsity. It is right to review the formula again. I cannot promise answers in the forthcoming White Paper, but my right hon. Friend the Secretary of State for Health will introduce amendments in due course. Great investment has therefore been made.

My second line of argument is about what the money should buy in my hon. Friend's constituency and that of my hon. Friend the Member for Workington. Here we can see an extraordinary choice for the NHS over the next couple of years, in regard to how to use the new money to build local health services that meet the needs of constituents in a sustainable way. I would say to my hon. Friend the Member for Copeland that £45 million will buy some quite interesting choices, including how much to invest in hospitals, local doctors' services and community hospitals, and how much to spend on public health. Such choices have not been enjoyed by many NHS staff for some years.

My hon. Friend helpfully alluded to our manifesto commitment to deliver a new generation of community hospitals. We made a commitment to bring on line 50 new or refurbished hospitals over the next five years. These state-of-the-art centres will provide diagnostics, day surgery and out-patient facilities that are much closer to where people live and work. We made that commitment because we were aware of the great potential of community hospitals to enhance the delivery of health care for local people.

The new community hospitals will help us to move care and diagnostic services out of acute hospitals. They will also make it easier to put together primary and social care services, and encourage GPs to provide more specialist services. Modern community hospitals will provide safe services for people much closer to where they live, which is central to our vision for the NHS.

It is important, however, that these services should be provided in a sustainable way. My hon. Friend talked about the decades of uncertainty in his constituency; we must end that uncertainty. In May, the British people asked us to write a big cheque, but not a blank cheque, for the future of NHS reform. As we deliver care closer to people's homes and reduce the reliance on in-patient services, we must do so in a way that will stand us in good stead for the future.

The primary care trusts are planning to consult on proposals for changing the shape of community services, with the aim of delivering services such as an improved community nursing infrastructure that is better able to support people at home and will therefore avoid the trauma and cost of inappropriate hospital admissions. We hope that that infrastructure will make it easier to discharge patients following a hospital stay. We also want the services to include therapy units to provide multi-disciplinary assessment and centre-based therapy. This is all about putting care much closer to people's homes. My hon. Friend mentioned the role of acute hospitals in the future, and I hope that that issue will be reflected on in the consultation.

My third line of argument relates to the manner in which these decisions will be debated and, ultimately, made. In the months to come, the primary care trust will be seeking to understand how to take forward services in my hon. Friend's area. Its proposals will be judged against three simple criteria. First, are they safe, and will they improve patient care? Secondly, are they affordable in the short term, inside the envelope of the enlarged resources that we are making available? Thirdly, are they sustainable for the long term? I am pleased to say that the focus of the reshaped services will be on recycling community assets wherever practical.

I would add that, while health organisations must determine the broad strategies and face the challenges of matching the extra resources that we are providing to the provision of local services, it is essential that, as they go about answering those questions, they do not overlook the perspective of local service users. It is therefore intended that any proposals for change in community services in Cumbria will go to public consultation in the new year.

My hon. Friend alluded to the public listening exercises that we have undertaken as we have prepared the White Paper, "Your Health, Your Care, Your Say". Members of the public have been asked what improvements they wish to see in community health and social care. In the new year we will present our plans for reforming the way in which local health organisations

are accountable to their local communities for shaping services, so that, we hope, these debates will have a different texture and tone in future.

Clearly, however—this is an important point for my hon. Friends—the debate on the outcome of the Cumbria consultation will have to include an analysis against recommendations included in the White Paper.

I know that my hon. Friend the Member for Copeland is concerned about emerging proposals in the public consultation. I am glad to be able to tell him that in order to review those options properly, and in the light of our ongoing work in the new health White Paper, the launch of the consultation has now been moved to late January or February of next year.

It is unacceptable for my hon. Friend the Member for Copeland to have had so little involvement in the development of plans to date. It is not acceptable that he is briefed about plans only through friends and colleagues whom he might have in the primary care trust. I therefore assure him that there will be no fait accomplis, cabals or decisions made behind closed doors. The national health service is under statutory obligations in relation to the way that it runs consultation and its conversation with the public. I am therefore pleased that the director of corporate affairs at the strategic health authority, who is extremely experienced in consultation exercises, will support the primary care trust during the process over the coming weeks and months. I will take a watching brief on the development of the proposals, and I understand that before the document goes for public consultation it will be shared with my hon. Friends the Members for Copeland and for Workington. I plan to make a visit in the new year to see how the consultation is unfolding locally.

I encourage my hon. Friends to continue to battle the corner for their constituents, and to engage with their local NHS on the way forward. Some decisions will need to be thought through carefully, but I am sure that my hon. Friend the Member for Copeland and his constituents will take the opportunity of the consultation exercise to make sure that their views and ambitions for the future are fully reflected in the blueprint that emerges.

Question put and agreed to.

Adjourned accordingly at twenty-six minutes past Ten o'clock.

House of Commons

Tuesday 6 December 2005

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

DEPARTMENT FOR TRANSPORT

The Secretary of State was asked—

Rail Services

1. **David Taylor** (North-West Leicestershire) (Lab/Co-op): If he will make a statement on rail passenger services in north-west Leicestershire. [34460]

The Minister of State, Department for Transport (Dr. Stephen Ladyman): The north-west of the county is currently served by rail services operated by the Central Trains and Midland Mainline franchises. In October, we announced a new structure of rail franchises, to be implemented following the expiry of the current franchises. Services will then be provided by a new unified East Midlands franchise.

David Taylor: The Burton-upon-Trent to Leicester route, including the third oldest rail line in England, runs through the heart of the national forest, crosses three counties, links two regions and serves Ashby-de-la-Zouch and Coalville in my constituency. Since Beeching killed off passenger services, our area has been transformed economically, socially and environmentally and there is huge support for the return of passenger rail services. Will the Minister indicate how a local community can proceed in the light of the fact that the county council's support has cooled dramatically since political control changed in 2001? Perhaps he could include me in the consultation on the successor franchise to which he has referred.

Dr. Ladyman: I am happy to commit to ensuring that my hon. Friend and other local MPs are included in the consultation on the new franchise. There are two routes by which a case can be made to return services to that line. One is to go back to the local council and convince it to include it in the local transport plan. The other is to have it included as a priced option when the franchise is let in a couple of years. The local community needs to proceed on either basis.

Mr. Peter Bone (Wellingborough) (Con): Midland Mainline, which runs through Leicestershire, also runs through Wellingborough. Is the Minister aware of the concern that it has put back the time the last train returns from London? It now leaves at 11.15 pm, which makes it difficult for people to come to London, for example, to see a show and get back to Wellingborough or Leicestershire. Will he use his good offices to encourage Midland Mainline to change its view?

Dr. Ladyman: We will certainly relay the hon. Gentleman's views to the operator, but I understand that the changes were made in response to passenger loading.

Mr. Andy Reed (Loughborough) (Lab/Co-op): I join my hon. Friend the Member for North-West Leicestershire (David Taylor) in wanting to see passenger services extended in north-west Leicestershire, as we achieved for the service from Leicester to Loughborough. Is the Minister aware that the future of the Ivanhoe line, which is part of the package to which my hon. Friend referred, will be in danger if Leicester city council, which has also changed political control, decides to withdraw its £400,000 subsidy to that service? Is not that a retrograde step when we are trying to increase passenger use, particularly on local trains and local runs, to reduce congestion both in Loughborough and in Leicester?

Dr. Ladyman: My understanding is that the city council has decided to withdraw its funding from the scheme, which I am sure local people will take into account when the council comes up for re-election. Continued support for the line now depends on the view of the county. We are still waiting to hear whether it wishes to continue to support that line.

Mr. Philip Hollobone (Kettering) (Con): Trains to Leicestershire on Midland Mainline run through Kettering. Is the Minister aware of the huge housing expansion planned for Northamptonshire up to 2021, and will he ensure that the next franchise for the area covered by Midland Mainline and Central Trains takes into account the future population increases for both Leicestershire and Northamptonshire?

Dr. Ladyman: The Central Trains franchise is changing anyway. Whenever franchises change and are re-let, there is widespread consultation and the franchise process takes into account issues such as further expansion in the area. Again, it will be for the hon. Gentleman to make representations to ensure that those matters are covered when that happens.

Regional Transport Forums

2. **Dr. John Pugh** (Southport) (LD): If he will make a statement on the work of the regional transport forums. [34461]

The Parliamentary Under-Secretary of State for Transport (Ms Karen Buck): In introducing regional funding allocations for transport, housing and economic development, we asked regions to provide us with advice by January 2006 on their regional priorities. We are aware that some regions have elected to establish regional transport forums to assist their work, but the structure and tasks assigned to such bodies is a matter for individual regions to decide.

Dr. Pugh: I thank the Minister for her answer. In just a few weeks, the regional transport boards, controlled by the Government offices, will submit what are virtually 10-year regional transport plans, prioritise millions of pounds of expenditure, disappoint many, but affect every community, business and council, with minimal consultation and limited democratic debate and feedback. Is such haste wise or necessary, and will not it produce divisive or poor outcomes?

Ms Buck: I am sorry to hear from the hon. Gentleman that he is not happy with the consultation. We took the decision not to impose a particular model of consultation on the regions, but as this is likely to be the way of the future it is important that regions make the best use of their consultation options, whether with businesses or communities. When we come to consider the plans again next spring, we will examine the matter carefully. We will want to see that they have demonstrated robust consultation processes.

Mr. John Redwood (Wokingham) (Con): Will the Minister ensure when cross-examining those regional bodies that they have come forward with projects that can tackle, at the least cost and in the best way, the underlying problem of shortage of capacity of all kinds in our transport system? I would rather she were consulting elected local government but, given that she is going to do it in that way, will she ensure that those bodies are asked the right questions and come forward with bottleneck-reducing schemes, particularly ones that can be privately financed?

Ms Buck: That is absolutely central to what those forums should be doing. We are asking them not just to look at their transport priorities—it will indeed be a question of setting priorities; there is never enough money to cover everything that everyone wants to achieve—but for the first time in this process to balance transport investment with housing and economic development, rather than taking investment decisions in silos, as they have done in the past. This is the first time that we have taken such an approach, but it is the future and I expect it to be built on as the years go by.

Road Humps

3. **John Mann** (Bassetlaw) (Lab): When he expects to reissue guidance on the use of road humps. [34462]

The Minister of State, Department for Transport (Dr. Stephen Ladyman): The Department for Transport is developing a local transport note on traffic calming, and updating its code of practice on consultation with emergency services when traffic calming measures are proposed. Both documents will include references to road humps and are planned for publication early next year.

John Mann: I am delighted that new guidance is coming out, but will the Minister ensure that it deals with motorbikes' ability to go through the middle of concrete cushion road humps, on-street parking on such humps and whether emergency service vehicles such as the Nottinghamshire fire engine can straddle them?

Dr. Ladyman: I can certainly reassure the House that those issues will be taken into consideration when we prepare the guidance because my hon. Friend has been invited to be a consultee in that process, and he has doubtless made these very valuable points to the team putting the guidance together. I should point out, however, that no one set of traffic calming measures is right in every location; some will work and some will not, depending on the particular circumstances. It is important that local highways engineers make local decisions and pick the right traffic calming measure for the local area.

Mr. Henry Bellingham (North-West Norfolk) (Con): I agree with the Minister that such decisions should be up to local engineers. Is he aware, however, that although some traffic calming schemes in my constituency have been a great success, other sets of road humps have been a failure and have given rise to collateral damage such as property subsidence? What advice can he give to local residents who have had problems with property subsidence and who want those road humps if not removed, then at least reconfigured?

Dr. Ladyman: The only advice that I can give is for the hon. Gentleman to work with local highways authorities to ensure that they get feedback on these matters and that the collateral damage, as he describes it, is known to them. It is perfectly possible for authorities to redesign an area once traffic calming has been shown not to work; that has happened in my constituency and it doubtless happens in many others. People such as the hon. Gentleman can campaign to ensure that local highways authorities remove such traffic calming measures if they are not working.

Mr. Alan Duncan (Rutland and Melton) (Con): May I commend the Department for Transport on supporting English Heritage and the Campaign to Protect Rural England in their efforts to improve streetscape and the design of traffic calming measures such as road humps? In particular, I commend the document entitled "Streets for All." Streetscape is a very important environmental issue, but the trouble is that the Department's good intentions in encouraging better design and reducing street clutter never get followed through because there is no funding incentive. Moreover, the Audit Commission and the local government ombudsman say that this issue has nothing to do with them. What financial incentives, along with guidance, is the Minister prepared to instigate so that councils throughout the country will try to improve our streetscape environment—speed humps, street clutter and everything else—and not just let things deteriorate, as they are currently doing?

Dr. Ladyman: I am grateful to the hon. Gentleman for his support for the Department's initiatives and I agree that streetscape is important. We should try to reduce clutter wherever possible, and when doing so ensure that that is compatible with road safety, which, as he will doubtless agree, has to be the No. 1 priority. There may well not be the financial incentives that he is looking for, but there are plenty of other incentives to encourage local authorities to act, not least of which is the local electoral process. If local authorities are not being responsive to this matter, they will not get re-elected.

Concessionary Fares

4. **Mr. Stephen Hepburn** (Jarrow) (Lab): If he will make a statement on the introduction of the concessionary bus fare scheme. [34463]

The Parliamentary Under-Secretary of State for Transport (Ms Karen Buck): Free off-peak local bus travel in England for people aged 60 and over and disabled people will come into effect on 1 April 2006. The necessary order was laid in Parliament on 28 November. The Government are providing an extra £350 million in revenue support grant for 2006–07, which will be sufficient to fund the cost to local authorities.

Mr. Hepburn: My hon. Friend will know that the metro makes up a substantial part of the transport system in Tyne and Wear and is used by thousands of pensioners. While I welcome the news of extra finance, there will still be a substantial deficit in Tyne and Wear after the provision of free travel for pensioners. Will she review that decision?

Ms Buck: I am conscious of the representations that Nexus has made on that issue. The £350 million provided by the Chancellor is to fund free off-peak bus travel and is a generous boost to bus travel. It is up to local authorities to make the decision to make any additional provision for other transport modes or to extend the scheme in other ways. I am afraid that I cannot give my hon. Friend any assurance in the short term that there will be any extension of the scheme.

Mr. Mark Harper (Forest of Dean) (Con): Welcome though the scheme is, one problem in areas such as mine is that many constituents wish to travel to towns, to shop or visit friends, across district and national boundaries, and that limits the benefit of the scheme. The local authority, although it may wish to extend the scheme, may simply not have the resources. What help can the Minister provide?

Ms Buck: The idea of a fully national concessionary scheme is attractive, but it would cost an extra £160 million. If the hon. Gentleman is saying that his party is committed to providing that extra sum, perhaps he could advise us of that. Transport competes for priority in public expenditure with other services and, at the moment, we are working on the £350 million investment in bus travel that I have mentioned.

Jeff Ennis (Barnsley, East and Mexborough) (Lab): Is my hon. Friend aware that First South Yorkshire has implemented fare increases of more than 30 per cent. in the past year, leaving south Yorkshire with some of the highest fares in the country? South Yorkshire passenger transport executive has now informed us that First South Yorkshire is not willing to sign up to the previously agreed deal to fund the concessionary travel scheme. What advice can my hon. Friend offer South Yorkshire passenger transport executive to correct that unsatisfactory situation?

Ms Buck: I am aware that in these processes some robust negotiation usually takes place between bus companies and local authorities about the concessions. The Government are funding bus services overall by almost £1 billion and providing an additional boost of £350 million. Inevitably, service levels across the country will vary, but I hope that that investment will be welcomed on both sides of the House as a major step forward in providing concessionary transport to an important and vulnerable constituency.

Mr. Patrick McLoughlin (West Derbyshire) (Con): In constituencies such as mine, community transport run by charities—such as those in Bakewell and Eyam, Ashbourne and Amber Valley—provides a valuable and essential service for older people. What arrangements are being made for those services to benefit from the scheme?

Ms Buck: It is for local authorities to decide, according to their resources, whether to invest in other forms of transport, be that community transport schemes or token schemes, which can be more applicable to rural areas. Some local authorities, such as that of my hon. Friend the Member for Jarrow (Jeff Ennis), already fund the concessionary scheme above the present level. Local authorities across the country are taking decisions to meet the needs of local communities in different ways, and they will have to decide how to use the money that was announced by my hon. Friend the Minister for Local Government yesterday.

Mr. Nicholas Brown (Newcastle upon Tyne, East and Wallsend) (Lab): It appears that insufficient funds have been allocated to district authorities in the county of Tyne and Wear and, therefore, to Nexus to cover even the off-peak concessionary pensioners bus fare. If that turns out to be the case, what action will my hon. Friend take to remedy the situation?

Ms Buck: I do not accept that the sum available will create that shortfall. The £350 million that my right hon. Friend the Chancellor announced is more than sufficient to ensure that full off-peak services are available across the whole country. It is always inevitable in the development of any formula that there is a risk that not every authority will be satisfied. We consulted the Local Government Association about the formula and amended it to weight it more heavily towards the uptake of concessionary transport, and in so doing we went a long way to meet the concerns of Nexus, which we appreciate has a particular problem.

Mr. John Hayes (South Holland and The Deepings) (Con): In the Budget, with typical hyperbole, the Chancellor promised free bus travel for every pensioner, so I was surprised when, a few weeks ago, I received a letter signed by the hon. Lady revealing that pensioners in rural areas such as mine, who need to travel outside their district to reach hospitals and other vital services, will be obliged to pay. She has confirmed that today in answer to questions from both sides of the House. She also said that people using dial-a-ride and community bus schemes may have to pay, too, unless local councils

divert resources from other key priorities. She really must correct the Chancellor's claim, or apologise for her letter, withdraw it and think again. Is this free travel for every pensioner or is it free only if they do not travel where they need to go?

Ms Buck: I absolutely refute what the hon. Gentleman says. Since the announcement was made in the Budget, it has been clear that the concession extends and builds on the existing scheme, which is free off-peak travel for pensioners within their local authority area. That has never differed, and it has been raised on a number of occasions in the House and outside—it builds on the existing scheme. To create a national scheme would require primary legislation and, as I said earlier, an additional £160 million. I confirm to the hon. Gentleman that the concession that was announced builds on the provision that I have outlined.

Mr. Hayes: The Chancellor said:

"free local bus travel for every pensioner".—[*Official Report*, 16 March 2005; Vol. 432, c. 269.]

So now we know: another of the Chancellor's forecasts has been downgraded. Local councils fear that the Treasury's grant will not meet the extra demand on the buses and that yet again they will have to rob other budgets or raise council tax to bail out the Government.

The explanatory notes to the statutory instrument say that

"there is no information on take-up rates or trips per week",

among, for example, disabled people aged under 60 who are now entitled to concessionary travel. Is not it true that local government will be underfunded and bus operators will be reimbursed only once they have paid out, that pensioners and the disabled will not know where they are allowed to travel free of charge, and that the Government do not have a clue about the financial effects of the scheme? Hapless, helpless, hopeless.

Ms Buck: The hon. Gentleman should tell us what arrangements his party has made to extend the scheme. It is a very generous extension to concessionary transport and builds on the existing scheme, which is for local transport. That is consistent with the announcement that my right hon. Friend made at the time of the Budget. It is consistent with the form of words that we have used throughout. At present, local half-price transport on buses is available to pensioners and people with disabilities and we are putting in an extra £350 million to take that up to a full concession. That is absolutely consistent with everything that has already been said and I am confident that pensioners across the country will welcome the scheme.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): It is such a good idea that I hope that my hon. Friend will forgive me for saying that it would be most unfortunate if it got off on the wrong foot. It is important that the Department takes charge of the various schemes and ensures that they run seamlessly together. Otherwise, we shall be in the extraordinary situation where a good scheme, needed by pensioners and benefiting so many people, will fall into disrepute simply because of incompetence over which the Government are not in control.

Ms Buck: I am afraid that I do not accept what my hon. Friend says. At present, we have a scheme that works well across the country and which we are topping up with an additional £350 million. I see no reason why the scheme as it will be implemented from next April will not work and will not provide, as it is intended and funded to do, a much more generous concessionary scheme for disabled people and for pensioners.

Mr. Kevan Jones (North Durham) (Lab): Although I welcome the extra investment in concessionary fares, in my constituency, it will actually make things worse for pensioners. My constituency neighbours Tyne and Wear, and many of my constituents travel over the border into Tyne and Wear for their services. Under the scheme as outlined, which is based on district council boundaries, they will not get free travel; they will have to pay more to travel across the border.

Ms Buck: I thank my hon. Friend for that intervention, but I honestly do not see how it could possibly make anything worse. At the moment, the half-price concessionary scheme extends to the local authority border. We are now making that a free concessionary scheme extending to the local authority border, so I see absolutely no reason why this is anything other than an additional generous contribution to concessionary travel.

Railway Stations

5. **Martin Horwood** (Cheltenham) (LD): What assessment he has made of the relative benefits of railway stations inside and outside towns; and if he will make a statement. [34464]

The Secretary of State for Transport (Mr. Alistair Darling): There is no general preference between town centre and out-of-town locations. Instead, stations are planned on a case-by-case basis.

Martin Horwood: I thank the Minister for his reply, but I find it slightly curious. Given that nearly 20 per cent. of households in Gloucestershire have no car and given the decline in walking and cycling, which I am sure he would agree is damaging for our health and our environment, would he not agree with my constituent Jonathon Porritt, the chair of the Sustainable Development Commission, when he says that

"new railway stations must be accessible by foot and bike and should not encourage unnecessary car use",

and that therefore any diversion of services from existing town stations such as Cheltenham Spa to new stations outside towns would be harmful to our health and our environment?

Mr. Darling: What I think the hon. Gentleman is getting at is that Gloucester county council has put forward a proposal to build an out-of-town railway station, and he is right to say that it serves broadly the same market as the one at Cheltenham. He may also be aware that the councillors have submitted an application for funding for that station. One of the things that the Department would want to know is whether it would take passengers or services away from

Cheltenham, which would clearly be unsatisfactory. In addition to that, of course I agree that we want to make stations as accessible as possible.

Andrew Gwynne (Denton and Reddish) (Lab): Railway stations either in town or out of town are fine if the trains can get into them. Given the serious capacity problems in the central and south Manchester hub, what assessment has been made by my right hon. Friend's Department with a view to increasing the Network Rail capacity of the Manchester hub, particularly through to Manchester Piccadilly station?

Mr. Darling: As I said at the last Question Time, I am aware of the problems in relation to capacity at Manchester's Piccadilly station, particularly in relation to some of the train services. Network Rail is looking at those. Part of the problem is that we are dealing with a network in that part of Manchester that was essentially built by the Victorians and does not lend itself that easily to being expanded without quite major engineering works, but we want more people to use the trains—indeed, more people are using trains now than at any time since the second world war—and Network Rail is aware of that and is doing what it can to build on capacity.

Bob Spink (Castle Point) (Con): Does the right hon. Gentleman agree that parkway stations that are on the hinterland of the town have a part to play in providing more capacity for rail lines, and will he ask the Strategic Rail Authority to look at a new parkway station for Canvey island that would get more passengers and put more capacity on to the c2c Fenchurch Street line?

Mr. Darling: I would write to the SRA except that I abolished it, so I do not actually think that a letter would achieve the purpose that the hon. Gentleman hopes to achieve. However, I certainly agree with him that out-of-town railway stations can play an important part in attracting people to drive there, leave their car and take the train for the rest of the journey. I said at the start that there is no predisposition in favour of one type of station or another; each one needs to be looked at on its merits, and anything that encourages people to use the train must be a good thing.

David Lepper (Brighton, Pavilion) (Lab/Co-op): One of the main issues raised with me at a meeting this weekend, organised by Brighton and Hove city council to mark the international year of the disabled, concerned problems of access to many of our older stations, such as Preston Park in my constituency, by people with disabilities. What discussions has the Department had with the train operating companies and others on the question of making our railway stations fully accessible to all those people who would like to use trains?

Mr. Darling: There have been many such discussions, and there is a programme to upgrade stations systematically over the next few years to make them more accessible. Again, to return to the point made a few moments ago by my hon. Friend the Member for Denton and Reddish (Andrew Gwynne), a lot of stations were built long before anyone had any sense that we had to ensure access for people with disabilities. That takes a lot of time and is quite expensive, but we are determined to do it, and Network Rail and the train operators have a programme to achieve just that.

Airport Expansion

6. **Mr. John Randall** (Uxbridge) (Con): If he will make a statement on the Government's policy on airport expansion in the United Kingdom. [34465]

The Secretary of State for Transport (Mr. Alistair Darling): The policy framework for developing airport capacity to 2030 was set out in the White Paper that we published in December 2003. Progress has been made on meeting the commitments in that White Paper in a number of ways, and we intend to report progress on developments by the end of next year, as we promised to do.

Mr. Randall: I thank the Secretary of State for his reply. Different Departments will give different emphasis to airport expansion, so I wonder whether he can tell me what discussions he and his Department have had, for example, with the Department of Trade and Industry and the Treasury about airport expansion. In particular, have they discussed the possible expansion of Heathrow with a third runway?

Mr. Darling: Yes, of course, those Departments have because the White Paper that was published two years ago was an expression of Government policy, and therefore represents the Government's collective view. It is patently obvious that both of those Departments—the Treasury, in particular—take a great interest in all matters that might involve public expenditure one way or another. The White Paper sets out a measured, balanced development strategy, which takes into account not only environmental considerations but, crucially, the fact that we must have airports that will allow people to travel to different parts of this country and the world because that is essential for our future economic development.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): Is not one of the problems the growth in domestic air travel in the UK for journeys that could be done much better and more appropriately by rail? Can my right hon. Friend think of some innovative ways to achieve such a modal shift—for example, by increasing airline passenger duty for domestic mainland flights in the UK and using the revenues raised to fund high-speed lines to cut journey times and make rail more attractive?

Mr. Darling: My hon. Friend is right to suggest that we should encourage people to use the most environmentally efficient way to travel if we can. Let me give an example that is a bit further away from the city that both of us represent. Now that the west coast main line has been upgraded at a cost of £7.5 billion, the journey time on the train service between Manchester and London is just over two hours, and it is extremely efficient and probably a better way to get to London than going out to the airport and flying down. So that is a very good example.

As I have told the House before, the Chancellor and I have asked Sir Rod Eddington to look at some of the longer-term transport developments that we need in this country, one of which will be whether we should invest money in a high-speed rail link that runs from the north to the south. However, I certainly agree with my hon. Friend that we ought to encourage people to travel in a way that causes the least possible damage to the environment, although I draw his attention to the fact that any form of transport—high-speed rail links included—has an environmental consequence. High-speed railway lines draw a substantial amount of energy when people are travelling on them.

Tom Brake (Carshalton and Wallington) (LD): The pre-Budget statement was an opportunity for the Government to demonstrate joined-up thinking in relation to airport expansion. Instead, chapter 3 of the report talks of satisfying demand for a threefold increase in air travel by 2030, and chapter 7 talks about reducing emissions from aviation. Which of those two chapters did the Secretary of State co-author? Why, for the eighth year running, have the Government refused to make aviation pay its full environmental costs?

Mr. Darling: As the hon. Gentleman perfectly well knows, the taxation of aviation fuel is governed by international treaty and it is not open to any country to take unilateral action in that respect. I am sure that he will have noticed that last week, because of pressure brought to bear by the UK Government, the European Union signed up to including aviation in a EU-wide emissions trading scheme, which will go a long way to reduce emission. As I said just a few moments ago, the White Paper on aviation, which we published a couple of years ago, not only sought to strike a balance to ensure that people could fly to different parts of the country and the world, but was very conscious of our environmental obligations. The problem with the Liberal Democrats is that they are in favour of people flying, but they are against the means to enable them to do so.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): Having spoken recently to senior management at Glasgow airport, I know that they are extremely happy with the proposals in the White Paper on airport expansion. However, they are concerned about access to Glasgow airport, especially due to congestion on the M8 and the situation regarding the Glasgow airport rail link, responsibility for which is devolved to the Scottish Parliament. What discussions has my right hon. Friend had with the Scottish Executive to try to move those things forward?

Mr. Darling: I know that those associated with Glasgow airport, in common with many people involved in the aviation industry and others, welcome the fact that two years ago the Government did something that no Government had done for 30 years: set out a strategic development. I understand the importance of the rail link and that it is of great interest to those at Glasgow airport, as my hon. Friend says. The matter is devolved to the Scottish Executive. I have had discussions with the Liberal Democrat Minister who is responsible for the rail link, so I look forward to finding out when he will give it the go-ahead.

Mr. Stephen Dorrell (Charnwood) (Con): Is the Secretary of State aware that one of the effects of the Government's airports policy is to encourage the development of Nottingham East Midlands airport as a national air freight hub? The development clearly brings economic benefits to both the businesses that use air freight services and the people who work in the airport, which is welcome. However, does he acknowledge that one of the effects of growing air freight activity at the airport has been an increase in night-flights activity, which has resulted in environmental burdens for the surrounding community? Would it not be right for a Government who are encouraging the development of air freight activity at Nottingham East Midlands airport for entirely understandable reasons also to accept responsibility for regulating the environmental impact by introducing a designation of the airport? The Government would thus accept responsibility for the environmental impact of the decisions that they are taking.

Mr. Darling: The right hon. Gentleman puts his case extremely reasonably. He is absolutely right that there is a tension between the development of Nottingham East Midlands airport, which of course brings huge economic benefit to the area as well as benefit to people who want to travel, and the fact that air freight almost necessarily involves night flights, which have noise associated with them. There was quite a discussion about that last Question Time. The Government are conscious of the matter and we will do everything that we can to try to mitigate the situation and put the right controls in place to ensure that noise is kept to a minimum. However, as the right hon. Gentleman recognises, the airport itself brings a lot of benefit to the area. We are trying to tread a fine line between the development of the airport and ensuring that we protect the well-being of people who live nearby.

East Coast Main Line

7. **Mrs. Linda Riordan** (Halifax) (Lab): What progress he is making on increasing the capacity of the east coast main line. [34466]

The Secretary of State for Transport (Mr. Alistair Darling): The award of the east coast main line franchise to the Great North Eastern Railway provides for substantial increases in the number of services provided, along with opportunities for extensions to the electrified network.

Mrs. Riordan: I thank my right hon. Friend for that reply. Does he agree that if we are to encourage more people to use the railways, we need to provide better services and to increase capacity, especially on the east coast main line? That would enable thousands of people from the north to access the most popular routes, and it would not only protect the environment, but help to boost local economies, such as that of Halifax.

Mr. Darling: I agree with my hon. Friend. Under the new franchise that has been awarded to GNER, there will be about 65 services from Leeds to London each weekday, which is approximately one every half hour. Additionally, GNER is committed to working with the

Department and Network Rail to examine electrifying the line between Leeds and the east coast. There have been improvements at Grantham to cut down the number of delays of trains coming from Skegness and the east coast. King's Cross station is due to be developed further to allow for greater capacity, and much further north the Scottish Executive plan to enlarge Edinburgh Waverley station. On top of that, I except that further improvements will be made to ensure that the line, which is one of the main arterial railway routes in the country, can carry more passengers.

Mr. Iain Wright (Hartlepool) (Lab): One improvement we could make to increase capacity is to introduce better planning and management of timetables. The present timetabling arrangements act as a block to alternative providers on the east coast such as Grand Central, which wishes to provide a direct rail service from Sunderland through Hartlepool to London. What steps will my right hon. Friend take to scrutinise timetabling arrangements to free up capacity?

Mr. Darling: First of all, long, bitter experience after privatisation tells us that timetabling must be realistic. There have been far too many cases, especially following privatisation in the mid-1990s, in which too many services were put on to a network that could not sustain them, with the result that there were more delays. We had to take action to try to ensure that timetables are more realistic. Secondly, the Government have to take a view on the effect that new operators on the east coast main line have on the passenger loadings of existing services, and the subsequent effect on any subsidy that is payable or, alternatively, the premium payments to Government. Grand Central railways has submitted an application to the rail regulator, and it is his job to decide whether it can gain that access. I understand that he is likely to make his decision in February next year.

Mr. John Grogan (Selby) (Lab): Will my right hon. Friend commend Hull Trains on providing extra services on the east coast main line, mainly to Selby and Hull, without any public subsidy whatsoever? Does he agree that the interest of GNER, the dominant operator, should not be used to frustrate other operators such as Grand Central railways, which would offer innovative services from York to London similar to those offered by Hull Trains from Selby and Hull to London.

Mr. Darling: I am very impressed by my colleague's new-found enthusiasm for competition on the railways, as it has not always been evident. Hull Trains is the only example of an open access operator running services between Hull and King's Cross. That service is extremely popular, and when we published our White Paper on rail development we said that we hoped that it would continue. However, it should be borne in mind that GNER will pay a great deal of money to the Department, which will thus be available for investment in the railways. As I said to my hon. Friend the Member for Hartlepool (Mr. Wright), we must have regard to the impact of any new operator on the amount of money coming into the railways. The railways need to be operated as a whole, and, if new services start to operate, we must look at the implications for other services before reaching further conclusions as to whether anyone else should enter the network.

Ports Policy

8. **Dr. Alan Whitehead** (Southampton, Test) (Lab): What plans he has to develop a policy on ports. [34467]

The Minister of State, Department for Transport (Dr. Stephen Ladyman): Existing policy is set out in "Modern Ports", published in 2000. In "The Future of Transport" White Paper, the Government committed to review the ports policy framework. We will issue a discussion document early next year, and set out policy later in 2006.

Dr. Whitehead: I thank my hon. Friend for his reply. When he issues that discussion document, will he look in particular at the strategic national role of container ports? Will he look at the role that ports play on both their land and seaward sides as well as the strategic access to ports, particularly for container traffic, provided by our rail network?

Dr. Ladyman: Yes, I can assure my hon. Friend that I shall do so. The review will be wide-ranging, and it will take into account all aspects of port capacity and the economic benefits that the nation derives from it. In considering trans-shipment, we must look at both economic benefits and environmental issues.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): May I associate myself with the remarks of the hon. Member for Southampton, Test (Dr. Whitehead) about the importance of a proper national strategy for the development of trans-shipment hubs? I declare a constituency interest, as there is an advancing project at Scapa Flow in Orkney, which I commend to the Minister. As there is a clear overlap between devolved and reserved responsibilities, will he work closely with Scottish Executive Ministers to ensure that we achieve a strategy that is right not just for the United Kingdom but for the whole of northern Europe?

Dr. Ladyman: I entirely accept the hon. Gentleman's points. The consultation will have to be national and we will need to involve the devolved Assemblies in the consideration. We must look at all the issues as openly as possible. The economic impact of the operation of our ports is unquestionable. We must maximise it and at the same time take account of the environmental and social issues.

Gwyn Prosser (Dover) (Lab): Does my hon. Friend remember the Prime Minister's visit to the port of Dover in April, at a time when the Conservatives were advocating the privatisation of publicly owned ports? Does he recall the Prime Minister telling reporters from the *Dover Mercury* and *Dover Express*:

> "I am totally opposed to selling-off the trust port because it then ends as a public asset"?

Does my hon. Friend agree with those wise words?

Dr. Ladyman: Far be it from me ever to question anything the Prime Minister has ever said. I recollect that at the time I closely associated myself with those very comments, and I do not see why I would resile from any of them now.

Mr. Julian Brazier (Canterbury) (Con): This may be my last appearance at Transport questions: I can confirm that the Opposition have a new Leader—the hon. Member for Witney (Mr. Cameron). Given the significant impact on the regional economy caused by each individual decision to build or expand a port, does the Minister accept that the absence of a co-ordinated ports policy leaves his Department's efforts at joined-up government all at sea? Does he further accept that pursuing separate inquiries into each application—£45 million and seven years wasted at Dibden bay—is the worst possible arrangement for both the industry and individual campaigners, and leaves their future in deep water?

Dr. Ladyman: I take it from my parliamentary neighbour's comments that he did not vote for the hon. Member for Witney (Mr. Cameron), but if that is his last contribution, let me give him some reassurance. The Government have a well thought-out policy on ports. We take account of market pressures. Our proper planning consultation process, which allows us to make decisions, has served us well over many years. However, we believe that certain aspects of the way we plan port capacity and take those decisions could be improved. That is why we are carrying out a review. Many of the points made by the hon. Gentleman will be fed into that review, and I have no doubt they will be taken into account when we produce our new ports policy later in 2006.

Carbon Dioxide Emissions

9. **Ms Celia Barlow** (Hove) (Lab): What steps he is taking to ensure carbon dioxide emissions are reduced in the transport sector. [34468]

11. **Mr. Michael Jack** (Fylde) (Con): What steps his Department is taking to reduce greenhouse gas emissions from all forms of transport. [34470]

The Secretary of State for Transport (Mr. Alistair Darling): I recently announced the renewable transport fuels obligation that will reduce emissions by a million tonnes of carbon, equivalent to taking a million cars off the road. The Government have introduced several other measures to reduce emissions and we are working to bring aviation within the EU emissions trading scheme. That, as I said a few moments ago, has been accepted by Ministers across the European Union.

Ms Barlow: I welcome my right hon. Friend's recent announcement on the renewable transport fuel obligation. However, I am concerned that we should do more to reduce the effects of carbon emissions and transport. Coastal constituencies such as mine in Hove and Portslade would, after all, be badly affected by rising sea levels. Can my right hon. Friend explain why the requirement has been set at 5 per cent. of all fuels sold in the UK by 2010?

Mr. Darling: We chose 5 per cent. because at that level the fuel can be supplied to the existing fleet of cars, without any alterations being made. If the amount of biofuels is increased beyond that, it would begin to become necessary to adapt car engines and also, at some stage, the pumps that supply the petrol. However, my hon. Friend may be interested to know that there is a pilot scheme starting in the west country next year with which the Ford Motor company is involved, which will be selling biofuels of up to, I think, 85 per cent., which is fairly common in Sweden, for example, and it will be interesting to see how those trials progress.

Mr. Jack: In his reply, the Secretary of State mentioned emissions from road vehicles and from aviation, but he did not mention discharges of greenhouse gases from shipping. What steps are the Government taking to extend their thinking on reducing greenhouse gas emissions from Britain's merchant fleet and to conduct such thinking on a wider-world basis?

Mr. Darling: The right hon. Gentleman is correct in that ships burn particularly heavy fuels, which account for substantial emissions. However, there are many fewer ships than other forms of transport, which reduces the scale of their contribution. Another complication is whatever we do must comply with our international obligations, which, as I am sure the right hon. Gentleman will recall, are complex. I am not unsympathetic to his point, but I cannot promise him anything immediately.

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): Will my right hon. Friend consider the effects of pollution on residential areas that are close to motorways? In particular, there are plans to widen the M1 in South Yorkshire, and the residential area of Tinsley is close to that motorway. Will my right hon. Friend consider the results of experiments conducted in the Netherlands, where a 50 mph speed limit was trialled on motorways in residential areas? Pollution levels fell substantially as a result of those experiments, with great benefits to the people who live next door to those motorways.

Mr. Darling: We will, of course, examine the environmental impact, as we are required to do by existing European directives. I am aware of measures that have been taken in different parts of the world, but we have not reached a decision on widening the M1.

CHANCELLOR OF THE DUCHY OF LANCASTER

The Chancellor of the Duchy of Lancaster was asked—

Patronage

20. **David Taylor** (North-West Leicestershire) (Lab/Co-op): What recent representations he has received on the extent of his powers of patronage. [34452]

The Parliamentary Under-Secretary of State for the Cabinet Office (Mr. Jim Murphy): The Duchy office has received no representations on the extent of the powers of patronage held by the Chancellor of the Duchy of Lancaster. The Courts Act 2003 ended important powers on the appointment of magistrates.

David Taylor: In May this year, the then Chancellor of the Duchy of Lancaster reputedly used his power of eminence bleu patronage to secure a peerage and ministerial post for an unelected No. 10 adviser, Andrew Adonis, who was the progenitor of privatised city academies and the author of the barmier ideas in the recent education White Paper, including divisive and elitist trust schools. Given that track record, does the Minister agree that the next Chancellor of the Duchy of Lancaster should divest herself—[HON. MEMBERS: "Oh."]—of every scintilla of patronage and influence on Government appointments at a very early stage in her career?

Mr. Murphy: I thank my hon. Friend for that helpful question and that vote of confidence. The Chancellor of the Duchy of Lancaster takes responsibility on behalf of Her Majesty the Queen as patron, either solely or jointly, of 42 Church livings. The Chancellor of the Duchy of Lancaster also presents suitable candidates to the bishop of the diocese and has power over ancient livings. I have been informed that there are two such livings in Leicestershire—one in Whitwick and one in Thringstone. The living in Thringstone is currently vacant, and I will do all that I can in conjunction with my ministerial colleagues to suggest that a suitable candidate is sitting on the Back Benches.

Mr. David Heath (Somerton and Frome) (LD): I am glad that the sole incumbent of the Cabinet Office believes that the ancient livings patronage is in good hands. Does he believe that consideration by the Chancellor of the Duchy of Lancaster of matters such as patronage might interfere with other duties, such as control and responsibility for the Civil Contingencies Secretariat? Might not people in this country be rather surprised that nobody has been in charge of emergency planning during what we are told is a war on terrorism for nearly five weeks?

Mr. Murphy: That point was made recently in another place. The Civil Contingencies Secretariat is closely monitored and works in partnership with Ministers across Government. The Home Secretary is the lead Minister responsible for a lot of the responses to emergency crises and contingencies. I shall take this opportunity to thank those involved in that secretariat for their fantastic work with Ministers across Government.

Mr. Gordon Prentice (Pendle) (Lab): Unfortunately, we have to live with the curse of patronage. There are 30,000 public appointments, many of the most important of which—the chairman of the BBC, for example—are made using patronage powers. Before such appointments are made, would it not be a good idea to have confirmation hearings, here in the House of Commons, along the lines of those in the Senate?

Mr. Murphy: If we were to subject all those appointments to some sort of confirmation process in the House of Commons—

Mr. Prentice: Not all of them—the most important ones.

Mr. Murphy: The Government are not attracted to that suggestion. We have set up a process according to which there is an independent commissioner for public appointments and all appointments are made in line with that code of practice. There is also a new House of Lords Appointments Commission. I think that we have got the balance about right as regards the way in which these matters are handled. However, if my hon. Friend has specific suggestions about some of the detail, ministerial colleagues and I would be happy to listen to him.

Dr. Julian Lewis (New Forest, East) (Con): Does the Minister recall that before the general election we had a separate Chancellor of the Duchy of Lancaster and Minister for the Cabinet Office, both at great public expense that was not revealed until after the election was over? Now that it is no longer required to pay so much money to someone to run a general election campaign, does the Minister accept that it is likely that the Prime Minister will use his patronage to appoint new Ministers to the Duchy of Lancaster and the Cabinet Office rather more slowly than my hon. Friend the Member for Witney (Mr. Cameron) will use his powers of patronage to appoint an entire new Front-Bench team?

Mr. Dennis Skinner (Bolsover) (Lab): What did they do with the Short money?

Mr. Murphy: The hon. Member for New Forest, East (Dr. Lewis) has made that point on numerous occasions. The Cabinet Office continues to work on the agenda of better regulation, civil contingencies, transformation in Government public services, and modernisation, regardless of how many Ministers are in the Cabinet Office.

My hon. Friend the Member for Bolsover (Mr. Skinner), as ever, offers good advice from a sedentary position as regards the use of public finances for political purposes. There has been a vast increase in the amount of Short money used for the Conservative Opposition, spent entirely ineffectively, unaccountably and with no discernible outcome. In future, we should cast a more careful eye over the way in which taxpayers' money is used to subsidise unpopular political parties.

Chris Bryant (Rhondda) (Lab): To return to ecclesiastical livings—not that I have any intention of doing so myself—is it not a bit of a 19th-century anachronism still to have a politician involved in the appointment of people to livings? In fact, it is not even 19th century, but 17th century or 16th century. We might even end up with a Roman Catholic or an atheist naming people to Church of England livings. Would not that be a little curious? Is not this a load of old Trollope that we should put an end to?

Mr. Murphy: I do not wear my faith on my sleeve but, as a Roman Catholic, I am interested in that suggestion. My hon. Friend is right to say that this is part of an historical tradition. It dates back not to the 19th century but to the time of the English civil war and other periods of English history. We are in a process of continued

modernisation across Government. In the Courts Act 2003, we surrendered important powers in the appointment of magistrates. I suspect that the new Chancellor of the Duchy of Lancaster, perhaps in conjunction with my hon. Friend, may wish to consider some detailed continued modernisation of those historical—some would say quaint—powers.

Hampton Report

21. **Dr. Vincent Cable** (Twickenham) (LD): If he will make a statement on progress in implementing the Hampton report on reducing the number of Government agencies. [34453]

The Parliamentary Under-Secretary of State for the Cabinet Office (Mr. Jim Murphy): The Hampton report is a central part of the Government's better regulation agenda. Good progress has been made on implementation. The timetable for change set out in Philip Hampton's report will be met.

Dr. Cable: I welcome the Government's commitment to cut the number of inspection agencies from 31 to seven—11 to four in the public sector. However, can the Minister answer this question, which Philip Hampton posed but never got an answer to: how many forms are circulating in public sector agencies that private individuals and companies have to fill in?

Mr. Murphy: I thank the hon. Gentleman for asking the most helpful question so far. He is right to talk about the reduction in the number of inspectors and regulators that the Government are determined to achieve. The reason no answer can be given by Mr. Hampton and others is that no one in Government has known in the past or knows today. That is why we launched the administrative burden inquiry, which is continuing to identify the level of bureaucratic burden across Government. Once we have done that, we will set ambitious targets for annual reductions. We will have more to report on that in due course.

Mr. Andy Reed (Loughborough) (Lab/Co-op): Later today, we shall discuss the London Olympics Bill. Does my hon. Friend agree that the lessons of Hampton should be extended to the sports world? Will he ensure that when money is paid through Government agencies for, in particular, grass-roots sport, the burden is lifted so that people—especially volunteers—can deliver the services that we want rather than having to spend their time filling up forms and dealing with unnecessary bureaucracy?

Mr. Murphy: My hon. Friend is, of course, right. We were elected on the same day, and in the seven or eight years since then he has continued, in a dogged and determined way, to champion local and national sport. That is, quite properly, recognised in his constituency. He is also on the ball, if I may put it like that, when it comes to the regulation of charities and voluntary and public sector organisations. It is important to lighten the load—the bureaucratic burden—and to reduce duplication, not just in the private sector but in the voluntary and charity sectors, and among those who are working on the 2012 Olympic plan.

Mr. John Redwood (Wokingham) (Con): Four weeks on, there is still no Chancellor of the Duchy of Lancaster. Does that not show that the Government simply are not serious about deregulation, modernising public services or cutting bureaucracy? Does it not show that the Chancellor in No. 11 is in charge, and is the roadblock to reform? Will the Minister promise us that when the Government do get around to implementing the recommendations for a reduction in the number of agencies, they will not just carry out a shuffle and a merger but will cut the costs, cut the regulations and cut the forms? Can the Minister tell us how many fewer forms there will be, how much money will have been saved and by how many million of pounds the burden will have been reduced in a year's time?

Mr. Murphy: "Four weeks on, there are still no better questions" is another way of looking at the position—or "no better rant".

We are learning the lessons of the failures of past Conservative Governments. By their own admission, the bureaucratic burden soared, and the right hon. Gentleman himself is on record as recognising detailed and strategic failings on better regulation. The Cabinet Office has consulted on a Bill on better regulation, and we will publish the outcome of that consultation shortly. Work is being done to reduce administrative burdens, and we have introduced a system enabling businesses themselves to suggest simplification measures. Within a year, each Department will present the details of simplification proposals. The Department of Trade and Industry has published a plan that will save £200 million a year, the Department for Environment, Food and Rural Affairs has also published a plan, and the Treasury has announced specific ways of reducing the bureaucratic burden.

May I end by saying—

Mr. Speaker: Order. Perhaps the Minister will write to the right hon. Member for Wokingham (Mr. Redwood).

Government Workers (Redeployment)

22. **Jim Cousins** (Newcastle upon Tyne, Central) (Lab): What level of retraining and reskilling he proposes to offer to Government workers who will be redeployed. [34454]

The Parliamentary Under-Secretary of State for the Cabinet Office (Mr. Jim Murphy): The Government have implemented and are currently embedding a common approach to the handling of consequences of the efficiency and relocation reviews. Departments offer advice, support, retraining and reskilling to staff to help them prepare for future career moves.

Jim Cousins: At the Department for Work and Pensions alone, 14,000 jobs have gone. That affects areas such as Tyneside. We now know that it is the lowest-paid and least qualified workers who lose their jobs. The most that the Government offer those workers—and very few of them get it—is the opportunity of refresher courses. When will we see the programmes that can relaunch working lives, and build the skills and qualifications that those low-paid, loyal workers need for the future?

Mr. Murphy: My hon. Friend is right: we have a responsibility both to those who are currently employed in the civil service and to folk who, as a result of the relocation agenda envisaged in the 2004 spending review, may no longer be so employed. That is why we have organised training and reskilling, and are working with recruitment organisations throughout the country.

If my hon. Friend has specific concerns about what is happening in the DWP in the north-east, I shall be happy to meet him and discuss them or to take them up with ministerial colleagues, but the Cabinet Office has a corporate set of rules on reskilling, and is responsible for advising Departments on their implementation.

Benefits Uprating and Welfare Reform

3.34 pm

The Minister for Pensions Reform (Mr. Stephen Timms): With permission, Mr. Speaker, I should like to make a statement on benefits uprating in the context of the Government's continued fight against poverty and our ambitious programme to renew the welfare and pensions systems.

I shall place full details of the uprating in the Vote Office and arrange for the figures to be published in the *Official Report*. I can confirm that most national insurance benefits will rise by the retail prices index, which is 2.7 per cent., and that most income-related benefits will be uprated by Rossi, at 2.2 per cent.

From next April, retirement pension will go up by £2.20 a week for single pensioners and by £3.55 a week for couples. When we were elected, the pension was just £62.45 for a single person. From April, it will be £84.25 for a single person and £134.75 for couples. That is a real-terms rise of 8 per cent. since 1997. Next year, the guarantee credit of pension credit will rise in line with earnings, so that no single pensioner need live on less than £114.05 a week and no couple on less than £174.05 a week. The threshold for the savings element of pension credit will be uprated so that it remains equal to the basic state pension. That means that a typical single pensioner will now gain from pension credit with an income of up to £158.75 a week, while a typical couple will gain on income of up to £233 a week.

Nearly 3.3 million pensioners are now in receipt of pension credit, with an average weekly award of around £43. We are reaching more people and ensuring that they get their entitlements. Following the introduction of pension credit, about 2 million pensioner households now qualify for more help, or qualify for help for the first time, with their council tax or rent. From this week, pensioners can make a single phone call to claim all three: pension credit, housing benefit and council tax benefit. That will be a very welcome simplification.

By targeting resources at the least well-off pensioners, we have succeeded in lifting nearly 2 million pensioners out of absolute poverty since 1997. We now spend an extra £11 billion a year on pensioners, with almost half of the extra spending going to the least well-off third. Had we simply increased the basic state pension in line with earnings, only just over a quarter of that extra spending would have gone to the least well-off third, who would have been £30 a week worse off than they are under these measures. On average, pensioner households are now £1,400 a year, or £27 a week, better off in real terms than they would have been under the 1997 system, with the least well-off third of households £1,900 a year, or £37 a week, better off in real terms.

As well as tackling the dreadful legacy of pensioner poverty that we inherited, we have also helped all pensioners and will continue to do so. My right hon. Friend the Chancellor confirmed yesterday that the winter fuel payment would be £200 for every year of this Parliament. He also announced that he would be setting aside an additional £300 million over the next three years, so that the Government's warm front programme can offer pensioner households on pension credit free installation of central heating, and all other pensioner households without central heating a contribution of £300 towards the cost of installing it. He also announced further help with the cost of insulation. I believe that the whole House will welcome those announcements.

We have now reached the unprecedented position in which pensioners are no more likely to be poor than any other group in society. That is a particularly remarkable achievement after a period in which earnings have grown so fast, thanks to the stability and steady growth that we have enjoyed in the economy since 1997. We need now to introduce further reform to ensure that our pensions system continues to deliver for future generations of pensioners, as it is doing for today's. So we warmly welcome the broad framework of the Pensions Commission's proposals and options, which were published last week. We believe that they will provide the right basis for building the consensus that we need, but there is still a great deal to be discussed and debated about the detail.

Yesterday, I issued a challenge to the pensions industry. It believes that it can produce an industry-led model that will meet the Turner objective of enabling everyone to save for a pension at low cost, while outperforming the one proposed in the report. I have therefore asked the industry to work up the details of its alternative approach by early February, ahead of a joint national pensions debate event between industry and Government, when those proposals can be closely examined. In the same way, as we embark on a major new consultation exercise involving every section of our community, we shall scrutinise the commission proposals and options, debating the best ways to achieve the objectives that the commission set out and to deliver a lasting pensions settlement.

If we are to meet the challenges of an ageing society and permanently eradicate poverty in retirement, we also need to address the inequalities during people's working lives. That is why our record in tackling child poverty is so important. It is why we are committed to supporting families in work, why our welfare reforms and our aspiration for an 80 per cent. employment rate are so important, and why we want to see a modern, active and inclusive welfare state. We have lifted more than half a million children out of relative low income since 1997. Twenty million people, including just over 10 million children, are benefiting from tax credits, and the child tax credit, which will also increase by earnings, is benefiting 6 million families.

The standard rate of maternity allowance and statutory maternity pay will be increased by the RPI to £108.85 a week. Whereas in 1997 the maximum maternity pay and child benefit payment for mothers at home with their first baby was just £2,610 for the first year, by 2007 it will rise to £8,300—a real-terms increase of more than £5,000. In addition, the Work and Families Bill, which received its Second Reading yesterday, introduces a new entitlement to statutory paternity pay to enable a father to take time off work and to receive statutory pay instead of his partner if she returns to work early. That gives parents greater choice in how they balance their work and caring responsibilities in the first year of their child's life. For the sixth successive year, we are freezing non-dependent deductions to relieve the pressure on low-income parents who are accommodating their adult children.

Work is the best route out of poverty. There are now more people in jobs in Britain than ever before—2.3 million more than in 1997. Unemployment is at its lowest for nearly 30 years, with long-term youth unemployment 90 per cent. lower than in 1997. In just 12 months, employment has risen by 330,000 to 28.8 million, and is the highest in the country's history. It has risen in every region and nation of the UK. The lone parent employment rate has increased by 11 percentage points since 1997, and nearly 1 million lone parents are now in work, while the number on income support has fallen by more than 200,000 since 1997.

As my right hon. Friend the Chancellor said yesterday, we are not going to abolish the new deal; we will strengthen it. We will offer learning agreements for teenagers in eight areas of the country, extend the new deal pilots to help lone parents back to work, and pilot personal action plans for those unemployed for six months or more. Our new deal for disabled people has seen nearly 75,000 job entries since its launch in 2001, with 200,000 disabled people helped into work through our total package of new deal programmes.

We are seeing very encouraging early results from the pathways to work pilots. In the first year of those, the number of recorded job entries for people with a health condition or disability almost doubled compared with the same period the year before. Their continued success has driven a significant rise in the proportion of customers leaving incapacity benefit in the first six months of their claim, compared with non-pilot areas. Overall, on a national basis, that early success would be equivalent to about 150,000 incapacity benefit claimants being helped into work each year. That success has underpinned our achievements in helping people off incapacity benefit, with new cases now down a third since 1997 and the first falls in the total count, which fell by 41,000 in the year to May 2005.

In March, the Disability Discrimination Act 2005 completed the most far-reaching programme of disability rights legislation that any European country has put in place. It fulfilled our manifesto commitment to deliver enforceable and comprehensive civil rights for disabled people, and is a major landmark in enabling disabled people to live independently, fully recognised and respected as equal members of society.

Last week, on the international day for disabled people, we launched the new Office for Disability Issues. From this week, the Disability Discrimination Act extended protection from discrimination to another 250,000 people. However, we are not stopping there. In January, our Welfare Reform Green Paper will go further in tackling exclusion from economic activity and independence across the working-age population.

In April, we shall take further steps to break down the barriers that face older workers. The radical tax simplification that comes into play on A-day will do much to help. The Pensions Act 2004 continues to improve the rewards for those who choose to delay taking their state pension—even for only a short period—and, in April, the first people will benefit from the new option of a lump sum for state pension deferral, which could be worth more than £5,000.

In the spring, our White Paper will seek to lay the basis for a consensus on a lasting pensions settlement. My right hon. Friend the Chancellor also announced yesterday a change to the treatment of charitable, voluntary and personal injury income payments in income-related benefits. They are already disregarded in pension credit and pension-age housing benefit and council tax benefit. To simplify the system further and encourage the work of charities, they will be disregarded from October next year in assessing all eligibility for income support and jobseeker's allowance. There will also be a 52-week grace period for lump sum personal injury payments when assessing entitlement to income support, jobseeker's allowance and working-age housing benefit and council tax benefit.

This year's uprating continues our commitment to promoting opportunities for the many, not the few. It contributes to our programme of reform, which balances rights with responsibilities and offers everyone the opportunity to build a decent income for their retirement. It takes another big step away from the legacy of pernicious poverty, which we are determined should never return.

Mr. Nigel Waterson (Eastbourne) (Con): I thank the Minister for his customary courtesy in letting me have an advance copy of the statement.

I imagine that many of my colleagues are somewhat preoccupied with announcements that relate not to benefits but to the Conservative party and its future. I should like to take the first opportunity in the Chamber to congratulate my hon. Friend the Member for Witney (Mr. Cameron) on his overwhelming election as leader of our great party.

As a party, we naturally support any uprating of benefits. When the time comes, we shall not vote against them, unlike the Liberal Democrats, who memorably once voted against an uprating.

Perhaps the Minister could tell me in his response how much more the basic state pension would be next year if it were increased in line with earnings, not prices, as my party promised at the last election.

The statement is badged as being on welfare reform, yet, nearly nine years after the Government were first elected, we continue to hear the tired old rhetoric. The statement referred to the Government's "ambitious" programme and a "programme of radical reform", but where are those ambitious or radical proposals?

Perhaps I can understand Ministers' natural caution. After all, when the right hon. Member for Birkenhead (Mr. Field) was appointed the first Minister responsible for welfare and pension reform, the Prime Minister told him to think the unthinkable. He was promptly sacked for doing so.

The Government continue to dither about the reform of incapacity benefit. After a delay of many months, we are now promised a Green Paper in January. The problems of the Child Support Agency remain dire, with the recent revelation that the agency is spending more on its recovery department than it is recovering. When will Ministers decide that enough is enough? Only the other day, the Prime Minister revealed his view that root-and-branch reform was needed. I appreciate that he is less and less able to influence events, but when can we expect a statement on the CSA's future?

[Mr. Nigel Waterson]

As if that were not bad enough, many families throughout the land have been caused unnecessary worry by overpayments of tax credit and the insensitive pursuit of their repayment. It seems to have become a ritual on such occasions for Ministers to go on about the successes—or the alleged successes—of the new deal. It remains a stain on the Government's record that 1 million young people are not working or in education or training. When will Ministers make that tragic wasted talent a priority?

On pensions, I should perhaps declare an interest as I have some private pension provision. The Chancellor attempted to torpedo Lord Turner's report before it was even published. In a leaked letter, he said to Lord Turner:

"'you should not assume' that the current link of the pension credit to earnings will continue beyond 2008."

Will the Minister confirm that pension credit will continue to be linked to earnings beyond 2008? In the part of the letter dealing with the Turner report, it was said:

"We warmly welcome the broad framework of the Pensions Commission's"—

that is, its report—

"and we believe they are the right basis . . . But there is still a great deal to be discussed and debated about the detail."

Presumably, that is especially with the Chancellor. That is not exactly a ringing endorsement of an exercise that has taken three years and has cost £1.6 million.

Let me ask the Minister a direct question. Can he assure the House, with an entirely straight face, that he and his right hon. Friend are approaching the Turner report with a genuinely open mind? Was all this excellent work and analysis to be discarded on the say-so of the Chancellor? Does the Minister at least accept one of Lord Turner's central conclusions: that means-testing needs to be reduced? At present, nearly half of all pensioners depend on means-tested benefits. By 2050, that proportion will have risen to more than 70 per cent. Yet there are still 1.7 million pensioners entitled to pension credit who are not claiming it. The latest figures show that despite all the money that is being spent in the form of advertising and given all the efforts of the Pension Service, take-up is hardly increasing at all.

I shall make a prediction. I believe that, just as the Government have done with the measure of poverty or the timing of the economic cycle, they are about to move the goal post on their previously stated targets for pension credit and announce that in reality, the actual target should always have been lower. That is the Government's preferred method of tackling a difficult problem—just change the target or the methodology. We know that the take-up for other benefits, such as council tax benefit, is even more lamentable. The latest statistics show that in 2002-03 alone, pensioners were failing to claim up to £2.9 billion in means-tested benefits. No wonder 2 million pensioners are still living in poverty.

Only yesterday, the Chancellor of the Exchequer made it clear that the payment to help older people pay their council tax bills was a one-off for one year only. As it turned out, that was election year. Despite the amounts spent on local government finance, many councils, especially in the south-east, are predicting further sharp rises in council tax in addition to the massive rises that are already being suffered under the Government. Do Ministers not realise the terror that many pensioners have of receiving a council tax demand or a utility bill?

How can we ensure that older people keep warm when gas prices, especially, are soaring? The Government's lack of an energy policy is as glaringly apparent as their lack of a pensions policy. In its comments on yesterday's announcements, Age Concern referred to winter fuel payments, which it welcomes. It referred to the fact that, sadly, 31,000 pensioners died last winter as a result of the cold. It added that

"the Government needs to reform the basic state pension so that all pensioners know that they will have enough money in their pockets to pay their basic costs."

The growth in dependency on the state does not seem to bother the Chancellor. Does it bother the Minister, perhaps, that across British society as a whole, one third of households now rely on the state for more than half their income? If it does not bother him, it should.

Does it not add insult to injury to those in the private sector, and those who have no occupational pension, that the public sector are to enjoy the same pension terms, including retirement at 60 or even earlier, for the next 40 years?

Will the Minister tell the House where we are on error and fraud in the system? According to the Public Accounts Committee, about £3 billion a year could be lost through fraud and error.

Yesterday's statement, and the reaction of the Chancellor of the Exchequer to Lord Turner's report, proves—if proof were still needed—that it is the present incumbent of No. 11 who is the roadblock to reform in the welfare system, as well as across the whole of public services. For far too long the Department of Work and Pensions has behaved like a wholly-owned subsidiary of the Treasury. Is it not high time that Ministers started to come up with some ideas of their own for welfare reform?

Mr. Timms: The hon. Gentleman asked me about the uprating of the basic state pension. I have not been able to do the calculation that he asked about, but I can tell him that, as a result of this announcement, the basic state pension has risen since 1997 by 8 per cent. in real terms, as opposed to 1.7 per cent. after 18 years under the previous Government, so those who are concerned to have a higher basic state pension would do well to support the Labour party, rather than the party that he represents.

The hon. Gentleman talked about the radical reform of the welfare system. That is why the number of people in work is up by 2 million. That is why we have been able to lift 2 million pensioners out of poverty since 1997 and consigned abject pensioner poverty to the history books. Those are dramatic, radical and important changes, and we are determined to build on them in the next phase of welfare reform.

I can confirm to the hon. Gentleman that, in our response to the Turner commission, we do have a genuinely open mind. Nothing has been ruled in or out by the Government. The hon. Gentleman asked me that question directly and I give him that answer directly. We

will bring back proposals in the spring, which I hope will be on the basis of as broad a consensus as possible across the House and across the country.

I hope that the hon. Gentleman welcomed the announcements by my right hon. Friend the Chancellor about additional help for 16 and 17-year-olds to move into work. I hope as well, given the points that the hon. Gentleman made a moment ago, that he welcomed the announcements about the expansion of the warm front programme to help pensioners to install central heating and installation. All those announcements directly address the issues that he raised.

The hon. Gentleman has a point about the rather low take-up of council tax benefit among pensioners. That is why the Pension Service is ringing up pensioners in receipt of pension credit to encourage and help them to apply for council tax benefit and housing benefit if they are entitled to them, in order that we can increase the take-up of those benefits among those who are entitled to them.

The hon. Gentleman asked about public sector pensions. It is worth making the point that, in not much more than 10 years, the number of people in public sector schemes with a pension age of 65 will more than halve, so the agreement that has been reached on public sector pensions will lead to substantial changes much more quickly than some people have realised. I think that that puts into perspective the point that he made about that.

On error and fraud, the extent of fraud has gone down by two thirds since 1997 in the most vulnerable benefits: income support and jobseeker's allowance. That is welcome progress. When the Conservative party was in office it did not even measure the extent of the problem. We have made dramatic progress.

Mr. Frank Field (Birkenhead) (Lab): Does the Minister accept the Opposition's line that large numbers of pensioners are eligible for but not claiming the additional help with pension credit? Does he share the experience that I have? I find almost no one in Birkenhead who for any length of time is eligible and not claiming pension credit. Has not that benefit proved itself to be extremely effective in channelling help to our poorest pensioners? Is not the problem one of long-term sustainability rather than non-take-up? One cannot run a free society by budgeting for 75 per cent. of pensioners being on means tests, and one is unlikely to get elected if it costs 13p on the standard rate of tax to deliver that benefit. Does not that make his comment about consulting about the Turner commission report that much more important? While every hon. Member welcomes the announcement that the Government are talking to people outside the House, might they talk to people inside the House and might he ask the normal channels for a debate on the Adjournment, so that hon. Members on both sides of the House can give their views on that important report?

Mr. Timms: My right hon. Friend's characterisation of the position regarding the pension credit is much fairer than that of the hon. Member for Eastbourne (Mr. Waterson). It is true that some people who are entitled to pension credit are not yet receiving it, but it looks as though the total number eligible is rather less than we first thought, which has doubtless had an effect. Of course, some of those entitled to but not receiving pension credit are entitled to rather small amounts. The evidence is that the overwhelming majority of those entitled to substantial amounts are receiving it, which is why it is having such a big impact.

I very much agree with my right hon. Friend that the pension credit has been an extremely effective intervention in addressing the problem of long-term pensioner poverty, effectively making abject poverty a thing of the past. I would welcome a debate along the lines he suggests, as would my right hon. Friend the Secretary of State for Work and Pensions. Such discussions are doubtless under way as we speak.

Danny Alexander (Inverness, Nairn, Badenoch and Strathspey) (LD): I thank the Minister for his courtesy in giving us advance sight of the statement, many aspects of which Liberal Democrats welcome. In the light of recent leaks to the press, we particularly welcome the news that the pension credit will continue to be uprated in line with earnings. Does he agree that, whatever the Chancellor may have said in advance of Lord Turner's report, it would be unthinkable for a Labour Government to break the link between the pension credit and earnings? Will he confirm that continued uprating of the credit in line with earnings over the long term is shown by the Treasury to be a reasonable assumption in the table on page 39 of the long-term public finance report published yesterday? Does he therefore agree that Lord Turner's proposals represent an affordable alternative to the progressive expansion of means-testing? As the right hon. Member for Birkenhead (Mr. Field) said a few moments ago, the choice is therefore between a sustainable scheme and one that is unsustainable in the long term. We also welcome the uprating of many other benefits, and I congratulate the Minister on continuing the freezing of non-dependent deductions.

The Minister says that 3.3 million pensioners are in receipt of the pension credit. How many are entitled to it but are not receiving it? The state pension will increase by £2.20 a week, but how much of that will be consumed by council tax rises in the coming year? Does this not highlight the need for a decent state pension for everybody as a guarantee against poverty? We should not be content to celebrate the fact that pensioners are now merely no more likely to be poor than anyone else in society.

I welcome the Minister's decision to look at an industry alternative to the national pension savings scheme suggested by Lord Turner, but does he agree that, to be viable, the cost of such a private sector scheme must be at, or under, the level set by Lord Turner for the state-backed scheme? Although it is important to ensure that benefits are uprated fairly, is it not also important to ensure that they are delivered effectively?

In last year's corresponding statement, the Secretary of State for Work and Pensions said:

"Our reforms through Jobcentre Plus have been remarkable."—[*Official Report*, 6 December 2004; Vol. 428, c. 912.]

Does the Minister agree that they have indeed been remarkable—for the range of serious problems that claimants now face in getting their money, whether

[Danny Alexander]

uprated or not? It is now taking an average of 13.5 days to clear a jobseeker's allowance claim, compared with the target of 12 days, and nine centres have returned to manual processing. Will the Minister take steps to ensure that claimants can get their benefit by the time today's uprating comes into effect?

The Minister will also be aware that a very cold winter is forecast, so it is disappointing that no provision has been made for extending the winter fuel payment to severely disabled people, as we proposed in our manifesto. Will he re-examine this proposal, which recognises the additional costs and problems for severely disabled people arising from cold winter weather?

We welcome confirmation that a statement on welfare reform will be made next January, the encouraging signs coming from the pathways to work pilots, and the proposed increase in back-to-work support for lone parents. However, the Minister said nothing about the welfare reform desperately sought by families throughout the land: reform of the failing and discredited Child Support Agency. Will he confirm that a statement will be made on this issue by the end of the year, as previously promised by the Secretary of State for Work and Pensions?

The inclusion of the words "welfare reform" in the title of this statement may have caused a frisson of excitement in some parts of the House that eight years of waiting for serious proposals on welfare reform were perhaps about to be brought to an end this afternoon. I note from the Chancellor's statement yesterday that the money raised from the windfall tax to pay for welfare to work has now all been spent. When welfare reform proposals are made in January, will the Minister ensure that, despite the tightening fiscal position, they are properly funded, so that the 1 million or more incapacity benefit recipients who would like to work again are not once more disappointed by this Government?

Mr. Timms: I am grateful to the hon. Member for welcoming the freezing of non-dependent deductions, which his predecessors did consistently over the past few years. It is an area on which we have agreed. The earnings link for pension credit has proved an effective tool for reducing pensioner poverty. As he knows, the commitment to maintain that uprating lasts until 2008. Beyond that, the Chancellor will make announcements in due course, although the hon. Gentleman is right that the illustrative figures in the pre-Budget report reflect the uprating continuing. Whether that will happen in practice is a matter for the Chancellor to announce.

I draw the hon. Gentleman's attention—the hon. Member for Eastbourne (Mr. Waterson) may also be interested, given what he said earlier—to what the Turner commission report said about means-testing. Page 188 states:

> "A significant improvement in actual and perceived incentives for the majority of people of current working age can be achieved by limiting the future spread of means-testing".

That was the concern in the report, rather than the immediate elimination of or drastic reduction in means-testing. It is important that we recognise that thrust in the report. It is important that proposals for pension reform should be affordable, and that is one of the tests set by my right hon. Friend the Secretary of State in welcoming the Turner commission report last week.

The hon. Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander) mentioned the impact of the council tax on pensioners, and it is important that we make further progress in increasing the take-up of council tax benefit. It is important that an alternative, industry-led, low-cost personal account pension scheme should be comparable in terms of cost and in other ways to the national pension saving scheme suggested in the Turner report, and that is the basis on which we will evaluate the proposals. There are two prospects, and I have asked the industry to produce its proposals by February, so there may be others. We will pragmatically evaluate the alternatives, looking at the cost and at other issues, including the impact on business, which will be important.

We are improving the bedding down of the new systems for jobseeker's allowance and we have seen much progress. I can confirm that my right hon. Friend the Secretary of State will make a statement on the Child Support Agency shortly—either later this month or early in the new year.

The hon. Gentleman looks forward to the Green Paper on the new deal, which is due in January. I hope that his party will support the increasing and active role that we envisage for the state in helping people back into work. His party has always pledged to abolish the new deal and remove the extra help that has been so effective. I hope that the tone of his remarks reflects some new thinking in his party and that we will be able to agree on the tremendous attractions of a more active role for the state in helping people back into work.

Jon Trickett (Hemsworth) (Lab): My hon. Friend said that the best way out of poverty is through jobs—a welcome contrast to the old Tory practice of throwing people on to incapacity benefit to reduce the dole queues. The fall in the number of people claiming IB is welcome, but will my hon. Friend confirm that it has been achieved by incentivising the pathway back into work? Will he therefore reject a proposal from any source that incapacity benefit should be reduced in a punitive attempt to get people back to work, which would reflect the old Tory methodology, not Labour values?

Mr. Timms: Yes, I agree. That is why there has been so much support for our approach among organisations representing disabled people. The Green Paper will be about giving people extra help to allow them to get into work. As my hon. Friend rightly said, the pathways areas are seeing double the number of recorded job entries compared to other areas. The pilots are working well to help incapacity benefit customers into work. They have been popular in those areas and we want to expand that approach across the country.

Hywel Williams (Caernarfon) (PC): Given the Chancellor's welcome but belated U-turn on tax relief to buy second homes for pension funds, will the Minister confirm that in the great pensions debate the whole

question of tax relief on pensions, which is unduly weighted towards higher rate taxpayers, will be ruled in, or will it be set aside somehow?

Mr. Timms: As I said earlier, nothing is being ruled in or out and we shall be interested in any suggestions that the hon. Gentleman or his hon. Friends make, although I draw his attention to the points made in the Turner report about the difficulties involved in radical change. However, if he has some proposals I should be interested in seeing them.

Harry Cohen (Leyton and Wanstead) (Lab): I congratulate the Government and local authorities such as mine in Waltham Forest on their important efforts to improve entitlement take-up, but a huge number of people still do not receive their entitlement. Now that partnership teams have been rolled out in many areas, will my hon. Friend make a change so that they can make allocations to people who are entitled and that each case does not have to go back to a central agency to be worked out? Will he undertake to look at a possible policy change whereby people who are entitled can receive their money whether they claim or not? It is not just that they are stubborn—they may have early dementia or all sorts of other problems. Will my hon. Friend undertake to have a look at that?

Mr. Timms: Yes. We are doing a lot in exactly the direction advocated by my hon. Friend. There is a good joint team in Waltham Forest, the area that he represents. I have visited the team and had a look at its work; it is a particularly effective example. We are considering delegating a greater role to people other than staff in our Department, including enabling voluntary sector organisations to validate documents and check claims, thereby taking on some of the work that has had to be done in the Department in the past. I agree that it would be helpful to move in that direction. I also agree that we should increasingly be moving towards making payments automatic, if we are able to do so. That, of course, depends on our being able to access data that may not be in the systems that the Department uses, but there is much potential. My hon. Friend is on to something important and we are looking actively at it.

Angela Browning (Tiverton and Honiton) (Con): Will the Minister take a look at the fact that people with learning disabilities and autistic spectrum disorder are required to claim incapacity benefit? Before the Government abolished severe disablement allowance and replaced it with incapacity benefit, there was recognition of the fact that such people are born with that condition and will almost certainly die with it. I do not say for one minute that there should not be every opportunity to help them get into work if possible, but at present they have to go to their GP every two or three months just to prove that they still have the condition with which they were born. That is rather cruel and unnecessary. Will the Minister look into it?

Mr. Timms: Yes, I should be happy to discuss that matter with my right hon. Friend the Secretary of State, although, like the hon. Lady, I want to underline the importance of not writing anybody off, and not assuming that some people will be unable to work. She makes a fair point and I shall certainly discuss it with my right hon. Friend.

Angela Eagle (Wallasey) (Lab): I congratulate my hon. Friend on being part of a Government who ended the historic link between poverty and old age—a truly magnificent achievement. May I, in the same vein, ask him to provide us with a few more details on the warm homes grant extensions, particularly for the installation of central heating in the properties of pension credit recipients who do not have such heating? Will applications have to be made, or will attempts be made to reach such properties and ensure a more automatic system?

Mr. Timms: I welcome what my hon. Friend says and I agree with her. The announcements that my right hon. Friend the Chancellor made yesterday will be taken forward through the existing warm front programme, which, as I am sure my hon. Friend knows, in many areas has been very active in going out to people and encouraging them to take up their entitlements. The scheme will provide free installation of central heating for households on pension credit who do not have it, and for other households not on pension credit there will be a contribution of £300 towards the cost of installing it. I agree about the need to work hard and ensure that people are aware of that opportunity, which represents a major breakthrough and a major improvement in the way we address the problem of heating for those who are above pensionable age.

Mr. David Heath (Somerton and Frome) (LD): The hon. Member for Eastbourne (Mr. Waterson) mentioned Liberal Democrats voting against the benefit uprating; he may remember that it was the infamous 75p pension uprating, and we would do the same if the Minister proposed it again.

May I bring the Minister back to a point made by my hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander), which I do not think he responded to? My hon. Friend asked whether the Government had considered extending the winter fuel payment to severely disabled people. While the Minister is replying to that, he may also reply to the point about whether the warm front scheme extends to severely disabled people.

Mr. Timms: First, I can assure the hon. Gentleman that the retirement pension will go up by £2.20 a week on this occasion, which I am sure he will welcome.

We have received a number of representations asking for the availability of winter fuel payments to be extended. We do not propose to do so. Disability living allowance helps to defray the additional costs of disability, which might include heating. The warm front schemes help people other than those above state pension age, but the announcements that my right hon. Friend the Chancellor made yesterday were specifically about people who are above state pension age.

Mr. Gordon Prentice (Pendle) (Lab): Am I the only one to be astonished at the dismissive way in which the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander) brushed aside the

[Mr. Gordon Prentice]

statement made by my Friend that pensioners are no more likely to be poor now than any other people in society, which I think is a remarkable achievement?

Council tax can be a very heavy burden for pensioners on modest fixed incomes who do not receive the pension credit. Now that the review of council tax has been abandoned, will my Friend tell me whether there is any fresh thinking within the Government on how pensioners of modest means can cope with above-inflation council tax rises?

Mr. Timms: I am sure that my hon. Friend will very much welcome the additional payment being made this year to help with council tax. I do not think that it is right to say that the review has been abolished; work is continuing that will contribute to the outcome of the forthcoming spending review. I anticipate that an announcement will be made in the Budget about whether additional payments will be made in future years.

Mr. Philip Hollobone (Kettering) (Con): Although I appreciate the Government's noble intentions on the reduction of child poverty, will the Minister confirm the number of children whom he estimates remain in absolute poverty? Has he had a chance to see today's press reports that quote research from Save the Children that, despite their best efforts, the Government are unlikely to meet their target to eliminate child poverty by 2020?

Mr. Timms: We are on track to hit our first milestone, which was to reduce child poverty by a quarter by last year. We will know the details of that by the spring. That is a welcome step forward, and I am glad the hon. Gentleman supports the aim that we have set out. I agree that it is a very important aim, and we are determined to make further progress. We have already succeeded in arresting and reversing the long-term trend of rising child poverty. By 2003–04, about 500,000 fewer children were in low-income households compared with 1998–99. We are determined to maintain that progress towards our target of abolishing child poverty by 2020.

Point of Order

4.20 pm

Mr. David Winnick (Walsall, North) (Lab): On a point of order, Mr. Speaker. Obviously, you know that Foreign Affairs questions are due to be answered after the recess, on 10 January. There is a great deal of concern among many people, including hon. Members, about the possibility—indeed, the reports—that the United States is using UK facilities to transport terror suspects around the country. There are also allegations about interrogation centres, or torture centres, in various parts of Europe, although reports do not state that they are located in Britain. It would be useful if, before we break for the Christmas recess, the Foreign Secretary came to the Chamber to make a statement and answer questions.

May I make a final point to you, Mr. Speaker? I am not allowed, as you know, to refer to any internal House of Commons matter, but I thought that, when the procedure changed a few years ago, the wish was that it should be possible broadly to raise topical and urgent matters on the Floor of the House pretty promptly. As matters stand, the Foreign Secretary is not due to answer questions until 10 January. Such things are reported widely in newspapers and on television and radio, yet we cannot discuss them in the House of Commons.

Mr. Speaker: The hon. Gentleman's experience goes back a long way. In fact, he and I first came into the House on the same day. He will know that private notice questions are now called urgent questions, but the granting of such questions remains at the Speaker's discretion. Of course, I will not go into why I refused him an urgent question. Given his vast experience as a parliamentarian, he knows that, if he wishes to bring the Foreign Secretary or an Under-Secretary before the House, he can apply for an Adjournment debate. That would be a nice way of doing things. Again, the Speaker has some discretion in those matters, and there is a very fair ballot indeed.

Employment (Advertisement of Pay and Pension Rights)

4.23 pm

Mr. John Denham (Southampton, Itchen) (Lab): I beg to move,

That leave be given to bring in a Bill to require all employment vacancies to be advertised with a combined valuation of pay and pension rights; and for connected purposes.

Having been a Member for some time, I appreciate the way in which the ten-minute Bill procedure enables Members to make proposals that do not claim to revolutionise or transform our way of life but merely aim simply at practically to make things a bit better. I make no more claim for this Bill than that—a simple, practical and small change that would make pensions a bit better.

When I first sought a date to introduce the Bill, I did not realise that it would follow so quickly after the excellent Pensions Commission report. I was understandably nervous that my fox might be shot before today arrived. In fact, I am confident that the Bill would work effectively to support the Pensions Commission's recommendations. This is not the time to rehearse the detail of Lord Turner's proposals, but, as everyone now knows, he proposes a sensible balance between tax-funded, state-paid pensions, sufficient to lift most people out of means-testing, and invested pensions.

Even if—or, as I hope, when—the basic framework of the Turner report is implemented, state pension provision will lift most men and women only just above the basic level of pension income means-testing. A comfortable retirement will depend on the size of their second pension. My concern today is to support invested pensions and Turner's aim of encouraging

"the maintenance of existing high quality pension provision"

through which employers provide more generous contributions than those in the proposed soft compulsion scheme.

The first report of the Pensions Commission showed that good quality employer pension provision is on the decline. It estimated that active membership of defined benefit schemes had fallen by 60 per cent. since 1995. It found that although a quarter of private sector employees were still members of salary-related schemes, only 14 per cent. of new employees were in such schemes. The report concluded:

"Rolling these trends forward, and even if the rate of closure now slows considerably,"

defined benefit

"scheme membership is likely to become a primarily public sector phenomenon."

Of course, when defined benefit schemes are closed, they are usually replaced by defined contribution schemes of one sort or another. Overall, Turner's judgment was that membership of employer provision was flat, or perhaps declining. However, it is clear that the average employer contribution to defined schemes is much lower than that to traditional defined benefit or final salary schemes. Employer contributions to defined benefit schemes were estimated at about 11 to 14 per cent. of salary, whereas such contributions to defined contribution schemes were about 4 to 7 per cent. Despite that downward trend, it is clear that employees with any employer contribution to their scheme are general much better placed than those with none.

We could debate the reasons for the decline in the best quality pensions at some length. There are many factors, and as a former Minister with responsibility for pensions I would have to include among them well-meaning regulation passed by Governments of both parties in response to the fears and concerns of our constituents. However, probably the most important factor is simply the changing nature of the competitive economy. The type of larger company that traditionally provided a good pension scheme is in long-term decline. It might be that the best final salary schemes never made hard, bottom-line economic sense, but such schemes were widely seen as part of companies' corporate social responsibility. By having such schemes, those companies made a significant contribution to not only their own success, but the wider economy.

Today's economic environment is much harsher and more globally competitive. Although many employers still understand the mixture of altruistic, paternalistic and self-interested arguments for good pension schemes, they are increasingly likely to be challenged by shareholders and accountants. In a competitive economy, some companies compete for business by cutting pension provision, or not making any provision at all. As always, the worst can drive down the standards of the rest.

We will still need good employer provision, even when Turner is implemented. The Pensions Commission report makes it clear that its proposals for state pensions and the soft compulsion of the national pension savings scheme would give average earners pensions of just under half their salary when they retire—and that would be at the older retirement age. If people want to receive traditional benefits such as those from a final salary scheme, or if they want a pension that is big enough to allow them to take early retirement, or a less pressured or part-time job before they get their state pension, they or their employers will need to make additional contributions.

If we want to retain the best employer provision that we can, we need to examine new ways to encourage and support good employer provision over and above the minimum that all employers should be required to do. We need to look at ways in which employers can see a clear business case—a clear labour market advantage—from a good pension scheme. That is precisely what the Bill is intended to do. It aims to make the value of employer pension contributions explicit to potential employees. By doing so, it will give better employers an edge in the labour market.

Most people simply do not realise how much a good employer's pension scheme can add to the value of a job. As a result, the quality of pension provision appears to play little role in determining the attractiveness of an employer to potential employees. However, it should, and this Bill would help to ensure that it did.

[Mr. John Denham]

Let us consider a job that would normally be advertised at an average salary of about £24,000 a year. According to Union Pension Services, a good typical final salary scheme is worth an extra £3,400 in employer contributions each year, so the job would be advertised not at £24,000, but at £27,400, which is an increase of 14 per cent. A typical public sector final salary scheme—of course these are now closed to new entrants, but I had to do these calculations on the figures available—is worth about an extra £2,900 in employer contributions, so the job would be advertised at a combined value of £26,900. A typical money purchase scheme is worth an extra £1,200 in employer contributions, so the job would be advertised at a combined value of £25,200. In comparison, a job that paid £24,000 a year where the employee is in the state second pension scheme but receives no additional contribution would be advertised at £24,000. For information purposes, a self-employed person would need to receive about £24,700 a year to gain the same financial benefit as an employee in the state second pension.

The Bill is a small practical step that will reward good employers by helping them to recruit and retain staff. It will make sure that the best employers can easily be identified by potential employees. It will also help to guard against the danger of the 3 per cent. employer contribution to the national pension savings scheme proposed by Turner becoming the standard employer contribution, rather than the baseline or a minimum. Any lasting pension reform will require a good deal of consensus across parties and outside the House, so I am pleased that my Bill has cross-party support. I pleased, too, that it has received the support of the National Association of Pension Funds—the leading voice of workplace pension provision in the UK. There are 10 million working people in NAPF member schemes, and about 5 million pensioners receive retirement income from such schemes. The NAPF chief executive, Christine Farnish, said:

"Millions of people are building up valued pension entitlements through workplace pension schemes. But there remains a lack of understanding among many about just how valuable a good pension scheme can be.

The new Bill would give employers with good pension schemes a deserved advantage in the labour market, and enable prospective employees to get a clear picture, in pounds and pence, of the value of the pension on offer.

People are becoming more aware of the value of a good pension when it comes to making job decisions. This Bill would help in making those decisions easier."

Age Concern, too, has welcomed the Bill and has referred to research from the Labour Research Department showing that more information about company pension schemes was the most common demand from people who have not yet joined a scheme.

Of course, the Bill would not place any additional burden on employers. I envisage that a standard actuarial approach would be agreed across the economy and that guidance to employers on the calculation of benefits would be provided each time the scheme is revalued. This is not a revolutionary Bill but it is a small, practical step that would make some improvement to pensions, so I commend it to the House.

Question put and agreed to.

Bill ordered to be brought in by Mr. John Denham, Ms Sally Keeble, Rob Marris, Dr. Alan Whitehead, Mr. Richard Benyon, Chris Huhne, Mr. Frank Field, Huw Irranca-Davies, Nick Herbert and Mr. Philip Dunné.

Employment (Advertisement of Pay and Pension Rights)

Mr. John Denham accordingly presented a Bill to require all employment vacancies to be advertised with a combined valuation of pay and pension rights; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on 3 March, and to be printed [Bill 93].

Orders of the Day

London Olympics Bill

[Relevant documents: The Minutes of Evidence taken before the Culture, Media and Sport Committee on 18th October, 25th October and 1st November, on London Olympics: First Steps, HC 552-i, -ii and -iii, Session 2005–06.]

As amended in the Committee, considered.

New Clause 3

OLYMPIC DELIVERY AUTHORITY: TRANSFER SCHEMES

'(1) In this section "transfer scheme" means a scheme providing for the transfer to the Olympic Delivery Authority of specified property, rights and liabilities of a person specified in subsection (3) at a time specified in the scheme.

(2) If the Secretary of State thinks it expedient in order to enable the Authority to carry out its functions, he may direct a person specified in subsection (3) to make a transfer scheme and submit it to him.

(3) Those persons are—

(a) the Greater London Authority,

(b) the London Development Agency, and

(c) Transport for London.

(4) If the Secretary of State directs a person to make and submit a transfer scheme—

(a) the person shall comply with the direction,

(b) the Secretary of State may approve the scheme with or without modification, and

(c) if approved, the scheme shall have effect.

(5) A direction of the Secretary of State under subsection (2) shall specify a date by which the transfer scheme is to be submitted.

(6) The Secretary of State may make a transfer scheme if—

(a) a person fails to comply with a direction under subsection (2), or

(b) the Secretary of State decides not to approve a scheme submitted under that subsection.

(7) A transfer scheme made under subsection (6) shall have effect.

(8) The Secretary of State may not approve or make a transfer scheme unless—

(a) he has consulted—

(i) the person who submitted or should have submitted the scheme,

(ii) the Olympic Delivery Authority, and

(iii) any other person who in his opinion may be affected by the scheme, and

(b) the Mayor of London consents.

(9) Schedule [Transfer Schemes] (which makes supplementary provision in connection with transfer schemes) shall have effect.'.—*[Mr. Caborn.]*

Brought up, and read the First time.

4.33 pm

The Minister for Sport (Mr. Richard Caborn): I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Sir Alan Haselhurst): With this it will be convenient to discuss Government new schedule 1—*Transfer Schemes.*

Mr. Caborn: New clause 3 and new schedule 1 are needed to make the transfer of contracts to the Olympic delivery authority a quick and efficient process. In advance of the ODA being set up, the London Development Agency and Transport for London have been driving forward the work to deliver the games. We are grateful for that work, but a complication has developed as those authorities have had to enter into the first major contracts. Once the ODA is set up, those contracts and some of the equipment and people involved will have to be transferred to the ODA—the body that will ultimately deliver the Olympics.

Transferring a large number of individual contracts can be a lengthy and costly process. We want to avoid any unnecessary cost or delay. Where the Secretary of State thinks it necessary, the amendments allow for the creation of transfer schemes, which will ensure that contracts are efficiently moved from authorities such as the London Development Agency or Transport for London to the Olympic delivery authority. The Secretary of State may make a scheme if others have not complied with a direction or if their scheme has not been approved.

Using transfer schemes means that batches of contracts can be moved, requiring a single negotiation process rather than many individual ones. The Secretary of State will not be able to approve or make a scheme unless she has consulted the person who submitted it, or ought to have submitted it, the ODA and anyone who may be affected by it. She will also have to obtain the consent of the Mayor.

Transfer schemes are usual practice when setting up a new public body that takes over specific responsibilities from another public body. For example, the Greater London Authority Act 1999 used a similar process to transfer contracts to the GLA and TFL from predecessor bodies.

Hugh Robertson (Faversham and Mid-Kent) (Con): As this is the first group of amendments on Report, I begin by thanking the Minister for extending the courtesy of a briefing for myself and the hon. Member for Bath (Mr. Foster) at the Department for Culture, Media and Sport on the amendments tabled since the Committee stage. May I ask the right hon. Gentleman to pass on my thanks to his civil servants who were responsible for that briefing and for other aspects of the Bill?

New clause 3 and new schedule 1 allow for the creation of transfer schemes to move contracts across from the Greater London Authority, the London Development Agency and Transport for London to the Olympic delivery authority. If the Secretary of State believes that it will best serve the ability of the ODA to carry out its functions, he or she may direct any of those bodies to make a transfer scheme.

I wholly accept that a single body is needed to manage public sector investment in staging the games if we are to be best placed to deliver the games on time and to budget. The ODA creates a single point of contact for various public sector organisations involved in the delivery of those games. However, as the new clause has been moved since the Committee stage, will the Minister answer a number of points when he winds up?

[Hugh Robertson]

First, what safeguards are in place to look after the interests of the originators of those contracts? Secondly, how will accountability be preserved once the transfer is effected from an elected body such as the GLA to the ODA? Finally, how can the House continue to exercise scrutiny? Subject to the Minister's reassurances on those three points, I am happy to signal my party's support.

Mr. Don Foster (Bath) (LD): I join the hon. Member for Faversham and Mid-Kent (Hugh Robertson) in thanking the Minister and his civil servants for the very helpful briefings that we have had in preparation for the moving of these and other amendments. I also thank the Minister and the hon. Gentleman for the close co-operation that there has been in relation to almost all aspects of the Bill, which means that there will be a fairly uncontroversial passage of much of what is to be debated this evening. However, the debate is an opportunity to raise remaining questions with the Minister. In view of the fact that a number of the powers of the GLA will be passed on to other bodies if the new clause and new schedule are agreed, will the Minister answer some further questions, in addition to those asked by the hon. Member for Faversham and Mid-Kent?

First, I seek the right hon. Gentleman's assurance that the GLA will be one of the organisations that are to be consulted on the Olympic transport plan, which is the subject of clause 9. Secondly, will the GLA be able to summons the ODA to public evidence sessions? What assurance can the Minister give that the GLA will be able to use section 61 of the Greater London Authority Act to summon the ODA in the way that I described? Finally, can the Minister provide an assurance that LOCOG—the London organising committee of the Olympic games—the other body being established by the Bill, will also have to comply with any reasonable request to appear before the assembly and to update the assembly on progress? With those assurances from the Minister, I can confirm that my party, too, is willing to support the amendments.

Mr. Caborn: I will pass on the thanks of the two hon. Gentlemen to my staff. Although there have been some disagreements, we have been able to resolve them in a fairly civilised way. I have no doubt that there will be votes on some of the politically contentious issues later this evening, but the Bill's progress shows how the nation has got behind the Olympic bid. We were awarded the Olympics on 6 July, and hopefully we can get the Bill through Parliament by early next year, which shows the strength of cross-party support.

The consultation process will be transparent and it will involve the Mayor's office and the originators. Anyone who wants to raise an objection will be able to do so. On accountability, the elected authority is accountable to the ODA, the ODA is responsible to the Olympic board and the Olympic board is responsible to the Secretary of State and this House. On scrutiny, six Select Committees are currently considering different aspects of the Olympics, and I am appearing before the Scottish Affairs Committee tomorrow. I assure hon. Members that a lot of scrutiny is going on.

Mr. Andrew Pelling (Croydon, Central) (Con): The assembly will have a role in deciding the impost on the London council tax payer, but will the Minister reassure us that it can expect the ODA to appear before it, if it has additional questions? Will such an extra layer of scrutiny be allowed?

Mr. Caborn: Yes, it will. I have no doubt that the ODA will want to make sure that its work is in the public domain and that it attracts a consensus.

I think that the answer is yes on the question of a public session with the ODA, but I will probably write to the hon. Member for Bath (Mr. Foster) to clarify the matter.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 1

LIMIT ON POWER OF GREATER LONDON AUTHORITY TO RAISE MONEY FROM COUNCIL TAX FOR EXPENDITURE ON LONDON OLYMPICS

'The Greater London Authority shall not raise more than £625 million from the council tax for expenditure in connection with the London Olympics.'. —*[Hugh Robertson.]*

Brought up, and read the First time.

Hugh Robertson: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this it will be convenient to discuss amendment No. 3, in page 23, line 35 [Clause 33], at end insert—

'(2A) The Greater London Authority shall not raise more than £625 million from the council tax for the purpose of exercising the function under subsection (1).'.

Hugh Robertson: The amendment and the new clause were tabled in my name and that of the hon. Member for Bath (Mr. Foster).

Let us be very clear about what is involved here. When a bid was first considered, the Government and the Mayor agreed a funding package of £2.375 billion to help meet the costs of staging the Olympics in London in 2012. That figure was made up of £1.5 billion from the lottery, 50 per cent. of which will come from existing sources and 50 per cent. from the new Olympic lottery games, £250 million from the London Development Agency and £625 million from London council tax payers.

Mr. Don Foster: I apologise for interrupting the hon. Gentleman so early in his speech and thank him for indicating that I support the amendment and the new clause. Will he confirm that in the agreement with the Mayor of London, the £625 million to which the hon. Gentleman has referred was made up of £550 million and a further £75 million, which may be drawn on only if it is necessary do so?

Hugh Robertson: The Olympic surcharge will start in April 2006, and Londoners will pay between £13.33 for a band A dwelling and £40 for band H. Some

69 per cent. of Londoners are in bands A to D and they will pay between £13.33 and £20.00, and 31 per cent. will pay between £24.44 and £40.00.

As Conservatives, we entirely support the principle that Londoners should make a contribution to the financing of the games. There are four main reasons for that. London is the host city, so it is likely to benefit most from tourism and promotion; London businesses will undoubtedly benefit enormously; the east end of London will be regenerated; and Londoners will have the world's greatest sporting event on their doorstep. It is therefore perfectly reasonable that they should make a financial contribution over and above the remainder of the United Kingdom. In short, we accept the figure of £625 million and signed up to it at the time of the bid.

4.45 pm

Simon Hughes (North Southwark and Bermondsey) (LD): The hon. Gentleman is obviously right about his party. He will know that others of us who participated in the same election took the same position. Londoners were very happy to make a contribution over and above that made elsewhere, but they kept asking the question to which the amendment and new clause relate: will it be limited to that amount or open-ended? Unless we made it clear that it should be limited, they were not nearly as enthusiastic.

Hugh Robertson: I thank the hon. Gentleman for those comments. I think that he will reassured by what I am about to say.

It is fair to say that although we accepted the £625 million cost right from the outset, we—and, clearly, the Liberal Democrats—have had concerns about the possible effect on London council tax payers. The new tax will simply take the form of a larger levy on council tax bills, so it is not entirely transparent. There is no automatic cut-off after 2012. The extra money is not specifically ring-fenced for the Olympics, in obvious contrast to the congestion charge, where revenue is ring-fenced for value-for-money transport projects. There is no guarantee that the money will not be used to cross-subsidise funding shortfalls elsewhere—for example, if not enough tickets are sold.

Those initial concerns have been given further impetus by a number of factors that have become apparent in recent months and that have changed the position substantially since the initial plans for London 2012 were drawn up. First, we now know that previous games have substantially overrun their budgets. Local tax payers in Montreal are still paying off debts incurred at the 1976 Olympics. Sydney's budget of £1 billion eventually came to £2.8 billion. Athens' budget of £1 billion eventually became, as far as we know, £5 billion.

Secondly, security costs are likely to soar post-7 July. There cannot be a single Member of this House here today who genuinely believes that the international security situation will improve in the near future. If anything, it is likely to get worse.

Chris Bryant (Rhondda) (Lab): When the Culture, Media and Sport Committee, on which I served, first considered security, everybody was aware not only of the possible threat in Athens, where British security forces and police played an important role in ensuring the security of the games, but of the fact that there was already a heavy underwriting in terms of security measures. I do not think that, of itself, July this year will have made a significant difference. Does the hon. Gentleman have specific arguments on that?

Hugh Robertson: Yes, indeed I do. If one looks around London, it is fairly self-evident that security has been tightened immeasurably since 7 July, and rightly so—every Member would support that. I think that the security allowance in the Bill is £200 million. The Minister will correct me if I am wrong.

Mr. Caborn: It is £213 million.

Hugh Robertson: Given today's security situation, I cannot see how London can be kept entirely secure within that budget.

Thirdly, the Mayor has been commendably honest about the fact that his key aim is to regenerate the east end of London. That is not entirely compatible with the Government's priority ofdelivering the 2012 Olympics on time and to budget as the best games ever. Those conflicting priorities will inevitably put pressure on the budget. Fourthly, the cost of acquiring land in the lower Lea valley, and therefore of site assembly, has risen substantially since we won the bid on 6 July. Finally, as scrutiny of the financial markets shows, inflation in the construction sector is running at about 7 per cent. as a result of rising energy prices and the increased cost of raw materials. Natural disasters in the USA and Asia, allied to high demand in China, have rendered the original 3 per cent. prediction unworkable.

All Members know of the concern already felt by many of their constituents about rising council tax bills. They affect everyone, but particularly the elderly—who have no way of increasing their income to cope—and the vulnerable. We were happy to accept the original £625 million figure, although we had some worries about the lack of accountability. Since the plans were drawn up, however, the five factors that I have listed have led us to believe that Londoners should not be left with an open-ended commitment. Accordingly, I believe that the time has come to introduce a formal mechanism to ensure that Londoners receive a measure of protection.

Let me end with two pleas. First, I ask all London Members to consider a new clause that simply gives a statutory basis to the Government's own estimate of the cost of the games to council tax payers, and to support it. If they do not do so, they will risk inflicting a considerable extra bill on their constituents.

Mr. Andy Reed (Loughborough) (Lab/Co-op): So far, the hon. Gentleman has told us why London council tax payers should not make a larger contribution. If London council tax payers did not make the contribution, someone else would have to do so. Which of the other funding bodies does the hon. Gentleman think should do it?

Hugh Robertson: The hon. Gentleman is right, but it is difficult for me to give him an answer. Every time we have asked the question, the Minister has said—as I expect him to say in 20 minutes' time; indeed, he told me

[Hugh Robertson]

that he would do so—that the budget for the games was drawn up according to the most advanced formula ever and that there would be no cost overruns. If that is the case, let us flip the argument over—why should there not be a cap?

Mr. Andrew Pelling (Croydon, Central) (Con): Mary Reilly, chair of the London Development Agency, said in the *Financial Times* that the estimate of the cost of cleaning the land on which the games would take place had already doubled, which means an increase of hundreds of millions of pounds.

Hugh Robertson: Indeed; Mary Reilly made that point when she appeared before the Select Committee two weeks ago.

My second plea, on which I have touched already, is to the Minister. Although the new clause has cross-party support, it is perfectly possible that the Bill will be defeated in the other place, which will delay it. We are, after all, simply trying to give the Government's own calculations a statutory basis. Therefore I do not hesitate to urge the Minister and the House to accept the new clause.

Mr. Andy Reed: Having heard what the hon. Member for Faversham and Mid-Kent (Hugh Robertson) had to say, I have an opportunity to go a little further. I appreciate that many London Members, among others, will have a view on the level of council tax payments to the fund, but, as I said before, if the money does not come from London council tax payers, where is it to come from? The new clause makes no mention of that, which is why I offered the hon. Gentleman a chance to tell us.

I am quite confident about the £2.3 billion package, and I am sure that the Minister will confirm it. The figures that make up the package, which had cross-party support when we went to Singapore, represent a built-in flexibility based on the understanding that projects such as this always involve a cost overrun. The package assumes a potentially large overrun and builds in flexibility at a level that I consider acceptable.

I hope that the new clause will be rejected on the basis that, as I have said, it does not tell us where the rest of the contribution will come from. The hon. Gentleman knows that I am already anxious about the amount that will have to come from existing lottery funds. I should be more anxious if, as a result of the new clause, more money had to come from funds for grass-roots sport or other lottery contributions.

Mr. Philip Hollobone (Kettering) (Con): The hon. Gentleman, like me, is worried about the amount that we are raising from the national lottery to fund the Olympics. I suggest, however, that instead of focusing on the new clause, he should focus on the Minister's reassurances that the £625 million is an accurate figure that will not be exceeded.

Mr. Reed: The Opposition have tabled a new clause and it is only right for us to respond. Indeed, I am delighted to do so.

There are other questions about funding. We know that 50 per cent. of the £1.5 billion from the lottery will come from existing lottery funds, and the other 50 per cent. from the new lottery game. Another £250 million is to come from the London Development Agency. It is bound to be difficult to raise the desired amount. So, if the money is not going to come from the London council tax payer, which other funding body will it come from? It is absolutely necessary that we have that information before we vote on the new clause.

Adam Afriyie (Windsor) (Con): The estimate of the cost of the Olympic games seems to have been made by the Treasury. If the new clause were reworded so that any cost overrun would be spread across the whole nation, or was met in some other way, would the hon. Gentleman be more inclined to support it?

Mr. Reed: I would be more inclined to support anything that went a bit further than this proposal, to be honest. As a non-London Member of Parliament, it would be dead easy to stand here and say, "It's great. The London council tax payers will pay", but I recognise that we will all benefit from the London Olympics in some way, particularly those of us in Loughborough.

Pete Wishart (Perth and North Perthshire) (SNP): The chances of the London Olympic games coming in on budget are about the same as Scotland's chances of winning the World cup. There will be an overspend, and I share the hon. Gentleman's concerns about how it will be met. Will the Minister assure us that it will not come from the lottery? With £1.5 billion coming out of the lottery in the next 10 years, it will have suffered enough.

Mr. Reed: Obviously, I cannot give the hon. Gentleman that assurance, but I am sure that the Minister is listening. The hon. Gentleman and I have shared many a debate in the lead-up to the successful Olympic bid, and expressed our concerns about the potential impact on grass-roots sport of the Olympics needing new money from the existing lottery funds. I am sorry that the hon. Gentleman has such a pessimistic view of Scotland's future, although I am not sure whether he meant the football World cup. I am sure that his constituents will be delighted to hear of his pessimism, however. I hope that Scotland does well in future world cup competitions, whatever the sport, but perhaps it will have a rethink in regard to the participation by the Scottish Football Association, which is denying not only its senior men a place in the 2012 competition, but the other teams that would benefit from joining England and possibly Wales as part of a UK team.

I had meant to make a very short contribution to ask for further information, but I seem to have attracted a number of interventions. I cannot support the new clause because it makes no mention of where the additional money would come from in the very unlikely event of costs to the lottery bill and the Olympic bill overrunning.

Mr. Don Foster: I am delighted to follow the hon. Member for Loughborough (Mr. Reed), because he has teased the House with his suggestion that, if someone

were to tell him where the overrun money would come from, he could support the new clause. Perhaps I can give him an answer to his question in a second, and if that is satisfactory to him, we shall look forward to seeing him in the Division Lobby shortly.

I was grateful to the hon. Member for Faversham and Mid-Kent (Hugh Robertson) for mentioning the Liberal Democrats' support for the new clause. It should have come as no surprise to him that we would support it, however, because my hon. Friend the Member for North Southwark and Bermondsey (Simon Hughes) made it clear, back in the run-up to the June 2004 mayoral election—in which he was an extremely good candidate for the Liberal Democrats—that, while the Liberal Democrats would welcome the contribution of the people of London on account of the fact that they would be among the main beneficiaries of the Olympic and Paralympic games, that contribution should be capped so that Londoners knew where they stood.

The hon. Member for Loughborough shares with me, as the Member for the wonderful city of Bath, the certain knowledge that our constituents will benefit enormously from the games because we—along with Sheffield and other cities—have some of the premier sporting facilities in this country, which will no doubt be used by the visiting and home nation teams in the preparations for the games. That might offer a bit of a clue as to where the contribution might come from, should there be an overrun.

5 pm

Before discussing the possibility of such overruns, let me say that I joined the Minister, the Secretary of State, the leader of my party, the leader of the Conservative party and the Prime Minister in putting up my hand and saying to the International Olympic Committee that we believed that our bid was backed by an extremely robust financial plan. We made it clear that we were so confident that we had learned the lessons from previous Olympics that we were certain that an overrun—which others described as probable—was not likely to happen. Nevertheless, the hon. Member for Loughborough challenges us to say where the money should come from in the event of an overrun. If he wants the answer, he should examine what we told the IOC when we bid for the games in the first instance, because our bid document provides the answer.

Our full bid statement made it clear that we were committing the United Kingdom Government to be the ultimate guarantor in the event of any shortfall, including any shortfall in the operating budget of the London organising committee for the Olympic games. When the IOC evaluated our submission, it said clearly:

"The UK Government has guaranteed it would act as the ultimate financial guarantor to cover any shortfall from the Games."

It went on to say—as I suggested, I am not surprised—that the

"budget appears to be reasonable and achievable".

The position is therefore clear. Let me say to the hon. Member for Loughborough that I am confident that there will be no overrun or budget shortfall. Should that eventuality occur, however, it is not right for London council tax payers to pay more than what appears to me to be their fair share.

I suspect that, in a minute, the Minister will tell us that if we remove the responsibility from London council tax payers, that will lift any pressure on the Greater London authority and the Mayor to bear down on costs. Clearly, that is not the case. As I said in an intervention on the hon. Member for Faversham and Mid-Kent, London has pledge £550 million, with an extra £75 million to call on if needed. Clearly, it is in the interests of the Mayor of London and all GLA members to ensure that even that £75 million is not called on. Within the deal, there is a mechanism to exert downward pressure on costs. It is perhaps also worth reflecting that the Government are not currently making a direct contribution to the Olympics and Paralympics, but are seeking that money from all sorts of other bodies. At the same time, however, the Government will generate significant revenues as a result of the games coming to this country. Later, we will debate one source of revenue—the VAT on the Olympic lottery game.

Susan Kramer (Richmond Park) (LD): Does not my hon. Friend agree that as Londoners are sharing the risk of overruns, a portion of the revenue gains that eventually come to the Treasury ought to flow back to London to cover Londoners' investment in the games? The Treasury is a winner, but it ought to be willing to share some of that win and cover London's costs, too.

Mr. Foster: My hon. Friend makes an interesting point, but answering it would be beyond my pay grade. My hon. Friend the Member for Twickenham (Dr. Cable) might have a few comments to make in respect of that proposal, and I suggest that she take the issue up with him, rather than persuading me to risk his ire by responding.

One thing is absolutely clear: London council tax payers still have a mechanism to exert that financial pressure and to keep the costs as low as possible. The Government, who are currently not making a contribution, but will gain considerable revenue as a result of the games, also demonstrate that they, too, will exercise pressure to keep the cost down. That is shown by the welcome decision by the Secretary of State, the London organising committee for the Olympic games and others to reject the proposals for the swimming pool complex. Evidence therefore already shows that measures are being taken to keep the price down.

It would be wrong, however, to put ourselves in a position whereby London council tax payers are left in uncertainty about their financial responsibilities. They are rightly being asked to contribute to the cost of the games because of the significant benefits that London will gain, but it is equally right, as the new clause proposes, to cap the contribution so that London tax payers know what they are paying for and for how long. That should be the end of the matter.

Chris Bryant: I am pleased to follow the hon. Member for Bath (Mr. Foster). However, I noted that he referred to the hon. Member for North Southwark and Bermondsey (Simon Hughes) as an especially fine former mayoral candidate but did not describe the hon. Member for Richmond Park (Susan Kramer) in the same terms. I do not know whether there is some split in the Liberal Democrat party or whether the hon. Member for Bath is trying to curry favour with his president.

[Chris Bryant]

As the hon. Member for Faversham and Mid-Kent (Hugh Robertson) said, the new clause is predicated on the belief that there will a cost overrun. He gave various reasons for that, such as land values and added security, and argued that those factors have not yet been properly costed. The hon. Member for Perth and North Perthshire (Pete Wishart) denounced his nation's sporting prowess in declaring that there would be an overrun.

If one considers every other country in the world that has held the Olympics, one realises that, when Opposition politicians tried to make political capital by starting to talk about overruns, they made them a political inevitability. The Select Committee on Culture, Media and Sport examined all those countries in detail and found that that was the case. I therefore hope that the debate will not perpetuate the canard that the games must necessarily overrun. The bid model was put together on an extremely robust financial basis and tight analysis was made not only of security and land value issues, and how they might change, but—perhaps most significantly—London Transport's financial needs.

At one point, inadequate provision had been made to ensure that public transport needs in London would be met, but, following the first IOC visit, when its members commented on that, substantial and sufficient adjustments were made.

Richard Ottaway (Croydon, South) (Con): I accept the hon. Gentleman's point, but if there is an overrun, how would he feel if the people of Rhondda were asked to chip in to pay for it?

Chris Bryant: I was about to deal with that point. I suspect that there would not be much support in the country for taking more money out of lottery funds in the case of an overrun, not least because, if we have no decently funded Olympic athletes, there is not much point in holding the Olympics in this country. I hope that Rhys Jones, the grandson of my predecessor but two, Alec Jones, will be an Olympic athlete in the triathlon in the 2012 Olympics. I hope that there will be a proper funding stream for elite athletes, including those in the Rhondda and the rest of Wales, in Scotland and in Bath. That is why I do not support raiding the lottery.

I do not want a significant extra amount of money to be charged to the taxpayer in the case of an overrun. However, it is wrong to establish a fixed figure as the fair share, which the hon. Member for Bath mentioned, that the London taxpayer should pay as opposed to a share—in other words, a percentage. If there is an overrun, I believe that London taxpayers should pay a fair share of it, rather than a fixed amount, which is proposed in the new clause.

I say to the hon. Member for Faversham and Mid-Kent that it is, I think, the first time that I have heard an amendment spoken to on the basis that the other place will implement it anyway. That is an undemocratic and rather strange way to proceed with our business. It is an important principle that we have our debates in this place first and resolve them, and then subsequently reflect on what the other place decides to do or not to do. We have heard several times since the general election that the Conservative party and the Liberal Democrats say that all the previous conventions on how we do business between this place and the other place have been swept aside. I thought that the hon. Gentleman was slightly more sweeping today.

Hugh Robertson: I was simply making the point that if there is not some movement, and bearing in mind that there is cross-party support, there is a danger that their lordships will overturn that which is proposed. Bearing in mind that there has been cross-party support throughout the Bill's passage, I seek to avoid that opportunity.

Chris Bryant: I still think that the hon. Gentleman is coming remarkably close to threatening that whatever happens in this democratically elected Chamber, the Opposition will seek to overturn the will of this Chamber in another place. That is unfortunate. The argument has not been made for the new clause and I hope that it will fall.

Mr. Mark Field (Cities of London and Westminster) (Con): I endorse the comments of my hon. Friend the Member for Faversham and Mid-Kent (Hugh Robertson) and agree with what he is trying to achieve through the new clause.

Many of us who are sports lovers in London have faced the difficulty of the half-hearted and perhaps lukewarm support for the Olympic bid. I was delighted to see the scenes on 6 July, but I have expressed concerns over many years about the costs of the Olympic games. I have always felt that the Mayor of London, Ken Livingstone, is likely to issue a blank cheque. I put that proposition to the Secretary of State a year or two ago, and it was pooh-poohed, but I fear that that will be the reality.

Overall expenditure is supposed to be £2.375 billion. A robust case was made by the hon. Member for Rhondda (Chris Bryant) that there will not necessarily be an overrun. He is right to say that we should not start in a negative frame of mind, but experience shows that there have been significant overruns. Clearly, we hope that there will be great commercial gains, which will ensure that quite a lot of money comes into central coffers, but we should recall that Sydney's cost overrun increased almost threefold from £1 billion to £2.8 billion. That must be of great concern to us all—Londoners and everyone else in the United Kingdom—because it is in all our interests not to have an overrun.

The big issue is that, in essence, London council tax payers will be subject to a massive multiplier effect. The overall costings of £2.375 billion presume £1.5 billion of lottery funding. I entirely understand what the hon. Member for Perth and North Perthshire (Pete Wishart) said but I do not necessarily share his reluctance to see the cap lifted.

At present, it is suggested that £250 million could come from the London Development Agency and £625 million from the London council tax payer. If the overall cost is not £2.375 billion and is, let us say, £3 billion, that will in essence be equivalent to a 100 per cent. multiplier effect on the London council tax payer. That is how the additional £625 million will be raised.

It is to be hoped that we will not have a Sydney-type massive cost overrun of perhaps £2 billion, because that additional £2 billion would fall on London council tax payers to pay. That would be entirely unacceptable. London council tax payers would effectively be paying for the blank cheque to which I referred in the House only about 18 months ago.

5.15 pm

Richard Ottaway: May I assist my hon. Friend with his figures? The back of a fag packet calculation that I have done is that an overrun of £0.5 billion would add £140 to the bill for every band D household.

Mr. Field: I thank my hon. Friend. I hope that he is not smoking those fags either in this place or anywhere else; perhaps he is still entitled to do so. That is the nub of the problem. In essence, in London, the risk is that we will find ourselves with an enormous burden for many years to come. Already concerns have been expressed by hon. Friends and, I think, Labour Members about the costs that are likely to be imposed upon London taxpayers. As it is the cost is likely to be £20, £30 or £40 a year over 20 years. It could be considerably worse given the multiplier effect to which I have referred.

I notice that my hon. Friend the Member for Croydon, Central (Mr. Pelling) is no longer in his place but he rightly referred to the fact that the chairman of the London Development Agency, Mary Reilly, has admitted that the costs of preparing the Olympic site could double from the planned £478 million to £1 billion. If that became a cost overrun, rather than being dealt with by the budgets that have been agreed, that would, once again, penalise council tax payers in London fairly soon. Those are great concerns.

Anyone who has been to the Lower Lea valley site will have seen that it is greatly contaminated. It is difficult to estimate the likely cost of cleaning that land and ensuring that it is fit for purpose. Inevitably, there is always some optimism in putting forward a strategy and I accept that a robust financial case was made—it was not just a lot of cascading figures—but, very quickly, however robust the financial case, things can go horribly awry. It looks as though the cost of clearing up the site is likely to be significantly more than the £478 million that was mooted at the outset.

Thank you, Mr. Deputy Speaker, for allowing me to make this brief contribution. My hon. Friend the Member for Faversham and Mid-Kent has made a sensible suggestion and I hope that the House will seriously consider it. I am particularly glad that it has cross-party support; the hon. Member for Bath (Mr. Foster) supports it. It is wrong that London taxpayers should suffer from the potentially ruinous multiplier effect to which I have referred. There may be some merit in the comment of the hon. Member for Rhondda (Chris Bryant) that the £625 million should not be the cap if there were to be a massive cost overrun. I am sure that London taxpayers would be happy to pay their share, but the reality is that, with a cost overrun, they will pay 100 per cent. of every pound in excess. That would not be the right way forward.

Pete Wishart: Curiously, I find myself joining the Minister in opposing the new clause. I find absurd the suggestion that Londoners and London MPs should simply walk away if all this goes financially pear-shaped, which a number of us anticipate, and leave the rest of us in the United Kingdom to pick up the pieces. London has secured the most extraordinary and fantastic regeneration programme for the east end. It is about to receive the most generous, extravagant input of public money through the lottery to pay for the bulk of the games and for that regeneration. Therefore, London cannot simply walk away when those financial shortcomings come home to roost and expect the rest of the nation to pick up the pieces. That would not be fair, right or proper.

Richard Ottaway: Can the hon. Gentleman remind the House how much the Scottish Parliament cost?

Pete Wishart: I am grateful to the hon. Gentleman for mentioning that. I will refer to the Scottish Parliament in my speech and give him the full figures for the extraordinary increase in its cost. *[Interruption.]* If the hon. Gentleman will just be patient, I will come to that.

In this debate, I have heard London Members saying that Londoners will continue to pay for the games through the council tax. Londoners are paying for a sizeable proportion of the London Olympic games and that is right and fair because it is London that stands to gain from all the fantastic regeneration. I suggest that £625 million is a snip to pay for what will be the largest regeneration programme in the next 10 years, anywhere in the world. It is cheap at half the price. I will now answer the question from the hon. Member for Croydon, South (Richard Ottaway). The total cost of the Scottish Parliament was £450 million, so now we have compared costs.

I could go on about how the Olympics is part of a general package and general process that always seems, inevitably, to secure large infrastructure projects for London. The rest of the UK continues to pay for that. London is the richest, most prosperous part not just of the UK but of the whole of Europe. I shall spare you from any more of that argument, Mr. Deputy Speaker, because I am sure that you have heard it being kicked around before during debates in this House; indeed, it has been discussed for the past 10, 20 or 30 years.

The benefits for London of this regeneration are fantastic. The regeneration of east London alone will create more than 3,000 jobs, and its local economy will benefit by £70 million. It has been concluded that London could make up to £500 million from the tourism legacy—an extraordinary, incredible figure. Given these fantastic legacies, London should be embarrassed at the suggestion that it should walk away from its responsibilities if things go pear-shaped. If things do go wrong, it will not be the fault of the taxpayer or the lottery player; nor will taxpayers elsewhere in the United Kingdom, or lottery players outwith the metropolitan area, share in this legacy. London alone will benefit.

Jo Swinson (East Dunbartonshire) (LD): Does the hon. Gentleman not agree that although the Olympic games will obviously benefit London greatly, his constituency, mine and all other Scottish constituencies will also benefit greatly from the sporting opportunities

[Jo Swinson]

provided for young people? I also hope that the Scottish Executive and Scotland will make the most of the tourism opportunities, and get people to go north of the border once they have been to the London Olympics.

Pete Wishart: Absolutely. There is genuine enthusiasm in Scotland for an Olympic games, and there is massive enthusiasm for a separate Scottish Olympic team—an idea that I hope the hon. Lady supports.

Jo Swinson *indicated dissent.*

Pete Wishart: Some 78 per cent. of the Scottish people believe that we should have our own Scottish team in the 2012 Olympics. I hope that the hon. Lady will join me in trying to achieve what would be a fantastic addition to the London games. *[Interruption.]* I am sure that the Minister agrees and that he would love to see a Scotland team competing at the London games.

Chris Bryant: The hon. Gentleman has already decried his Scottish sporting prowess, so there is no point in his trying to rescue his reputation. Lots of people working on the site of the new Wembley stadium come from south Wales, Yorkshire and other places throughout the country. Surely the important point is that the industry that will build the Olympic site will not be just a London one. The whole community will benefit and if the hon. Gentleman cannot see that, he needs to get some better political spectacles. *[Interruption.]*

Pete Wishart: As the hon. Member for Croydon, South suggests from a sedentary position, Estonia, Lithuania and other parts of eastern Europe will also provide labour for this project; all the best of luck in that regard.

This new clause is about what will happen if there is overspend, and as sure as night follows day, there will be; it is living in cloud cuckoo land to believe otherwise. As we have heard, the Sydney games overran by twice the projected amount, and the Athens games—the last to be held in Europe—overran by five times the original figure. It is almost too far-fetched to believe that there will be no overspend for the 2012 games.

We need to look at the UK's record on delivering these large infrastructure projects, and it is utterly appalling. This House decided that the Scottish Parliament should cost £50 million; it came in at 10 times more. The taxpayer is still paying for the absurdity that was the millennium dome, and the Jubilee line extension is another testament to how overspends are becoming a feature of these massive infrastructure projects. I am desperate to find an answer to the question of who should pay for this overspend, should it occur and the new clause and amendment be accepted. Most important, what is the fairest way to finance it, should that prove necessary?

The Government are committed to financing any overspend, and although the Minister made it clear in Committee that they are in charge on this issue, he was very coy about how such overspend should be met. I should like to hear a little more on that. I again appeal to him: please do not touch the lottery any further. Some £1.5 billion will come from the lottery in the next 10 years, and our grass-root sports, charities and good causes will experience real pain and suffering. Please leave the lottery out of this one. If a shortfall should occur, it would be unsustainable for London to draw any more money from good causes and charities.

London knew what it was getting into when it bid for these games. It knew of the recent experience of games held in Europe; it knew about the examples of Athens and Sydney; it knew that there had been overspends. It should have read the small print on the tin, saying, "Shares in Olympics can go down, as well as up." All this was overlooked in the general hype and the enthusiasm for bringing the games to London. We all heard about how great the games would be for London and for the rest of the UK. If everything goes well and London benefits from the games, it will be great, but if it all goes pear-shaped, it should not be left to the rest of the United Kingdom to pick up the tab. I oppose the new clause and amendment and I ask all fair-minded hon. Members to do the same.

Simon Hughes: I rise to support my hon. Friend the Member for Bath (Mr. Foster) and the hon. Member for Faversham and Mid-Kent (Hugh Robertson). I wish to add a couple of points that may persuade many hon. Members, and not only those from London, of the merits of the case. The House may be aware that I am a great enthusiast for the Olympic games. I was really keen that we should make a bid and before the mayoral elections, I made it clear that I supported the Government—as did the Conservative candidate. In case the hon. Member for Rhondda (Chris Bryant) has another go at my hon. Friend the Member for Richmond Park (Susan Kramer) who was my predecessor as candidate—and an excellent candidate she was, too—I should make it clear that she and our party in London also believed that it was right to support the games.

Concerns were expressed, as might be expected in our capital city, not only in political circles but by ordinary members of the public, that the project might run out of control financially. Therefore, we watched with interest in the last Parliament—before the last mayoral election—as the negotiations went on between the Mayor of London, Ministers and others about the funding package. The negotiations produced a split between a London contribution, a lottery contribution and a London Development Agency contribution. It was also proposed that the games themselves, once everything had been built, would be self-financing.

I wish to give a couple of reasons for supporting the amendment. First, it is of course the case that people in Loughborough and Bath are further away from the games than people in London, and people in Perth and North Perthshire are further away still. However, people in Hillingdon or Uxbridge, or on the edge of north-west London and in Watford, or on the southern edge of Croydon, which is almost into Surrey, will receive no direct benefit from the regeneration of the east end, any more than people in Loughborough or Wales or Scotland. They may be part of Greater London, but in many ways they consider themselves to live in Surrey, Hertfordshire or Middlesex, so they too want to know that they will not be asked to pay an undue amount. It is different for people who live in

Hackney or Tower Hamlets, because they know that they will benefit directly from projects connected with the Olympics, such as the extension of the East London line, the development of the Lea valley and the legacy of housing and sports facilities. That is not the case for people a long way away on the other side of the largest metropolis in Europe.

Secondly and self-evidently, another of the contributions comes from Londoners—the LDA contribution. The LDA is one of the four children of the Greater London Authority, just like the Metropolitan Police Authority. So although the LDA is regarded as a separate heading in the funding streams, the money will not fall out of a tree and it certainly will not come out of the Mayor's pocket. It will come from Londoners. It gets money from other places, but it is basically a London kitty to which Londoners make a contribution.

Mr. Caborn: The budget of the LDA, like any other development agency, comes from the Exchequer.

Simon Hughes: But the reality is that when the Mayor stands for election and determines how much he will charge as a precept across the authority, some of the money that is collected can be spent on the sort of things that are done by the LDA. I accept that some of the LDA's money comes from the Exchequer, but—I stand to be corrected on this point—not all of it comes from the Government. The authority raises some of the money itself; some of it comes from joint schemes with the London boroughs and some of it indirectly from people who visit London. Certainly, businesses and individuals perceive that they contribute to all the budgets for all the spending streams from the Mayor's office, of which the Mayor administers one, and that is where pressure can be applied.

5.30 pm

The hon. Member for Perth and North Perthshire (Pete Wishart) pointed out that the proposal would mean capping the burden on Londoners at the expense of the Scots. That is a dangerous road to take. I do not want to be divisive, but I must put the case on the record: London contributes about 15 per cent. net to the UK economy, which is far more than it receives. Under the Barnett formula, Scotland has done very well, far better per capita than the rest of the United Kingdom. That is part of the constitutional development of the UK. London continues to raise, and spend, money and puts it into the UK kitty. As a capital city, it is happy to do so, but the hon. Gentleman would be wrong to think that we do not constantly make a significant contribution to Scotland.

Pete Wishart: I accept some of what the hon. Gentleman says. However, we have only to consider what happened yesterday, when the Chancellor had to impose a windfall tax on Scotland's North sea oil to pay for all the shortcomings in the economy, to see how much Scotland contributes to the general economy of the UK.

Simon Hughes: I do not say for a second that Scotland does not make a huge contribution to the UK economy, and I know well the history of the debate about the oil around the shores of the UK, including Scotland. Of course we remember yesterday's announcement, but the capital city of the United Kingdom has contributed for as long as the hon. Gentleman and I can remember to the United Kingdom's coffers, and that money has been spent throughout the UK.

Furthermore, of the 10 most deprived local authorities in the UK, five are in London, including the east end. If we want to ensure that there is fairness, it is wrong and improper to say that London is a great and affluent place that will benefit hugely. Some areas need to benefit as they have been deprived; inner-city areas, especially in capital cities, are often deprived.

There will be benefits for London and, as people travel in and out of London, those benefits will be shared before, during and after the games with people throughout the UK. I am talking not just about hope, expectation, aspiration, ambition and motivation, but also about opportunities for training and for individuals and teams to visit between 2008 and 2012, and the legacy.

There will be other, indirect, effects. A local London paper reported recently that, as a result of the Olympics, the costs of housing in London, both rented and purchased, are likely to be considerably higher than in other parts of the country, much more so in the east end. Many costs will be borne and the new clause proposes a cap on the element of the cost that is part of the deal whereby, as part of the formula, every London household puts more into the kitty.

Mr. Don Foster: Will my hon. Friend confirm that his understanding of the proposal is the same as mine? We are talking about a cap on the contribution paid by the council tax payers of London, but were there to be an overrun, which we do not believe is likely, it would be funded by all taxpayers throughout the country, including London taxpayers, who, as my hon. Friend has rightly pointed out, make a rather greater contribution in that regard than taxpayers in other parts of the country. We would not be capping the total contribution of Londoners.

Simon Hughes: My hon. Friend is right. Nobody is saying that Londoners would not have to bear their share of the burden if, despite the undertakings and expectations, there was an additional cost. We would pay our fair share like everybody else, but we are already making a specific extra commitment. We know that we have to do that; it could be for 10 or 12 years, which is not insignificant, especially for people on the lowest incomes, so we think that contribution should be capped.

As you would imagine, Mr. Deputy Speaker, this proposal has been debated across the political parties in London. As the Minister knows, when it went to the London Assembly, 14 members of the Assembly across all parties, including the Minister's, supported it; no one opposed it.

Chris Bryant: Funny, that.

Simon Hughes: The hon. Gentleman says, "Funny, that". People are elected, as he was elected for the Rhondda, to represent the people in their communities. What I am trying to say is that this issue is not divisive

[Simon Hughes]

politically; there is a unity of view. Just as there is a broad unity of view in London that we should have the games, that we shall make a great success of the games and that we want the games to do well, there is equally a view that there should be a financial responsibility on all of us—a discipline that limits the amount that we expect Londoners to pay. If that can be agreed, it will be an additional reason why Londoners will support the games and the planning for the games in the years ahead with even greater enthusiasm. I hope that, if the Minister does not accept the proposal today, he will at least accept its merit and agree that it may have to be part of the eventual outcome of the deliberations on the Bill.

Mr. Caborn: Before I address the details of the new clause, I want to make a couple of comments about how we approached the decision to bid for the Olympics. We took the decision only after a lot of discussion with cities that had run the Olympics. We asked what they would do differently if they got to run the games again, and many of them told us, "You must make sure that the budgets that are put in place are robust, and will stand examination over time". We therefore adopted that approach, and were commended for it by the evaluation team—the IOC. So we believe that the formula, which I shall outline later—the memorandum of understanding between the Government and the Mayor—is the right way to proceed in order to ensure best management practice in running the games, particularly from a financial perspective.

It would be unfortunate if the House of Lords decided to delay the Bill on the basis of this issue. I say that for the simple reason that we received another crucial message from cities that had hosted the games: that the quicker we set up the company—the ODA—and lay the contracts, the farther we shall be from the end date and the more we shall be in the driving seat and able to control costs. That is why, as I acknowledged earlier, we are grateful for the support that we have had from all political parties and for the way in which the House has dealt with the Bill. We won the games on 6 July and we could well get legislation on the statute book by the early part of next year.

Terminal 5 has been mentioned as a major construction project—in fact, the major construction project in Europe at this stage. It will cost just under £5 billion, it will come in on time and it may well come in well under budget. We are working closely with the team guiding that project. It should be recognised that more apprentices have been trained at terminal 5 than in the whole of the construction industry put together, so the hon. Member who was quipping from a sedentary position about Romanian, Polish and other labour should re-examine that comment and go and look at terminal 5, which is a credit to the construction industry and to the British Airports Authority. About 8,000 people are working on the terminal, but as my hon. Friend the Member for Rhondda (Chris Bryant) said, tens of thousands of people around the country are part of the supply chain, providing high-quality engineering—a supply chain that is probably the envy of the world. If we apply that type of management to the scheme that we are now embarking upon for the Olympics, I am pretty sure that all that we said we would do in our candidate file is deliverable, so we stand by the statements.

We have debated proposals of this type before. It would place a cap on the amount of council tax income that might ever be spent on preparing for the games. We cannot agree to such a cap, and I hope that when I have restated the reasons, the hon. Member for Faversham and Mid-Kent (Hugh Robertson) will feel able to withdraw his amendment.

It is true that, as the hon. Member for Bath (Mr. Foster) said, the Government and the Mayor have agreed that the GLA will make available £550 million towards the public sector funding package, with a further £75 million if required. That is how the hon. Gentleman gets his total of £625 million. The Mayor's contribution will be raised through the GLA precept on council tax, starting in the 2006–07 financial year.

We have no intention of letting costs run out of control, and the Government and the GLA will make every effort in managing the Olympic project to keep to the original budget. However, if costs exceed the provision allowed for in the public sector funding package, the memorandum of understanding between the Mayor and the Government states that the costs should be met through a

"sharing arrangement to be agreed as appropriate with the Mayor of London and through seeking National Lottery funding in amounts to be agreed at the time."

I want to clear up a misunderstanding about land acquisitions by the London Development Agency. Small amounts of money may well have come from elsewhere, but the vast majority of the LDA's work has been directly funded by council tax. The LDA has been responsible for purchasing the land. Indeed, any overrun on price as the cost of land increases will not directly affect the council tax funding.

Let us consider the assets on the balance sheet post-2012. It is true that the LDA purchased considerable amounts of land well before 6 July and the price started to escalate, but those assets will stay on the LDA's books. I do not know what will happen if there is an overrun on the funding arrangements, but the assets acquired by the LDA—they are London's assets, not central Government's—could well be deployed. So the memorandum of understanding is an agreement that we would share that responsibility, depending on the prevailing conditions at the time.

Mr. Mark Field: Perhaps the right hon. Gentleman can clarify the situation in the interests of all London council tax payers today and in the future. Is he saying that the LDA will be obliged to liquidate some of its assets and therefore release some of the perhaps substantial property gains made to fund any possible overrun?

Mr. Caborn: I am not saying that at all. What I am saying is that such things will be reviewed at the time. That is why we are not prepared to accept the new clause. It would be wrong at this stage to include that type of cap on the various funding streams. That could be deployed at a later stage.

Simon Hughes: I agree with the Minister when he suggests that, if the land held by the LDA were to increase in value significantly, logically, that increase

should be used to reduce the general council tax burden. That is my understanding of one of the reasons why that was put into the original memorandum.

Mr. Caborn: Absolutely. That is why we say that all those factors will be taken into account. The memorandum of understanding mentions:

"amounts to be agreed at the time."

That is what the MOU is all about, and the way that it has been interpreted by some hon. Members is fundamentally wrong. We believe that this is the right approach. It would not be prudent at this stage to close off any of those funding options to meet a hypothetical future shortfall by capping the amount of council tax that the Mayor may raise. The GLA takes exactly the same view.

In the event of cost overrun, the Government and the Mayor will need to consider all the options available to them. It is right that council tax will fund some of the games, as they will bring a great many benefits to Londoners—again, that has been explained already this evening—but we have no intention of making a dramatic raid on ordinary council tax payers. If cost overruns were to occur, we would want to balance any possible costs sensitively to avoid imposing punitive costs on individual households. Nevertheless, the Olympic project will be overseen jointly by the Government and the GLA. Under the existing funding and governance arrangements, we have shared interests in running things properly and keeping down costs. That is the right way to do things.

We must ensure that we retain a shared interest in keeping down costs, but it would be entirely imprudent to cap the liability of one of those parties at this early stage in the process. It is therefore vital that everyone involved should have the maximum incentive to remain hawkish about keeping down the costs. My right hon. Friend the Secretary of State has already called in the aquatic centre proposals because of the possible cost overrun. I send a very clear message to all those who will be involved in contractual agreements that we will expect them to keep to those costs. That can be done—it can be done by the type of management that we have at terminal 5.

The Government feel that it would be irresponsible to place a statutory limit on council tax funding at the outset of the Olympic project. I reassure hon. Members again that in the unlikely and unfortunate scenario in which costs run over budget, we would sit down with the Mayor to work out a sensible solution that would not cripple the average household. The Mayor and the GLA are content with that reassurance, so I hope that hon. Members will also accept it and that the hon. Member for Faversham and Mid-Kent will withdraw the motion.

5.45 pm

Hugh Robertson: Time is marching on and we have a great deal more to debate tonight. I am afraid that we have reached a position in which there is a straightforward divide between the Government and the main Opposition parties, so I will press the new clause to a Division.

Question put, That the clause be read a Second time:—

The House divided: Ayes 201, Noes 275.

Division No. 115] **[5.45 pm**

AYES

Afriyie, Adam
Alexander, Danny
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Barker, Gregory
Baron, Mr. John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, Mr. David
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Clappison, Mr. James
Clark, Greg
Clegg, Mr. Nick
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Philip
Djanogly, Mr. Jonathan
Donaldson, Mr. Jeffrey M.
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Mr. Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, Mr. Mark
Forth, rh Mr. Eric
Foster, Mr. Don
Francois, Mr. Mark
Gale, Mr. Roger
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hammond, Mr. Philip
Hammond, Stephen
Harper, Mr. Mark
Harris, Dr. Evan
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Herbert, Nick
Hermon, Lady
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howarth, Mr. Gerald
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Main, Anne
Maples, Mr. John
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Opik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James

Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pugh, Dr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, Mr. Peter
Rogerson, Mr. Dan
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Sir Robert
Spelman, Mrs. Caroline
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Streeter, Mr. Gary
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Matthew
Taylor, Dr. Richard
Thurso, John
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Webb, Steve
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Mr. Mark Prisk and Susan Kramer

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Mr. Des
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Butler, Ms Dawn
Cabom, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Cawsey, Mr. Ian
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cooper, Rosie
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hanson, Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hoey, Kate
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr. George
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Kemp, Mr. Fraser
Kennedy, rh Jane
Khabra, Mr. Piara S.
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
MacDougall, Mr. John
Mackinlay, Andrew
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McFadden, Mr. Pat
McFall, rh Mr. John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McNulty, Mr. Tony
Merron, Gillian
Milburn, rh Mr. Alan
Miliband, Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
Olner, Mr. Bill
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Price, Adam
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robinson, Mr. Geoffrey
Roy, Mr. Frank
Ruane, Chris
Russell, Christine
Ryan, Joan
Salmond, Mr. Alex
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Short, rh Clare
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andrew

Smith, rh Mr. Andrew	Vaz, Keith
Smith, Geraldine	Walley, Joan
Smith, rh Jacqui	Waltho, Lynda
Snelgrove, Anne	Ward, Claire
Soulsby, Sir Peter	Wareing, Mr. Robert N.
Southworth, Helen	Watson, Mr. Tom
Spellar, rh Mr. John	Wear, Mr. Mike
Starkey, Dr. Phyllis	Whitehead, Dr. Alan
Stewart, Ian	Wicks, Malcolm
Stoate, Dr. Howard	Williams, rh Mr. Alan
Strang, rh Dr. Gavin	Williams, Mrs. Betty
Straw, rh Mr. Jack	Williams, Hywel
Stuart, Ms Gisela	Winnick, Mr. David
Sutcliffe, Mr. Gerry	Winterton, Ms Rosie
Tami, Mark	Wishart, Pete
Taylor, Ms Dari	Woolas, Mr. Phil
Taylor, David	Wright, Mr. Anthony
Thomas, Mr. Gareth	Wright, David
Thornberry, Emily	Wright, Mr. Iain
Timms, Mr. Stephen	Wyatt, Derek
Tipping, Paddy	
Todd, Mr. Mark	**Tellers for the Noes:**
Trickett, Jon	**Mr. Dave Watts and**
Ussher, Kitty	**Mr. John Heppell**

Question accordingly negatived.

New Clause 2

PAYMENTS TO LONDON ORGANISING COMMITTEE IN RESPECT OF OLYMPIC LOTTERIES

'(1) The Secretary of State shall from time to time pay to the London Organising Committee such sums as are, in his opinion, equivalent to the sums paid into the Consolidated Fund as a result of the operations of any Olympic Lottery.

(2) The London Organising Committee shall use any sums paid to it under subsection (1) for the benefit of sport.

(3) In this section "Olympic Lottery" means a lottery so designated by virtue of section 21(1) of the Horserace Betting and Olympic Lotteries Act 2004 (c. 25) (licensing of Olympic Lotteries).'. —*[Hugh Robertson.]*

Brought up, and read the First time.

Hugh Robertson: I beg to move, That the clause be read a Second time.

I tabled the new clause with my hon. Friend the Member for East Devon (Mr. Swire) in the light of the omission in yesterday's pre-Budget report of any extra funding for elite athletes who are training for the Olympic games and of increasing concerns among sports outside the Olympic movement about the amount of funding available.

The parliamentary background to the new clause is well documented. The new Olympic lottery games were established under section 3 of the Horserace, Betting and Olympic Lottery Act 2004. It provided for four things: a regulator, the National Lottery Commission, to license lottery games; the establishment of a fund to hold the proceeds generated by the new games; the establishment of a body to distribute money held in the fund; and the principle that money held in the fund would be distributed to meet the costs of staging the 2012 Olympic and Paralympic games.

As the Bill passed through the House, my party raised two concerns—the start time, which we felt should coincide with the Athens Olympics, and the tax take—so the amendment is nothing new. We know that the Government plan to use £1.5 billion from lottery sources to finance the games—£750 million will come from existing sources and £750 million from the new Olympic lottery games. As money from the new games will be split in the same way as existing lottery proceeds, we know that 50 per cent. will go to the winners, 28 per cent. will go to good causes—in this case, the Olympic games—12 per cent., and this is the crucial figure, will go to the Government in tax, 5 per cent. in commission to retailers, 4.5 per cent. in operating costs and 0.5 per cent. to Camelot.

6 pm

It is therefore relatively easy to calculate that if the 28 per cent. earmarked for good causes—in this case, the Olympic games—has to fund the £750 million that the Government are looking for, total lottery sales from the new games must be about £2.68 billion. The Government's tax take—12 per cent.—is £320 million, which is how we arrive at that figure.

The British Olympic Association has already announced its intention to move Great Britain from 10th to fourth in the medal table. It is a brutal fact of life that the public will judge the success of the 2012 games by the number of medals we win. The BOA has calculated that an extra £25 million is needed each and every year to deliver on that commitment, with an extra £25 million needed for minor sports. The BOA expected that from yesterday's pre-Budget report and was cruelly disappointed.

Furthermore, sports outside the Olympic movement, and particularly the main mass participation sports of football, cricket, tennis and both codes of rugby, supported the London 2012 bid precisely because of its generic benefit to sport. They should receive enormous credit for this, as it enabled British sport to present an unusually united front to the International Olympic Committee. However, now that the games are secured, they are, quite reasonably, asking what this means for them. They have a number of concerns.

First, the new Olympic lottery game could lead to a diversion of funds from existing lottery games, meaning less money in the pot for those sports. Secondly, the diversion of a further £750 million from existing lottery sources will obviously mean that less money is available for non-Olympic sports. As a practical example of the effect that this will have, the Rugby Football League told me that it had planned to bid for the 2012 World cup. It now fears that lottery funds will not be available to finance that.

Thirdly, Government reforms to the lottery, by moving away from the four original pillars—sport, the arts, charities and heritage—mean that there is less money available in the first place. Fourthly, all four of the major sport national governing bodies have told me that they worry that UK Sport is becoming Olympics-dominated in its thinking. That is entirely understandable, but it is vital that we do not lose focus on mass participation sports, which, with the best will in the world, is what the vast majority of people will be playing in the seven years up to 2012 and beyond.

Fifthly, the sponsorship needed for London 2012 to be a commercial success is, I am told, twice that of the current market value. Although London 2012 will undoubtedly attract new sponsors, it is inevitable that some of sport's existing sponsors will, for obvious reasons, be lured towards the Olympics. As commercial companies do not have unlimited resources, that is

[Hugh Robertson]

bound to impact on the everyday sports. The sponsorship market will fall and that will impact on grass-roots activity.

Finally, there is the possibility of disruption to the UK's sporting calendar as a result of the IOC's prohibition on major sporting events during the period of the games. I know from my discussions with the Rugby Football League that the super league season, which runs from February to October, faces disruption, as does the Challenge cup final at Wembley on the August bank holiday. The England and Wales Cricket Board made clear its concerns at an all-party cricket group dinner the other week that its ICC future tours programme is already projected until 2013. I know and accept that there is scope for negotiation with the IOC but—this is the important point—many sports outside the Olympic movement have made compromises without, as yet, seeing any return.

There are two arguments here, one moral and one practical. The moral argument is that given that the Olympics is a one-off, national event, it is utterly iniquitous that the Chancellor should seek to fill his coffers in this fashion. The practical argument is that the concerns of sports inside and outside the Olympic movement could be met by the Government allocating the £320 million that they intend to take in tax from the new Olympic lottery games to the benefit of sport.

I can do no better than quote directly from the chief executive of the British Olympic Association, who, in the absence from the pre-Budget report yesterday of an increase in Government funding to train our elite athletes, said:

"This is devastating news for the Olympic Governing Bodies and the aspirations that we all have for delivering successful results at the 2008 and 2012 Olympic Games."

Even UK Sport, the Government's own quango, whose chair is a Government special adviser, said:

"We're disappointed because we want the best chance of success for our athletes."

On the other side of the fence, among the mass participation sports, the chief executive of the Football Association said recently:

"We have some concerns that the Government's concentration of effort and funding on the Games, whilst understandable"—

it is fair to say that everybody accepts that—

"may inadvertently lead to a lack of support for the regular grassroots non-Olympic sports that we all know is vital.

We will be doing all we can to remind all Governments between now and 2012"—

I was encouraged by that—

"that, while medals at the Games are important, the country cannot afford to neglect our collective efforts to increase participation levels in our most popular sports."

I could not agree more on both counts.

Sport, both Olympic, to fund our elite athletes, and non-Olympic, needs extra funding if the aspirations raised by winning the bid are to become reality. The return of the £320 million in tax taken from the new Olympic lottery games is both morally right and a practical way of starting to deliver for sport. I therefore urge all hon. Members to accept the new clause.

Mr. Andy Reed: I am grateful to have the opportunity to speak about the new clause and about the comments of the hon. Member for Faversham and Mid-Kent (Hugh Robertson). As he knows, I have consistently taken a particular line on the raiding of other parts of the lottery, from the point of view of those of us who are interested in grass-roots sport, especially the ones that are not part of the Olympic games. There are many mass participation sports that are outside the Olympics, such as my own game, rugby union, and rugby league, as the hon. Gentleman noted. It is a great shame that the IOC has not taken the lead and included rugby sevens, which is included in the Commonwealth games. It would have been a fantastic opportunity for that to be part of the 2012 Olympic games.

I have been quite closely involved in trying to assess what is required, particularly as regards the UK Sport bid for additional funding. Those of us who know the threesome—Bath, Sheffield and Loughborough—know what it will take to get an Olympic gold medallist in 2012. We know that the average age of a gold medallist in 2012 will be 26.2 years. That means that such a person will probably already be in a development squad at one of our leading centres, the English Institute of Sport, and we know from UK Sport's work the attrition rate—the number of people who will drop out of those training programmes—and the size of the training programme that we need across the Olympic sports.

I play quite a bit of volleyball, which will be an Olympic sport in 2012 because we are the host nation. We will be looking for a creditable performance, but even with all the lottery funding that we can muster, it is unrealistic to expect the UK team to pick up the gold medal—I sound like the hon. Member for Perth and North Perthshire (Pete Wishart), who has downgraded his aspirations for Scottish World cup wins. I do not want to be down on our fantastic volleyball players, who are based in my constituency, but they, too, are realistic about their chances of winning.

It is too easy to sit on the Opposition Benches and say, "We would like to spend an extra £300 million, and we have got a rough idea where it will come from." Only yesterday, Opposition Members criticised the so-called difficulties with the Budget, so it is strange that the Opposition parties are introducing a proposal to take another £300 million out of the figures in the pre-Budget report. I can see the hon. Member for Bath (Mr. Foster) distancing himself from the official Opposition on that particular matter.

Mr. Don Foster *indicated assent.*

Mr. Reed: At Prime Minister's Question Time, the Prime Minister usually takes the opportunity to run through the Liberals' spending plans.

Madam Deputy Speaker (Sylvia Heal): Order. I remind the hon. Gentleman to confine his remarks to the new clause.

Mr. Reed: I apologise, Madam Deputy Speaker. New clause 2 refers to how the £320 million will be used. I would like the Chancellor to write a cheque for that sum tomorrow, but I recognise that it is not that easy because the Government face tough choices. I am delighted that

the Liberals have, for once, taken the hair-shirt approach and wish only that more hon. Members were present to witness it.

A great deal more work needs to be done on how the bid is submitted to the Government. The BOA needs to do more work on securing additional funding in partnership with others for each year until 2012, so it can reach £40 million to £50 million extra a year for the 28 sports. As the hon. Member for Faversham and Mid-Kent has indicated, however, the funding needs to cover many other sports.

We are discussing a great deal of investment to get people on to the podium, and a great deal of work needs to be done. We must work with the Treasury to make sure that we secure the required level of funding. We should be much more imaginative and, rather than taking a begging bowl directly to the Treasury, we should find other ways to fund the elite performance to which the hon. Member for Faversham and Mid-Kent has referred. I cannot support new clause 2, but in general I would like to see a great deal more work being done to ensure that we secure the necessary level of funding for the governing bodies that will participate in 2012.

Kate Hoey (Vauxhall) (Lab): I share my hon. Friend's logic. Does he agree that the fundamental principle behind our having the Olympic games in London in 2012 involves grass-roots sport? It is not good enough to say that the Olympics will automatically help grass-roots sport—it will not happen unless a decision is taken to make it happen.

Mr. Reed: My hon. Friend knows me well enough to know that I am particularly concerned about that danger. It would be great if we were to find an additional £50 million a year for elite sport in this country and were to finish fourth in the medal table, but what would be the legacy for our sporting future?

A great deal has been done—for example, we have largely achieved our objectives on school sport. On elite sport, those of us who know what is happening in the English Institute of Sport, which will form part of UK Sport, feel that we can deliver a great deal with additional funding. On grass-roots sport, although some good work is going on and a lot of additional funding is coming in, it will take a great deal more work to reach our objectives, and we are not quite there yet. My worry is that taking £750 million away from existing lottery causes would make that job even harder, and we must think more about the money that is currently available.

6.15 pm

As hon. Members know, I chair the national strategic partnership for volunteering in sport. The problem is that we are making the situation harder and harder for volunteers, which makes it harder and harder for people to participate at a grass-roots level. That is not necessarily the Government's fault, because a number of agencies are involved. I hope that the lasting legacy of 2012 is not the grand stadiums, which will nevertheless be fantastic, but a genuine passion for sport and the money to deliver it.

Mr. Don Foster: As ever, I am delighted to follow the hon. Member for Loughborough (Mr. Reed). On this occasion, I agree with almost everything that he has said and was not offended when he described me as hair-shirted. I also agree with him about the addition of rugby sevens to the list of sports, although I say that slightly diffidently knowing that my hon. Friend the Member for Colchester (Bob Russell) will no doubt read my remarks and wonder why darts has not been included on the wish list for additional Olympic sports.

As the hon. Member for Faversham and Mid-Kent (Hugh Robertson) has said, the Chancellor's statement caused considerable disappointment given what he did not say about funding for sporting endeavour, and particularly sporting endeavour that helps us to achieve an increased medal haul. He was right to say that those of us who share that concern need to get together with the representative bodies to find arguments to put pressure on the Chancellor and to come up with other forms of funding. As the hon. Member for Loughborough has said, a lot is being done, and I praise the Minister and the Government for their work. I also hope that we go on to develop links between community sports clubs and our schools.

My party simply cannot support the approach proposed by the hon. Member for Faversham and Mid-Kent, because we have some difficulty with the Conservative party's mixed messages about the lottery. Conservative Members tell us that it is wrong for the Government to put their sticky little mitts in lottery funding, but the Conservative party manifesto contains a proposal to raise £250 million a year from the lottery for its club-to-school scheme. The Conservative party is proposing a form of hypothecated tax, which Conservative Members always say is complete anathema to them whenever we make such a proposal—the Conservative proposal is schizophrenic.

Many hon. Members had grave qualms about using the lottery to make a major contribution towards the cost of running the Olympics. However, Liberal Democrats recognised that the Olympics are so important to the nation, to sport and in many other ways—for example, culturally—that we were prepared to make an exception. That is why we supported the Horserace Betting and Olympic Lottery Act 2004, and I believe that we were right to do so. During the passage of the 2004 Act, we were disappointed when we were told that the £410 million from other distributors would only be available if it were needed, although it was not long after the 2004 Act received Royal Assent that the Government said that that sum would be needed. However, we lived with that situation, because we had made a commitment.

Even were I prepared to support the notion of taking VAT in respect of just one part of the lottery and using it in the broad way that the hon. Member for Faversham and Mid-Kent suggests, I am not convinced that the mechanism would work. How would LOCOG, which has very specific responsibilities in respect of the running of the Olympic games, ensure that all aspects of sport receive some of the money? Let me remind the hon. Gentleman of what would happen were LOCOG to receive that additional, very significant sum of money.

[Mr. Don Foster]

As the games should operate successfully within budget as it is, an extra £320 million could lead to a surplus. He will remember that as part of the deal, 20 per cent. of any such surplus will go to the IOC, 20 per cent. to the BOA and 60 per cent. to grass-roots sport. He is suggesting, in effect, that we take money away from the lottery and give it to the IOC. Some of the money would not even end up in sport in this country. I find that aspect of the proposal difficult.

The new clause is somewhat schizophrenic about the lottery and about the approach to VAT receipts and the Chancellor's responsibility for using them. For those and many other reasons with which I do not wish to detain the House, we will not support the hon. Gentleman, who in many other respects has done a fantastic job.

Mr. Caborn: I echo some of the arguments made by the hon. Member for Bath (Mr. Foster). I agree that the approach taken in new clause 2 is schizophrenic. People who criticised the Chancellor for not supporting the move from 10th to fourth position in the medals table in yesterday's pre-Budget report then argue about investment into grass-roots sport as well. The whole Olympic bid process has been one of properly evaluating the risks and costs so that we can learn lessons from previous mistakes. Simply plucking out of the air the idea that we are going to move from 10th to fourth, and then saying, "Please fund it, Chancellor", is not the best way of trying to persuade people that we are serious. UK Sport, under the very good leadership of Sue Campbell, together with Peter Keene, who is probably one of the best respected people in sport, and Liz Nicholl, is systematically working through what it will take to move us progressively up the medals table.

I entirely accept that one of the great successes of 2012 will be our young people picking up those medals on the podiums. However, we have to balance the investment in 26 sports against the 130 sports for which I have ministerial responsibility. My hon. Friend the Member for Vauxhall (Kate Hoey) mentioned the balance between grass-roots and elite sport. We will get that balance right. There is more investment going into sport than there has been for very many years. The investment that is being made in sporting and physical activity through "Building Schools for the Future" clearly shows that we take it very seriously, from the grass roots to the podium.

Mr. Andy Reed: The case that has been put forward by UK Sport is fairly robust and well argued, so I hope that my right hon. Friend will ensure that the support that he gets from the House this evening reaches the Treasury. Does he agree that grandstanding and attacking the Government is not the best way of negotiating the question of funding and is unhelpful to sport in general? Perhaps the chair of the BOA will learn that working in partnership with people is a much better way forward.

Mr. Caborn: There has not been a Chancellor in the recent past who has been more supportive of sport. The Central Council of Physical Recreation has been asking for mandatory rate relief for clubs for 30 years—now we have got it. The talented athlete scholarship scheme, which is investing in grass-roots sport, came from the Chancellor. This Government's investment in sport—through the Chancellor, with support from the Prime Minister—has been second to none. UK Sport is putting a case together, and if it is well argued I believe that there could be a positive response. Trying to bounce the Treasury is not the best way forward.

Opposition Members have presented the proposal in the new clause to us before in various forms. It would make a special case for the Olympic lottery by providing for a form of tax rebate. There are two reasons why that cannot happen. First, as with all taxes, the Chancellor keeps lottery duty under review and gives due consideration to Budget representations made in the course of the Finance Bill process. As such, any changes in lottery duty should be considered in the context of a future Finance Bill, not this Bill.

Secondly, the Government intend that the same principles that apply to the existing national lottery should apply to any Olympics-themed games. Camelot says that the lottery game has been hugely successful. I put on the record my thanks to all the people who are buying Olympics lottery tickets. That clearly demonstrates the support behind the Olympic bid. People have put their money where their mouths were, and the first £4 million has already been made.

The principle of taxation in the national lottery was accepted by Parliament when the lottery was introduced—*[Interruption.]* I know that it was introduced by the Opposition. I do not intend to make political points about that because the lottery is one of our national institutions and it has all-party support. Nevertheless, we have made it clear that it will be taxed in the normal way. The £500 million that is collected by the Exchequer goes towards essential services such as schools, hospitals and the like, and it would be wrong to remove it.

I hope that the hon. Member for Faversham and Mid-Kent (Hugh Robertson) will reflect on the funding of elite as against grass-roots sport. I hope that he accepts that the right way to approach the Treasury is the way in which UK Sport is doing it, with a systematic analysis of what needs to be done in investing in elite sport to ensure that we move up the medals table. It is a little naive to say at this early stage that we will move from 10th to fourth without putting the funding mechanism in place. That is not the right way to go about it. I hope that, on reflection, the hon. Gentleman will withdraw the new clause.

Hugh Robertson: I listened with interest to what the Minister said. The good news is that Members on both sides of the House agree on the importance of both securing the necessary funding for our elite athletes and increasing grass-roots participation. Where we differ is on the method of achieving that.

6.30 pm

I entirely accept that the mechanism that we propose is a blunt tool. What should be set against that is that we all make our contribution to lobbying of the Treasury in our own ways. In view of that, and not least because I want the point to be raised, I wish to press the new clause to a vote.

Question put, That the clause be read a Second time:—
The House divided: Ayes 143, Noes 307.

Division No. 116] **[6.28 pm**

AYES

Afriye, Adam
Arbuthnot, rh Mr. James
Bacon, Mr. Richard
Baron, Mr. John
Bellingham, Mr. Henry
Bercow, John
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Butterfill, Sir John
Cameron, Mr. David
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Cox, Mr. Geoffrey
Curry, rh Mr. David
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Donaldson, Mr. Jeffrey M.
Dorrell, rh Mr. Stephen
Duddridge, James
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fallon, Mr. Michael
Field, Mr. Mark
Forth, rh Mr. Eric
Francois, Mr. Mark
Gale, Mr. Roger
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hammond, Mr. Philip
Hammond, Stephen
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Herbert, Nick
Hermon, Lady
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Howarth, Mr. Gerald
Hunt, Mr. Jeremy
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Loughton, Tim
Mackay, rh Mr. Andrew
Main, Anne
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Prisk, Mr. Mark
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, Mr. Peter
Ruffley, Mr. David
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Spelman, Mrs. Caroline
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Streeter, Mr. Gary
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Dr. Richard
Turner, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Waterson, Mr. Nigel
Wiggin, Bill
Willetts, Mr. David
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Michael Fabricant and
Mr. Peter Atkinson

NOES

Abbott, Ms Diane
Anger, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Baker, Norman
Balls, Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Begg, Miss Anne
Beith, rh Mr. Alan
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Bradshaw, Mr. Ben
Brake, Tom
Breed, Mr. Colin
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Mr. Des
Browne, Mr. Jeremy
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Burt, Lorely
Butler, Ms Dawn
Byrne, Mr. Liam
Cable, Dr. Vincent
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Ronnie
Cawsey, Mr. Ian
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clegg, Mr. Nick
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cooper, Rosie
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Davey, Mr. Edward
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Engel, Natascha
Ennis, Jeff
Farron, Tim
Fisher, Mark
Flello, Mr. Robert
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
George, Andrew
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gidley, Sandra
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goldsworthy, Julia
Goodman, Helen
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hanson, Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Heath, Mr. David
Hendrick, Mr. Mark
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hoey, Kate
Holmes, Paul
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horwood, Martin
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw

Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keetch, Mr. Paul
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khabra, Mr. Piara S.
Khan, Mr. Sadiq
Kidney, Mr. David
Killoyle, Mr. Peter
Knight, Jim
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, Mr. David
Laws, Mr. David
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Love, Mr. Andrew
MacDougall, Mr. John
Mackinlay, Andrew
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Malliaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonnell, Dr. Alasdair
McFadden, Mr. Pat
McFall, rh Mr. John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKenna, Rosemary
McNulty, Mr. Tony
Merron, Gillian
Milburn, rh Mr. Alan
Miliband, Edward
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Mountford, Kali
Mudie, Mr. George
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
Öpik, Lembit
Osborne, Sandra
Palmer, Dr. Nick
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Price, Adam
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Purnell, James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Riordan, Mrs. Linda
Robinson, Mr. Geoffrey
Rogerson, Mr. Dan
Rowen, Paul
Roy, Mr. Frank
Russell, Bob
Russell, Christine
Ryan, Joan
Salmond, Mr. Alex
Salter, Martin
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Short, rh Clare
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andrew
Smith, rh Mr. Andrew
Smith, Geraldine
Smith, rh Jacqui
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Swinson, Jo
Tami, Mark
Taylor, Ms Dari
Taylor, David
Taylor, Matthew
Thomas, Mr. Gareth
Thornberry, Emily
Thurso, John
Timms, Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Turner, Mr. Neil
Usher, Kitty
Vaz, Keith
Walley, Joan
Watts, Lynda
Ward, Claire
Wareing, Mr. Robert N.
Watson, Mr. Tom
Webb, Steve
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Winnick, Mr. David
Winterton, Ms Rosie
Wishart, Pete
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Mr. Alan Campbell and
Tony Cunningham

Question accordingly negatived.

Clause 4

GENERAL FUNCTIONS

Richard Ottaway: I beg to move amendment No. 1, in page 3, line 10, at end insert—

> '( ) pay compensation to any owner of a business whose interests are injuriously affected by the development of land, premises or facilities in connection with the London Olympics;'.

This is the fourth time that I have raised the issue of compensation for businesses that will have to be relocated from the Olympic site. It is a matter of some sadness that I have had to raise it four times, but I am afraid that I have still not received the answers that I am seeking.

No two businesses on the Olympic site are the same. Some are freehold, some are leasehold; some are owned by sole proprietors, and some by publicly quoted companies. I suspect that the vast majority are leasehold, and it would be very easy for their leases to be terminated and for the companies to be relocated. Many of them are in storage, and it would simply be a question of moving the contents of the business from one site to another.

The Minister is well aware of the constituency case that I have raised, so I shall not dwell on it, other than to say that it concerns a proprietor-owned freeholder who is experiencing severe difficulties in relocating. The Minister, to his credit, has said that he takes a keen personal interest in these matters, and has made all the right noises. Both he and the Mayor have said that no business will be disadvantaged. There is a lack of clarity, however, in exactly what is meant by that.

The briefing that we received from the London Development Agency for the debate in Westminster Hall last week set out exactly what the agency's statutory responsibilities were in this regard. They include,

"funding for legal and surveying costs, offers of LDA-owned sites for relocation, and development of tailored support packages".

In a separate briefing, the LDA states that it has

"given a firm assurance that no business will be financially disadvantaged as a result of the compulsory purchase order process."

However, that still does not deal with the non-CPO aspects of this issue. The briefing continues:

"Businesses will be compensated and supported as generously as possible, within the legal framework in which the LDA operates."

Again, the LDA framework is general in its outlook without being specific as to exactly what kind of compensation might be available. A briefing helpfully provided by the Greater London Authority for today's debate states:

"The Mayor and LDA remain firmly committed to ensuring that the process of land acquisition for the Olympic Park development does not disproportionately disadvantage those with current interests in the land."

What on earth does that mean?

Let us take the example of a business that has to be relocated. It would have to remarket itself, relaunch itself and retrain staff. It would inevitably suffer losses. I have one simple question for the Minister, if I can get his attention. Will the items that I have just set out—he might have missed them, but I am sure he has heard all this before—be covered? In an earlier intervention, he said that the LDA was Exchequer-funded, and that is quite right. So the power flows from the Government to the LDA to the dispossessed business. Does the Minister believe that the LDA has the power and the funds to provide complete compensation to a business in the situation that I have just described? In other words, would it cover the costs not only of relocation but of relaunching and the inevitable loss of profit? These are simple questions, and I would be grateful if the Minister could give me clear yes or no answers.

6.45 pm

Jo Swinson: I have a great deal of sympathy with the points raised by the hon. Member for Croydon, South (Richard Ottaway). In the Westminster Hall debate on this issue last week, he set out very eloquently the concerns of his constituent and the business that he runs. There has been a huge amount of support for the games from the business community and from individuals in London and the rest of the UK, but we need to ensure that the business community will be compensated appropriately.

The amendment raises certain questions. How is the compensation to be applied? What levels will be set? Where is the money to come from? Ultimately, who is to be the judge? Businesses have set forth their case for being injured by the games and suggested the amount of compensation that they believe to be appropriate. The *Sunday Express* on 27 November carried the example of a concrete-crushing business that had claimed that it needed £20 million of compensation. It had been offered £1.5 million, so there was obviously a difference of opinion as to what the business should be entitled to.

Certain unscrupulous companies or individuals might seek to benefit unduly from the games by submitting cases that do not have sufficient merit, and we need to find a way of arbitrating all the cases. One sensible suggestion is that we should appoint an independent arbitrator who could address the problem. They would evaluate the loss to the business and examine the case that had been presented. Each business will probably have a unique case. The arbitrator's judgment could then be presented to the Department or agency that would be required to pay the compensation. That would present an accurate and fair fee for transferring land to the games, and a process in which all those involved could have faith. About 300 businesses might be affected, and such a process could instil faith in them that they would receive the compensation that they were due.

We spoke earlier about the sound financial management required to ensure that the games come in on budget. I am sure that all hon. Members would agree that we must ensure that those businesses that will genuinely be affected can get the support that they need. At the same time, however, we must ensure that the LDA is not held hostage and that we do not leave ourselves vulnerable to ever-escalating costs. I suggest that an independent arbitrator would provide a good answer to this problem.

Hugh Robertson: For reasons that I entirely understand, the Minister missed the Westminster Hall debate last week, in which we touched on a number of these issues.

I went to visit some of the businesses involved on 17 November. I tried to approach the meeting with an entirely open mind, but I came away feeling considerable sympathy for much of what they said. I shall try to encapsulate for the Minister what appeared to be the three problems involved. First, I do not want to party political, but there were issues surrounding the conduct of the LDA. I suspect that the LDA did not expect us to win the bid in Singapore, and thus might not have done all the necessary work—for reasons that we can all understand—to identify and secure alternative sites. There were countless stories of unreturned phone calls, unanswered letters and messages left hanging in thin air, which clearly did not help one iota.

Secondly, some surveying firms were acting both as compulsory purchase valuers and as agents for prospective new sites, which is a serious issue. The Minister will know perfectly well that that is a straightforward conflict of interest and should never happen. Finally, the very fact that the Olympic site is such a large industrial site has, for obvious reasons, made replacement properties difficult to identify. Furthermore, post the bid, the supply of similar land is considerably scarcer, thus pushing up values. Any settlement must therefore be based on post-bid land values, not on the values existing prior to the Singapore decision.

It was clear from my meeting that a realistic settlement could be reached on the basis of the cost of the replacement site, plus the necessary construction cost, plus an element of dislocation. We do not intend to press the amendment to a vote tonight, but the Minister should be in no doubt about the scale of the problem. The suggestion of an independent arbitrator is helpful, and some such initiative would prevent positions becoming entrenched. If they do become entrenched, without Government intervention, I fear that a solution will be hard to find.

Mr. Caborn: Clause 4(5) ensures that everyone whose land is injuriously affected by Olympic construction works will be entitled to a fair amount of compensation. That provision will apply to businesses in the same way as it applies to home owners. Compensation will be calculated on the basis of depreciation in the market value of the land affected. In the event of dispute, there will be a right of appeal to the Lands Tribunal. That puts the Olympic project on exactly the same footing as other major construction projects undertaken by public bodies. The Olympic delivery authority will pay compensation, rather than the London Development

[Mr. Caborn]

Agency, as it will be directing the works on the LDA's land. The responsibility will go to the ODA when this Bill, I hope, becomes an Act. Under an earlier amendment, all the work and contracts operated by the LDA will go to the ODA—I hope in an efficient and effective way.

In adopting that approach, the Bill is entirely consistent with the precedent set in other contexts, including the channel tunnel rail link project. I understand where the hon. Member for Croydon, South (Richard Ottaway) is coming from. He is concerned to make sure that businesses get a fair deal, and I support that aim. We also want to ensure that people are fairly compensated. We do not want to make the Olympics a special case, however, compared with other large-scale public construction projects.

The amendment would create a special case by widening the class of people entitled to compensation to cover all those whose interests are affected, however indirectly and regardless of whether they are land owners or tenants in the land affected. That is too broad an approach. Its effects are uncertain, but it is likely to result in a multiplicity of claims and to prove very expensive. It is much better to rely on several decades of case law in this area to provide what is acknowledged to be a fair and reasonable compensation scheme for those who deserve compensation. We have provided the necessary hook in the Bill to ensure that that is the case.

Richard Ottaway: I apologise if I am pre-empting the Minister, but does the case law provide compensation for loss of profits in this situation?

Mr. Caborn: Each case is considered on its own merits, but relocation costs, new stock and loss of profits can be included. All that will be determined by the Lands Tribunal—this is where the independent tribunal comes in—under the Land Compensation Act 1961. There is independent arbitration and the facility to take into account losses beyond just the land price. If that is operated correctly, the questions raised by the hon. Gentleman should be answered.

In relation to the concern raised by the hon. Member for Faversham and Mid-Kent (Hugh Robertson), all agents have guidelines for dealing with conflicts of interest, and all such procedures are fully regulated by the appropriate professional body. The Royal Institution of Chartered Surveyors has its code of conduct, and members of the RICS who are in breach of that could face expulsion. In the light of the Adjournment debate that took place in Westminster Hall, I am writing to the LDA to draw its attention to that position. If there has been any such occurrence, I do not believe that it has been intentional. I reiterate that the Lands Tribunal is the mechanism for the type of arbitration to which the hon. Member for East Dunbartonshire (Jo Swinson) was referring.

I genuinely hope that I have been able to answer the questions put on the record. Overall, the LDA has done a reasonable job in difficult circumstances. It had to respond post-6 July, and it has done that very well. We have put tremendous pressure on it, and I think that its approach to underground cabling and other issues will pay immense dividends in the medium to long term. While, on the one hand, it might not have answered a few telephone calls—I understand the frustration arising from that—on the other, I hope that when we get this Bill on to the statute book and the ODA takes over we can start working in a slightly more effective and efficient manner than has probably been the case previously.

Richard Ottaway: I am obliged to the Minister. There has been frustration, although I am the first to acknowledge that things have improved, particularly in the past few weeks. I am grateful for his interest in the matter and the way that he has approached it. In the light of the welcome clarification that he has given today, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 18

ADVERTISING REGULATIONS

Hugh Robertson: I beg to move amendment No. 2, in clause 18, page 12, line 41, after 'Committee,', insert—

'(ba), shall have regard to the desirability of promoting the interests of voluntary and community organisations and sports clubs,'.

Madam Deputy Speaker: With this it will be convenient to discuss the following: Government amendment No. 19

Amendment No. 4, in page 13, line 21, after 'Contract,', insert—

'(aa) in no case shall the regulations apply before 13th July 2012,'.

Amendment No. 5, in clause 19, page 14, line 12, at end insert—

'(ca) shall provide for exceptions for newspapers, magazines, television, radio, mobile telephony and other electronic media in respect of section 18(5),'.

Amendment No. 6, in page 14, line 29, at end insert—

'(aa) shall consult persons appearing to the Secretary of State to represent the interests of persons within the advertising business,'.

Government amendment No. 20

Amendment No. 7, in schedule 3, page 44, line 28, at end insert—

'(aa) may be made only after consultation with persons appearing to the Secretary of State to represent the interests of persons within the advertising business and those who have a relevant responsibility for regulating the advertising industry,'.

Hugh Robertson: I want to speak in support of the amendments in my name and that of the hon. Member for Bath (Mr. Foster).

It is well documented that ambush marketing has been an issue at previous Olympic games. At the 1992 Barcelona games, Reebok paid $700 million only to find Nike sponsoring the winning basketball team's press conference and one of the competitors covering up his Reebok logo. At the 1996 Atlanta games, however, the issue really threatened to overwhelm the Olympics. As a result, subsequent summer and winter games have included provisions to prevent ambush marketing and to protect the rights of official sponsors. That is

important as LOCOG, the event manager, needs to raise approximately £1.5 billion, which will come from three main funding streams. Funding of £550 million will come from the IOC, £310 million will come from ticket sales, an extra £100 million will come from other sources, and £510 million will come from sponsorship raised by LOCOG—hence the need for these regulations. Given that, as the hon. Member for Bath pointed out, any revenue surplus is reinvested, with 60 per cent. invested for the general benefit of sport in the UK and 20 per cent. going to the British Olympic Association, we wholeheartedly support that approach.

I am therefore happy with the concept of anti-ambush marketing provisions and the protection of the London Olympics association. Across many sports, inside and outside the Olympic movement, that is the modern way—notably at recent cricket world cups, which have seen similar provisions. Set against that, however, all Members of the House will want voluntary organisations, community groups and sports clubs to benefit from hosting the 2012 Olympics. The key is to achieve that without compromising the protection put in place to safeguard the official sponsors. Amendment No. 2 seeks to achieve that.

7 pm

Voluntary organisations, community groups and sports clubs have several concerns. The London organising committee for the Olympic games, which already has the power to make blanket exemptions for specific groups, has said that it will not do that in the instance that we are considering and I thank the Minister for writing to confirm that after the Committee stage. There is a concern that the sponsorship of teams or individuals could be affected.

It is also down to the accused to prove their innocence, which is difficult in some cases given the limited resources at their disposal. Fundraising on behalf of individual athletes may be compromised and voluntary or community groups that want to have an Olympics theme day could fall foul of the regulations. For example, I was contacted by Soul in the City, a religious group that engages young people in voluntary work to the benefit of local communities. It is a fantastic organisation that everybody here would support. It wants to hold an Olympics theme day but is worried that doing so will contravene the regulations. That fear of contravening the regulations will deter smaller organisations from making use of the many opportunities that the games will bring.

The commercial marketing elements of the Bill are undoubtedly necessary to prevent ambush marketing and exploitation. Previous Olympics, prior to the introduction of similar measures, have suffered. We also need to maximise the advertising revenue so that, after 2012, the maximum amount of money can be returned to sport.

However, the 2012 Olympics have been marketed as an event that will benefit the whole of the UK. Thanks to the hype that surrounds the games, anticipation is understandably high. Every hon. Member will want schools, sports clubs, community groups and voluntary organisations to derive the maximum benefit from hosting the games. All those organisations will want to use the Olympics to bolster fundraising, raise awareness and get more people involved. There is no prospect of those groups making personal gains. I urge the Minister to go into some detail in his response to explain the exact processes and safeguards that will protect those groups. There cannot be a single hon. Member who does not want that to be achieved.

In speaking about amendment No. 5, I should like to take over where my hon. Friend the Member for Basingstoke (Mrs. Miller) left off in Committee. In Committee, the hon. Member for Bath tabled an amendment to clause 18(5)—clause 17(5) as it was then. Conservative Members supported it in debate and my hon. Friend the Member for Basingstoke elicited from the Minister the welcome confirmation that there was no intention to apply the regulations to television.

The hon. Member for Bath had similar success in establishing from the Minister that newspapers and, indeed, the stands from which vendors operate, would also enjoy an exemption from any regulations issued under clause 18. We are grateful for the clarification on that. However, despite the efforts of my hon. Friend the Member for Basingstoke to elicit similar assurances about magazines and radio, they were not forthcoming. Given that they are directly comparable to newspapers and television, surely it is right that the exemption from any regulations issued under clause 18 extends to them.

I understand that those issues were subsequently raised at the meeting between representatives of the advertising industry and Department officials on 10 November. Perhaps the Minister can confirm that. At that meeting, officials also undertook to consider the case for extending the exemption from clause 18 regulations to mobile telephones and other forms of electronic media that might deliver advertisements.

The amendment's object is therefore threefold. First, it would reflect in statute the commitments that the Minister made about newspapers and television in Committee. Secondly, it would extend those commitments to the comparable media of magazines and radio. Thirdly, its purpose is to tease out from the Minister the view at which the Government have arrived on mobile telephones and other electronic media, which should also be exempted from the regulations issued under clause 18.

I know that the Minister is aware of many of those concerns and I thank him publicly for his assistance thus far. We discussed the issues at the helpful meeting at the Department on 21 November. I hope that, as a result of the amendments, he will welcome the opportunity to put the necessary reassurances on the record.

Mr. Don Foster: The group under consideration comprises a string of different amendments and I am the only hon. Member whose name is appended to each. The Minister and the hon. Member for Faversham and Mid-Kent (Hugh Robertson) can therefore rest assured that I support the amendments that they tabled.

Amendment No. 2 is crucial because it was made clear at the outset that one of the central goals that we wanted to achieve in the 2012 London Olympics and Paralympics was

> "a lasting legacy for future generations in health, homes and jobs and, of course, sport sustainable legacy".

That is a quote from the candidate file. An important factor will be the ability of voluntary and community organisations and sports clubs to capitalise on the

[Mr. Don Foster]

games. We know of many examples of organisations that will use the Olympics as a vehicle for promoting voluntary action. They include the Waltham Forest volunteer centre, which plans to use the Olympics as a catalyst for expansion. Many organisations, such as the Stratford athletics and cycling club, will use them for increasing participation in sport. It is therefore crucial to ensure that we have regard to the desirability of promoting the interests of voluntary and community organisations and sports clubs.

The Minister will not be surprised that I support Government amendments Nos. 19 and 20 because they are the same as those that I tabled in Committee. By withdrawing them, I gave the Minister the opportunity to bring them back and claim the credit. I welcome the fact that he has stuck to his commitment. They may not appear especially important since they simply change the word "may" to "shall", but they are none the less significant because it is clear that, for example, in advertising A-frames, it is important to have regard to amenity and public safety. As I pointed out in Committee, the Office of the Deputy Prime Minister is especially hot on those matters and insists that amenity and public safety are taken into account when local authorities and others decide whether to accept outdoor advertising and signs. The Office of the Deputy Prime Minister has produced a guidance note on that, so I was anxious to follow that Department's instructions in the case of the Olympics. The Minister assured us that he would consider that. He has done so and I am delighted that he has agreed that the matter is crucial.

Amendment No. 4 is equally critical. As the hon. Member for Faversham and Mid-Kent pointed out, clause 18 describes the regulations that govern advertising in the vicinity of the London Olympic events. It gives the Secretary of State power to place restrictions on the physical locations of advertising about the games. However, in its current form, the measure does not provide a definitive start date by which the regulations come into effect. Many people therefore believed that it was important to include a clear date.

We all accepted the need both to include regulations because that was part of the host city contract and to agree on when they would begin. The hon. Member for Faversham and Mid-Kent did not point out that, when we debated the matter in Committee, the Minister told us on 18 October that any regulations under clause 18 would not apply for longer than the Olympics period. That is from four weeks before the Olympic games to five days after the end of the Paralympic games. We were then told, interestingly;

> "If one reflects on what the IOC says, we are definitely not putting gold-plating into the Bill—if anything we are tending marginally towards the other side."

The Minister added

> "we have gone no further than what the IOC asked us to do in terms of its technical manuals."—[*Official Report, Standing Committee D*, 18 October, 2005, c.78–84.]

For some of us, it is rather difficult to check whether what the Minister said was entirely accurate. The technical manuals are somewhat different to get hold of. They seem to be locked away in safes to which only very few people have access. *[Interruption.]* The Minister says from a sedentary position that we must trust him and that he got that right. When I wrote to the Minister, along with the hon. Member for Faversham and Mid-Kent, I pointed out that we had managed to get hold of the code to the safe and that we had examined what the manuals said. The manuals say that the IOC requires host countries to apply restrictions on the physical location of advertising only for a maximum of two weeks before the Olympic games, not four.

I was grateful that having written to the Minister, he graciously acceded to the slight error that he had made. In the letter that we received of 30 November, he said:

> "We accept that advertising regulations should not begin more than two weeks before the Olympic Games begin, as per IOC requirements".

He repeated the phrase:

> "We want to be clear that we are not gold-plating this legislation."

That was the position earlier, but if it is to be two weeks that will not be gold-plating.

Given that the Minister has written in a letter precisely what he intends to do, it seems not unreasonable on this occasion for him to accept the amendments. They would simply put into the Bill what the Minister, somewhat belatedly, has accepted would be the right way forward. I look forward to the Minister's positive response to the amendments. I note that he points to his brief, which seems to indicate that we might be in for some success.

I hope that we shall also have some success with the other amendments. Amendment No. 5 represents an attempt to ensure that a range of media should receive appropriate exemption from legislation regarding advertising in the vicinity of the games. The hon. Member for Faversham and Mid-Kent has made exactly the right point—there have been one or two exemptions but the scope should be widened. What would it be like for a member of the public to be reading a newspaper while standing in the vicinity of an Olympic event? Someone could be looking over that person's shoulder or, even worse, given that television cameras would be able to view it, someone could look through a television camera and see an advertisement in that newspaper. We are deeply concerned about this, and the scope of the exemptions needs to be extended to include newspapers.

What about someone who is holding out his mobile phone and on it, as is sadly the case these days, there are advertising images? That could be in contravention of advertising rules. What about someone who is listening to their portable radio? Let us say that it is on a commercial channel and an advertisement appears on it? Clearly, that could be a breach of the rules unless we have the right exemptions in respect of advertising within the vicinity of an Olympic event. That is what the amendment seeks to achieve.

Amendments Nos. 6 and 7 relate to similar issues but focus on the consultation that will take place. It is surely right and proper that we have guarantees set out in the Bill about who will be consulted about the regulations,

because a number of bodies must be consulted. A list appears in the Bill, but, sadly, all the people whom we think should appear are not included.. The Minister thought that we were on to quite a jolly good idea. In Committee, Madam Deputy Speaker—I am sorry that you were not able to join us in these exciting events—the Minister said:

"The hon. Member for Bath made a point about consulting the advertising industry. He rightly pointed out that there is no requirement for the Secretary of State to do that, but I can give a commitment now from the Front Bench that we will do so. It would be foolish not to consult the industry."—[*Official Report, Standing Committee D*, 18 October 2005, c. 79.]

We already have a list of bodies that are to be consulted, but the advertising industry is not on that list. The Minister has said that it would be foolish not to include it in the list of consultees, so it would be extremely strange if the Minister did not accept a modest amendment to include that industry in the list in the Bill. That is equally true of those people who have to vet advertisements. In particular, television advertisements must be prepared a long time in advance, so we need to be sure that those who are responsible for vetting such advertisements will be consulted. That is why amendment No. 7 refers to those who have a relevant responsibility for regulating the advertising industry. I hope that the Minister will be prepared to accept the amendment.

7.15 pm

I hope also that the amendment will provide the Minister with an opportunity to say a little more to those who are responsible for preparing advertising and for clearing advertising about what he has in mind with time scales. The Minister has had detailed consultations with representatives of the industry, which I know they have welcomed. They have reminded him repeatedly of the long time scale that is needed, very often, to prepare advertisements. Some advertisements that the industry might be using in 18 months' time will already be in preparation. The industry needs to know when those advertisements might fall foul of the regulations once they come into force. It is crucial that those concerned are consulted. It is crucial also that they be given an assurance that the regulations will not come into effect in the immediate future. Every one of the amendments in this group is worthy of support by the Minister and by the House, and I hope that they will be given that support.

Mr. Andy Reed: I wish briefly to speak in support of amendment No. 2. Whether it is carried is a different matter, but I hope that it is recognised that for all of us who are interested in community sports and how the Olympics can be used—not by commercial organisations; I fully understand the requirement to prevent ambush marketing—there are some fine lines between what is acceptable and what is not, and what can be regarded as community services. Having met some of those involved in brand protection, I fully understand just what needs to be done and the dangers involved. The wording of the amendment may not be perfect, but I hope that the Minister will take on board some of the comments that have been made in the House.

Some Members have suggested that our sports colleges be renamed Olympics sports colleges for 2012. Each of us has individuals in our constituencies who are interested in promoting sports development by using the 2012 brand. I recognise that it is important that that brand is protected, but there must be some way in which many voluntary organisations and sporting organisations, including small clubs and individuals who come together to promote the Olympics and the build-up of sport development, are at least allowed to take that forward.

I hope that in his discussions, particularly with the organising committee, the Minister will find a way of ensuring that there is some flexibility so that people are not put off at this early stage. As chair of the county sports partnership in Leicestershire, I have experience of many individuals coming forward with great ideas to brand themselves—for example, a half marathon that is built on 2012 branding, leading up to the Olympics. There are children and teenagers who would love to have been Olympians but, like me, recognise that they stand no chance of achieving that. At the same time, they wish to play some part in the Olympics.

I have an interest in developing volunteers. For many people, the concept of the Olympics will be what they can contribute to the event, not what they can get out of it. Many people are asking, "What will my town or my constituency get out of the Olympics?" One of the great things about volunteering is that people will be able to put something in and thereby get something out of the event. At the same time, they will be making a major contribution.

As for volunteering, most people do not have access to all the information about regulations. They just know that they have a good idea which they would like to see through. I hope that they do not become fearful of even suggesting using the branding for 2012 because of possible difficulties. I have been told about examples of events that are highly dubious—I heard yesterday of a wet T-shirt competition that used the five rings. I shall not go into detail about how they were used, but that is the sort of thing that London 2012 is dealing with regularly. It stretches the definition of "voluntary" and "community". I do not want such events to be encouraged because there are clearly commercial elements to some of them, but I hope that the Minister and others are cognisant of the difficulties facing genuine sports and voluntary groups that want to make major use of the 2012 Olympics to develop sport. We must ensure that they will not be put off. We may go too far if we do not take on board some of the points that are made in the amendments.

Mrs. Maria Miller (Basingstoke) (Con): I would like briefly to speak in support of amendments Nos. 2, 4 and 7. The Olympics is a unique opportunity in the history of our country to build not only sporting participation at grass-roots level and sporting excellence, but pride in our people, our country, our achievements and indeed our communities. We should all do a lot more of that.

In Committee, the Minister stated strongly that he felt that the Bill as drafted would not deter communities, sports clubs and voluntary organisations from becoming fully involved in the Olympics in whatever way was felt fit and that the correct balance would be struck. While I of course take him at his word, the Bill does little to back that up and, with the greatest respect to him, it is highly unlikely that he will be in place throughout the life of the Bill. Therefore, I support the

[Mrs. Maria Miller]

amendment to ensure that what is currently, according to the Minister, implicit in the Bill becomes a little more explicit and that LOCOG is required to have regard to the involvement of sports clubs and interest groups in what will be, I am sure, a historic event for our country.

This is one of the most prestigious sporting events in the world and its value is widely appreciated among those who may be approached to be sponsors. Many worldwide sponsors, including Visa, which is a major employer in my constituency, have been sponsors since 1986, showing that we have quite a lot of repeat purchase in the market. The Government need to ensure that they maximise the benefits for the country in the broadest way, as well as protecting the interests of those sponsors. It is a two-way street. As the Minister agreed in Committee, it is a question of balance. There is an important balance to be struck. That has been reiterated by other third parties, including Arup in the report that it was commissioned to undertake in May 2002.

We raised the issue in Committee. As I said, the Minister stated that sports clubs and other organisations could participate. Indeed, he went a little further and said that they would receive "class exemptions", but I understand from my hon. Friend the Member for Faversham and Mid-Kent (Hugh Robertson) that, as a result of discussions with LOCOG, it has become clear subsequently that the blanket exemptions may not be as forthcoming as the Minister originally anticipated. That has served to underpin the growing concern among differing communities and sports groups that their role may be somewhat squeezed.

We have heard from my hon. Friend about community groups such as Soul in the City and the YMCA, which share our concern that the Bill could undermine their good plans to involve youth in our communities, particularly in London, in building sports involvement as part of the Olympics as a whole. I have taken the opportunity to speak to a number of major worldwide sponsors and there is a lot of agreement that the community dimension of the games is vital and something that they will pursue vigorously.

The Minister may want to consider the fact that, just as ambush marketing can undermine the value of sponsorship, so our communities and sporting organisations can feel marginalised by their treatment within this historic event. That is something that is well worth considering. He may wish to pursue that matter, as I have, in conversations directly with some of the sponsors, because it was most enlightening.

Community groups can benefit from involvement in the Olympics in many ways, including through fund-raising events for teams. We must ensure that we involve every resident of our country, not just those living within the M25 or in the vicinity of the locations for the sporting events, in promoting grass-roots sports. The Bill is not explicit in its commitment to non-commercial, voluntary organisations. The amendment makes the Minister's verbal reassurances much more tangible and would provide a hook for those organisations to lobby LOCOG to agree a framework within which they can operate in support of the games. That will help many organisations such as the ones we have spoken about and others to plan their contributions to this historic celebration with a little more certainty.

On amendment No. 7, the elements of the Bill that relate to advertising and marketing are highly regulated. As my hon. Friend the Member for Faversham and Mid-Kent and the hon. Member for Bath (Mr. Foster) said, the IOC manuals relating to this aspect of the Bill are not freely available to us. While the Minister was kind enough to enable us to see extracts in Committee, they raised as many questions as they answered. He confirmed that the manuals would be subject to change until a date that has not yet been confirmed. Amendment No. 7 would ensure that, if a change is required in the manuals or in any aspect of the Bill that relates to advertising and marketing, the industry will be consulted. Any unforeseen impact on business could undermine not just the role of businesses and marketing in the Olympics, but the economic benefit of the Olympics for our country.

My objective in speaking today is simple. We need to ensure that the London Olympics benefit as many people as possible and that we strike the right balance, on which we are rather short of the mark at the moment.

Mr. Caborn: This group of amendments relates to the regulations that will be put in place under clause 18 to control advertising in the vicinity of Olympic venues. The provisions are a direct result of the requirements of the IOC and the promises that we have given in signing the host city contract. They are measures that will make an important contribution to the viability and success of the London games.

What I am also clear about, and what I have tried to provide reassurance about in Committee, is that we intend to take a reasonable and proportionate approach to the IOC's requirements. That means adopting a flexible and balanced approach and ensuring the regulations are appropriate for each and every venue.

Amendment No. 2 would require the Secretary of State to have regard to the desirability of promoting the interests of voluntary and community organisations and sports clubs when making advertising regulations under clause 18. I understand the sentiments behind the amendment. I share the desire of the hon. Members for Faversham and Mid-Kent (Hugh Robertson) and for Bath (Mr. Foster) to ensure that the games in 2012 benefit all sections of society and all parts of the country.

As the IOC made clear in its memorandum to the Bill's Standing Committee, the rationale behind the requirements to control advertising is to maintain clean venues and to prevent the unauthorised commercial exploitation of the games. The memo states that

"all venues must be free of commercial, political or religious advertising".

While that statement does not explicitly refer to advertising by voluntary or community groups, I know that the IOC would not want us to create a situation where its clean venue policy is compromised. However, before I am accused of being unreasonable by inhibiting the good work of voluntary and community groups, I should reassure hon. Members that subsection (7)(b) of clause 18 allows for authorised advertising within the

vicinity of Olympic venues and that we will consider the case for allowing some forms of advertising by voluntary or community groups.

I can absolutely see the case for allowing some voluntary or sporting organisations to be able to hand out flyers to people leaving Olympic venues in order, for example, to encourage them to become sports volunteers in their community, or to visit their local sports hall to give handball a try for the first time and to gain that experience. However, that sort of activity must be done in a measured and controlled way if we are to maintain the IOC's clean venue policy and ensure the viability and success of both the London and future games. Clause 18(7) is the best way to make that happen, so I ask that the amendment be withdrawn.

7.30 pm

Amendment No. 4 would include in the Bill a defined time limit during which the advertising regulations can apply. Clause 18(6) already requires that the regulations establish the period for which they will apply, and that they may apply only for such a period as is necessary to comply with the requirements of the host city contract. As I said earlier, we are determined to ensure that we apply those requirements in a sensible and reasonable way. In Committee, I said that the advertising regulations would not apply for longer than the Olympics period, which the Bill defines as starting four weeks before the opening ceremony.

Having discussed this issue further with the IOC, I can confirm that any advertising restrictions will be in place two weeks before the opening ceremony at the absolute earliest, as the hon. Member for Bath (Mr. Foster) said. In reality, I envisage that the restrictions will apply for a much shorter period, especially for venues that host only one or two days of competition. Given the variety of time periods for which the restrictions will apply, I do not think it sensible to specify in the Bill the maximum period for which the regulations can apply. However, I hope that the Bill's existing provisions—particularly clause 18(6)—and the clear assurances that I have given will reassure the hon. Member for Faversham and Mid-Kent that we intend to take a reasonable approach, and that he will withdraw his amendment.

Amendment No. 5 would require advertising regulations to provide a specific exemption for advertising on television and radio and in newspapers and magazines.

Mr. Don Foster *rose—*

Mr. Caborn: I can reassure the House that anyone listening to a radio programme or reading in the vicinity of Olympic venues a newspaper that contains adverts will not be caught by our advertising restrictions. The hon. Member for Bath can therefore rest assured that such a person would not be prosecuted. I understand the concerns expressed about spectators being prevented from listening to their radios as they walk into the stadium. That is absolutely not our intention and we shall ensure that our regulations are drafted in such a way as to make that clear. Does the hon. Member for Bath still want to intervene?

Mr. Foster *indicated dissent.*

Mr. Caborn: That shows that, had the hon. Gentleman waited for those pearls of wisdom to fall from my lips, he would not have needed to intervene. I hope that, in the light of my reassurance, the amendment will be withdrawn.

Finally, I turn to amendments Nos. 6 and 7, which would require the Secretary of State to consult representatives of the advertising industry before drawing up regulations under clause 18, and before varying the list of words and phrases in schedule 3. The advertising industry will obviously take a keen interest in the new advertising regulations and any changes to the words and phrases listed in schedule 3. We shall consult the advertising industry in drawing up regulations under clause 18—as we have done in drawing up the Bill—and in making any amendments to the lists of words and phrases in schedule 3. I draw hon. Members' attention to clause 22, which, among other things, requires the Olympic delivery authority to liaise with the people likely to be affected by regulations expected to be made under clause 18.

The advertising industry will not be the only stakeholders affected by the advertising regime; local businesses and residents, for example, may also have an interest in it. I am not sure, therefore, that it is helpful to widen the Bill's existing list of consultees, as it could never be exhaustive. In my view, the Bill contains sufficient safeguards to ensure that the interests of the advertising industry and of others are considered, and that their voices are heard. The Government and LOCOG have already established a very good dialogue with the advertising industry, and we shall continue to ensure they are fully engaged in the development of regulations under clause 18, and in any changes made to the list of words and phrases in schedule 3. I therefore ask that the amendment be withdrawn.

I turn to the question of the ambush market and exempting voluntary organisations and sports clubs from restrictions. Amendment No. 2 applies only to clause 18, which deals with advertising in the vicinity of Olympic venues. Under schedule 3, which we shall debate later, we have provided that LOCOG can authorise people to associate themselves with the games. We should not create a loophole that can be exploited, but I do envisage voluntary community groups being given certain authorisation. We considered this very issue in drafting the Bill, but we came to the conclusion that creating such a blanket exemption would provide a very wide defence that could be open to abuse. For example, we might want to allow all local junior athletics clubs to associate themselves with the games; on the other hand, we might not want major football teams such as Manchester United to do so.

We have sought to address this issue by giving LOCOG the ability to grant the authorisations provided for in paragraphs 4 and 5 to schedule 3. The amendments that we made in Committee allow LOCOG to make class exemptions, and require it to maintain a public register of people, and of classes of people, who are authorised to associate themselves with the games. Those amendments were tabled with schools and voluntary organisations specifically in mind.

I undertake to consider exempting mobile phones from the advertising restrictions when the regulations are made. We intend to be reasonable in our approach to regulations made under clause 18, but as was made clear in Committee, between now and 2012 there will be

[Mr. Caborn]

considerable advances in technology and in the ways of the ambush market. I have given a commitment in respect of newspapers, magazines, radio and television, but I cannot provide a blanket exemption for mobile telephony at this stage. Although I can reassure the hon. Member for Bath that the mobile services currently available will almost certainly be exempt, we must future-proof this provision by leaving it somewhat open-ended, so that we can deal with any advances in technology between now and 2012.

Mr. Don Foster: Before the Minister moves on to the two extremely exciting Government amendments, I should point out that although he talked about his commitment to consulting the industry about the development of regulations under clause 18, he did not deal with the reference in amendment No. 7 to consulting

"those who have a relevant responsibility for regulating the advertising industry".

Surely the Minister accepts that, for example, the Broadcast Advertising Clearance Centre needs to be consulted on the regulations, not least because, otherwise, it could pre-clear an advertisement that is subsequently seen to fall foul of the new regulations. Presumably, it could even be sued as a result of such pre-clearing. Will the Minister clarify that point?

Mr. Caborn: I would expect the BACC to be consulted, but let me put this issue into context. We are talking about a national organisation, LOCOG, which is responsible to the IOC. Its current chairman—hopefully he will continue as chairman through to 2012—is Lord Coe, who is supported ably by Keith Mills. These people will not go out of their way to take the draconian steps that some Members have suggested this evening. We are giving LOCOG powers that we believe are commensurate with its fulfilling its obligations to the IOC. I am sure that those people will interpret the powers that they have been given and the actions that they can take with common sense. There will be consultation and we shall take a common-sense attitude to it.

We have debated bearing down on the games' cost implications for the council tax, but we should remember that they will also provide massive income. In order to reassure the main sponsors and to maximise the revenue stream from them, we must ensure, for example, that we provide clean stadiums. The Government and LOCOG have a duty—not just to the IOC but to council tax payers in London and to others who will finance the games—to ensure that we deliver on these issues.

We tabled Government amendments Nos. 19 and 20 after the constructive debate in Committee of an amendment tabled by the hon. Member for Bath. He takes great credit for these amendments, although I wish my officials had changed the odd word or two and given the Government greater ownership of the amendments. In any case, I concede that the hon. Gentleman or his researcher drafted the amendments.

Amendments Nos. 19 and 20 would require the Secretary of State to have regard to amenity and public safety when drawing up advertising and street trading regulations under clauses 18 and 24. I agree with comments made in Committee that strengthening the requirement to have regard to amenity and public safety will ensure that the regulations are appropriate and fitting for each and every venue. I would like to thank the hon. Gentleman for provoking the debate in Committee and am pleased that we are able to come back with these amendments to the Bill at this stage.

Hugh Robertson: I thank the Minister for the reassurances that he has provided. It is fair to say that both sides of the House wish to achieve the same aim: we are simply coming at it from slightly different directions. The achievement tonight is that we have moved closer together. In view of that, I am happy to beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment made: No. 19, in page 12, line 42, leave out 'may' and insert 'shall'.—*[Mr. Caborn.]*

Clause 24

STREET TRADING, &C.

Amendment made: No. 20, in page 17, line 33, leave out 'may' and insert 'shall'.—*[Mr. Caborn.]*

Clause 35

REGIONAL DEVELOPMENT AGENCIES

Mr. Don Foster: I beg to move amendment No. 15, in page 25, line 5 [Clause 35], leave out subsection (2).

Madam Deputy Speaker: With this it will be convenient to discuss Government amendments Nos. 17, 18 and 27.

Mr. Foster: I shall leave the Minister to comment on the Government amendments and concentrate on amendment No. 15.

All hon. Members will be aware that from the beginning we have wanted every nation and region of this country to participate in and benefit from the Olympic and Paralympic games of 2012.

We appear to have done much business in Committee on 18 October, as every reference I have made to Committee has been from that date. It is therefore appropriate to cite the Minister's comments on this issue:

"The 2012 Olympic competitions will take place across the country, and every region will have the opportunity to benefit and to capitalise on them."—*[Official Report, Standing Committee D,* 18 October 2005; c. 138.*]*

We all agree with that. In Loughborough, Bath and Sheffield, we are all looking forward to all the nations and regions benefiting from the games. For those of us who live in England, the regional development agencies will have a crucial role to play in helping to facilitate the participation of the regions and sub-regions. Therefore, nobody would be surprised to see that clause 35 states:

"The purposes of a regional development agency (listed in section 4 of the Regional Development Agencies Act 1998 (c. 45)) shall include the purpose of preparing for the London Olympics."

That is right and proper and I am delighted that it is the case. However, hon. Members who have studied the Bill will note that the clause also states:

"But a regional development agency shall not do anything by virtue only of subsection (1) except at the request of the Olympic Delivery Authority."

In other words, the RDAs, which should play a key role in helping the regions and sub-regions to prepare for the Olympic games, will be able to do so only if they are authorised by the ODA. The ODA will have an iron grip on RDAs' ability to prepare for the Olympics.

7.45 pm

The RDAs have become increasingly concerned by clause 35, largely because—I confess—I kept drawing it to their attention and asking what they thought about it. They believe that it could limit their scope in preparing for the games. They are concerned about the possible confusion over the relative powers and leverages of the respective parties involved. They are concerned about the perceived leadership role given to the ODA over regional involvement in the games, instead of a co-ordinating role. The RDAs are also concerned about the potential funding consequences if the ODA asks them to do things outside their normal corporate plans or funding limits.

I have no doubt that the Minister will assure me that the RDAs need not be concerned, but I hope that he will spell out in some detail how he sees the relationship between the RDAs and the ODA operating. We already know that the RDAs are working actively to promote participation and involvement in the games and I hope that the Minister will reassure me that that work will not be put in jeopardy.

If the RDAs are to be in some way limited by a body, should it be the ODA? The ODA is largely responsible for the major infrastructure work and transport plans, and in some parts of the country the RDAs will be involved. The South West of England Regional Development Agency, for example, will be involved in the infrastructure in Weymouth, where the sailing will take place. It may also be involved in work around the beautiful city of Bath, because of our potential involvement. But the RDAs will want to be involved in far more than the necessary structural work.

LOCOG is the other body with a crucial role to play and hon. Members who did not have the chance to participate in our deliberations in Committee may not know where it fits in on the wonderful diagrams that we received from the Minister. LOCOG will have a nations and regions sub-committee, led by Charles Allen. We all admire the work that he did in helping us to win the bid and I am sure that we will admire the work that he will do chairing that reinvigorated and reformed nations and regions sub-committee.

It is interesting to note that when the sub-committee had its first meeting recently, it described its remit. At its inauguration, Charles Allen said that

"this group has a vital role in making sure that nations and regions really benefit from London's Olympic Bid".

According to a media release, the sub-committee then discussed issues including how best to engage people across the UK in the bid; how the business and sporting benefits could be put in reach for everyone, including tourism, jobs, contracts, sporting events and more; links with the arts, culture and education; auditing the regional facilities available for use in the run-up to the 2012 games; and providing practical advice on applying for and running preparation camps for the games. That is the remit of a LOCOG sub-committee, yet those things sound remarkably like many of the areas of responsibility of RDAs.

Mr. Peter Bone (Wellingborough) (Con): Wellingborough sees the Olympic games as a great opportunity, especially from the tourism point of view, and I welcome our success in having the Olympics in the UK. My concern is that the RDAs do not know where Wellingborough is, as we are right at the edge of one, so will the hon. Gentleman explain whether we would be better off in Wellingborough with the ODA or the RDA deciding how we should prepare?

Mr. Foster: I thought for a moment that the hon. Gentleman was going to ask me to explain where Wellingborough was; if he had, I should have been highly embarrassed. I am delighted that he did not.

A large number of organisations will play a part in ensuring that we deliver the best-ever Olympic and Paralympic games in 2012. The RDAs will have a crucial role, as will the ODA, LOCOG and many other organisations. The amendment is trying to tease from the Minister not which organisations should be involved, but whether we have got right the relationship between them. Although I am deeply concerned about the ODA's apparent iron grip on the RDAs, if there is to be an iron grip, should not it be the responsibility of LOCOG? I look forward to the Minister's response and hope that he will be able to tell the hon. Gentleman where Wellingborough is.

Mr. Andy Reed: Strangely, a consensus is building across the Chamber. I agree with many of the sentiments expressed by the hon. Member for Bath (Mr. Foster). As he knows, in Committee I asked what the structure for the nations and regions would look like. In the east midlands, we had a chart that showed our suggestions for part of that. For the reasons that he outlined, it looked quite complicated because it included the supporting blocks, such as tourism, sport and economic regeneration.

I understand the problems of Northamptonshire and Lincolnshire. I was European officer for the region, so I know only too well that those counties find it hard to regard themselves as part of the east midlands. I hope that over time they will come to love the rest of the east midlands as much as we love them.

I look forward to the Minister's response, as my understanding is that—as the hon. Member for Bath suggested—all those groups should feed directly into the RDA as the sole representative, so that we have a single point of contact. But there are dangers. As I have been involved with the Bill and taken some interest in it, people from all over the region have been asking me what they should do and how to get the process started. Over the past few months, part of our remit has been to encourage people to have ideas but to slow down until the organisation is in place, so that we can co-ordinate them, through the RDA and the nations and regions sub-committee, into LOCOG.

[Mr. Andy Reed]

The hon. Gentleman rightly highlighted the slight contradiction in subsection (2)—that the ODA, which, I understand, is really the delivery agency for building the infrastructure, mainly in London but also in Weymouth and other Olympic venues, is a different body. I look forward to an explanation, as I am concerned to ensure that there is a single route and that we do not complicate it so much that none of us knows how to proceed, as happens in other areas of the sporting world. This is a golden opportunity to lay clearly on the line who is responsible and who has the final say, so that all the people who have great enthusiasm for the Olympics know how to co-ordinate all their fantastic ideas—such as those I have heard about from people in Leicestershire—and how to get a yes from the nations and regions group, so that we can deliver between now and 2012.

Hugh Robertson: I have a parochial concern relating to my Kent constituency that is also shared by Essex. Both counties are geographically next to the Olympics in the east end and feel constrained by having to work through a regional sports board, which, in the case of Kent, is diametrically on the opposite side of London. The Minister is aware of those concerns and has kindly agreed to fix a meeting with the chairman of the nations and regions sub-committee, and I thank him for that.

I shall leave amendment No. 15 entirely to the Minister and comment on Government amendments Nos. 17, 18 and 27. The Minister warned us in Committee of the need for the amendments and included them in his briefing to Opposition parties a fortnight ago. They streamline the process of compulsory purchase for special land for the Olympic park, and clarify the fact that special land can be built on for Olympic purposes. They also allow RDAs to purchase compulsorily Crown land for the 2012 Olympics.

Clearly, if we are to meet tight construction deadlines, it is vital to remove possible delays from the process. Provided the Minister is happy to undertake today to write to us laying out the exact basis on which that will be done, and the process that will be used, I am happy to signal my party's consent.

Mr. Caborn: Before I move on the detail of the amendment, I want to note that the nations and regions sub-committee under the chairmanship of Charles Allen is performing an extremely worthwhile task of co-ordinating not only RDAs but regional sports boards. All the regions have been asked to prepare a strategy, as we want to maximise across the whole UK the benefits that will flow from 2012. We hope to put a full-time person in each nation and region in the early part of next year to ensure that that co-ordination brings a two-way stream of information. We heard earlier about the supply chains that will be necessary for building the infrastructure in London and we hope that such co-ordination will facilitate that development. There is no difference of opinion about the opportunities, the structure that we are setting up, or the leadership of the sub-committee by Charles Allen. I have ministerial responsibility for that, too.

The amendment is similar to one proposed and withdrawn by the hon. Member for Bath (Mr. Foster) in Committee. I apologise if I did not make it clear at that point why we cannot accept the proposal, and I am sorry if I repeat some of what I said then. RDAs are already able to engage in valuable preparatory work for the London Olympics. Before the ODA exists, the London Development Agency, in particular, has put in much valuable work, to which I have already referred. The LDA is leading on the process of land acquisition in the Lea Valley, and the Government amendments in this group are designed to make sure that the process is successful.

The RDAs are able to undertake that sort of work under existing regeneration powers and the Bill does nothing to change that. So RDAs will still be able to buy land and built facilities with an Olympic purpose, without having to consult anybody, provided that they are also pursuing one of their existing statutory purposes.

The Bill provides RDAs with a new purpose—to prepare for the London Olympics—which means that if it proves necessary they will be able to buy land and build facilities that have only an Olympic purpose and provide no other lasting benefit. It is clear that that is an additional power; they can add it to their portfolio if they are asked to develop or deliver an Olympic-specific project. It is unlikely that such a power will ever be needed, but we have provided for it on the "just-in-case" principle. We do not want to be left in a situation where the ODA needs an RDA to buy some land in Weymouth, for example, by compulsory purchase, but the RDA is not able to do so.

Subsection (2) states that an RDA may use that new, Olympic-specific power only at the ODA's request. That is because we do not want RDAs all over the country to be carrying out work for the Olympics where that work is clearly not part of the RDAs' general mission to regenerate their local areas. The Olympics will provide many opportunities for regeneration and we welcome and encourage such activity, but we do not want the games to result in white elephants all over the country.

Mr. Don Foster: The Minister is repeating much of what he said in Committee, which, frankly, was unacceptable then and is unacceptable now. May I ask him a specific question? In the south-west, our RDA is in the process—properly—of establishing an Olympic delivery structure, which involves Sport England and the Government office for the south-west and will involve Dorset county council. The RDA is considering how to liaise with the seven sub-regions so that they can benefit from and participate in the Olympics in 2012. The Minister is talking about land acquisition, but I am much more interested in all the other activities, such as promoting tourism, attracting visitors and increasing participation in sport. Will he assure me that the 1998 legislation enables those organisations to do that, and that they will not be found to be in breach of the existing legislation?

8 pm

Mr. Caborn: Absolutely not. In 1998 I took that Bill through Parliament, setting up the RDAs, and they were founded on exactly those principles. In fact, tourism has

in the recent past been added to their remit, and therefore they have every power. Nothing in the description that the hon. Gentleman has given would require a departure from the powers that were given to RDAs in the 1998 Act, because that will be about sustainable regeneration and development and wealth creation for that region. The power that is given in this Bill relates to projects that are Olympic-specific and do not have after that use a purpose for which the RDAs were set up—regeneration and wealth creation. If, for example, a stadium was built and then knocked down after the Olympics because there was no after-use, that would not be within the remit of the RDA, but it would be given the powers to do that, at the behest of the ODA, so it could build that facility and then knock it down, and that would be the power that was given by this Bill to the RDAs. I hope that that is clear, Madam Deputy Speaker.

Now I have lost my place, but I think that I have adequately explained to the hon. Member for Bath—well, I am not sure about adequately, but I hope that he will withdraw his amendment.

I shall now discuss amendments Nos. 17, 18 and 27. Amendments Nos. 17 and 27 are proof of the Government's commitment to ensuring that the RDAs have the powers that they need to help the process of Olympic development. It is vital that the land needed for the Olympics is acquired quickly and without legal doubt attached to its status. The timetable for acquisition, remediation and construction is so tight that even a delay of a couple of months could be disastrous. The amendments that we have tabled address all the problems that could possibly obstruct this process, wherever an RDA is acquiring land, at any site anywhere the United Kingdom. They ensure that the necessary land can be assembled on budget, without delay and that it can be used for Olympic development.

We are proposing these amendments at a relatively late stage because the need for them became clear only in the short period after 6 July when the project became a reality and the plans were worked through in detail. As a result of that work, we have tabled amendment No. 17, which would have four crucial effects wherever an RDA purchased land for the purpose of preparing for the Olympics.

First, paragraph (a) removes the need for a special parliamentary process to approve the compulsory purchase of "special land" where equivalent land is not being provided in exchange. Special land consists of allotments, open space and commons. The special parliamentary process would take up to six months and simply cannot be accommodated in the timetable for Olympic construction. I am satisfied that no one will suffer unduly as a result of this step. While the LDA is not able to provide "equally advantageous land" in sufficient amounts to replace all the special land that will be used during the games, those who make specific use of the land will, I believe, get a good deal.

The LDA is committed by conditions of its planning permission to provide replacement facilities to those affected by the purchase of special land. Footballers, allotment holders and cyclists will all be provided with replacement facilities for the duration of the period. After the games, they will get new facilities—East Marsh will be restored and allotments and a velo park will be provided within the Olympic park itself. And the park will provide more open space to the residents of the lower Lea valley than currently exists today, so no one, we believe, will lose out.

Paragraph (b) of amendment No. 17 has the effect of extinguishing all existing rights over land acquisition, while providing for compensation to those who have rights removed. It is essentially the same provision that exists in the Housing Act 1985 to allow local housing authorities to develop land after it has been cleared. The risk that we are addressing through this provision is that there are a large number of restrictive covenants that constitute potential obstacles to development of that park. There are approximately 500 covenants affecting land needed for the Olympics in east London. Most are deemed unenforceable, but there are a number of covenants that case law suggests might be enforced, preventing the development of the land. These include a covenant that prevents the land on which the Olympic stadium will be sited being used for sports halls, and a covenant preventing land needed for the main access ramp to the stadium from being used "for athletic or sporting purposes". Clearly, we cannot carry such a risk, and therefore this amendment is crucial.

Paragraph (c) of the amendment provides absolute clarity that "special land", once acquired, can be built on. There is some unhelpful case law at present that casts doubt on the meaning of the relevant provision in the 1998 Act, which allows RDAs to use "special land" in accordance with planning permission. We want to ensure that we run no risk of legal challenge or hold-up, and the amendment to achieve that is before the House.

Finally, paragraph (d) allows the compulsory purchase of Crown land and any interest in Crown land. At present there is some doubt about whether it is legally possible, and while we are not aware of a particular area of land where this is a problem, we would not want to be faced with that problem at a later stage. The one area of Crown land affected by the LDA's initial CPO, around Stratford City, has been the subject of successful negotiations between the LDA, the Government and London and Continental Railways. We do not expect that the new powers will be needed to acquire that land, but we want to provide a failsafe, to ensure that the RDAs have sufficient powers to take control of Crown land anywhere in London or in the UK if necessary. The provision may never need to be used, but we believe that it is an important safeguard.

Amendment No. 18 allows for the provisions relating to compulsory purchase to be commenced immediately on Royal Assent, to ensure that they apply to the LDA's existing CPO as it goes through.

Amendment No. 27 allows for the provisions in amendment No. 17 to be backdated where that is necessary. Provisions amending the law on special land and Crown land must apply to the two major CPOs that the LDA has already launched, on 10 October and 16 November. We have therefore provided that these provisions are, or can be, backdated to 1 October 2005, to ensure that there is no special parliamentary process needed for the "special land" currently being acquired; that such "special land" can be built on for Olympic purposes; and that any Crown land—or interests in Crown land—that falls in the area of the CPO could be compulsorily purchased if need be.

[Mr. Caborn]

The power to override restrictive covenants needs to be broader in its effect, since the LDA has been acquiring land in the Olympic park area for the past two years. It needs to be absolutely sure that it can overcome any problematic covenants that are attached to this land. We have therefore proposed a power to provide in the commencement order for the extinguishing of covenants on land that had been acquired before commencement. But rights will be extinguished only from the date of commencement.

These are complex amendments, but they are tightly focused to deal with specific problems that we could face, and they are tied to the specific circumstances where an RDA is acquiring land for Olympic purposes. They are essential to the success of the public sector construction project.

Mr. Don Foster: The Minister has convinced us all with the way in which he has spoken to his amendments, and I for one have no problem in supporting them, but, as I said in an intervention, he has not convinced me yet in respect of his objection to amendment No. 15, so just to make my life and the life of the RDAs easier, I am going to ask the Minister to intervene on me when I ask him a simple question. Can he give me and the House an absolute assurance that any RDA that is currently, under its existing abilities under the 1998 legislation, using its money and time to co-ordinate or develop Olympic-related volunteering activities, Olympic-related jobs and contract activities, Olympic-related sporting events, Olympic cultural and artistic events and Olympic educational activities, and is giving advice to bodies about how, for instance, they set up training camps for visiting teams and is conducting, or plans to conduct, an audit of the facilities suitable for use during the Olympics, is acting within existing legislation?

Mr. Caborn: Yes, the RDAs can take those actions.

Mr. Foster: With that assurance from the Minister, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment made: No. 17, in page 25, line 6, at end insert—

'(2A) In relation to the purchase of land by a regional development agency for the purpose of preparing for the London Olympics (whether or not by virtue of subsection (1) and whether or not the purchase has another purpose also)—

(a) section 19 of the Acquisition of Land Act 1981 (c. 67) (open spaces, &c.) shall not apply,

(b) section 295 of the Housing Act 1985 (c. 68) (extinguishment of rights over land acquired) shall apply (with any necessary modifications) as it applies to a purchase by a local housing authority,

(c) no enactment regulating the use of commons, open spaces or allotments shall prevent or restrict the use of the land for construction, other works or any other purpose (but this paragraph does not disapply a requirement for planning permission), and

(d) any enactment permitting compulsory purchase shall be treated as applying to an interest in land whether or not it, or any superior or inferior interest, is held by the Crown.'.—*[Mr. Caborn.]*

Clause 39

COMMENCEMENT AND DURATION

Amendment made: No. 18, in page 27, line 23, after '3,' insert—

'(ea) section 35(2A)(a) and (d),'.—*[Mr. Caborn.]*

Mr. Caborn: I beg to move amendment No. 25, in page 27, line 23, leave out second 'and'.

Mr. Deputy Speaker (Sir Michael Lord): With this it will be convenient to discuss Government amendments Nos. 26 and 16.

Mr. Caborn: This group of Government amendments addresses a very constructive point made by the hon. Member for Bath (Mr. Foster) in Committee and a smaller drafting point that we noticed afterwards. We are very magnanimous this evening, if I may say so.

Amendments Nos. 25 and 26 are necessary to allow the commencement of clause 37 on Royal Assent. Clause 37 applies the provisions of the Bill as appropriate to Northern Ireland. Thus, clause 37 on Northern Ireland will be brought into line with clause 36 on Scotland, which will commence on Royal Assent.

Amendment No. 16 follows the suggestion made by the Liberal Democrats in Committee that the short title should include a specific reference to the Paralympic games. I indicated in Committee that I agreed with that principle, as a central part of our bid was that the London Olympics would be an inclusive games. As many hon. Members know, London staged the first Paralympics in 1948, and we want to ensure that the 2012 Paralympics are the best so far.

I could not accept the amendment tabled by the Liberal Democrats in Committee because it was important to get the IOC's view on the exact wording—*[Interruption.]* I hear laughter from the hon. Member for Bath. I promised to consider the issue and my officials have been in touch with the IOC. The result is the proposed amendment to make the short title the "London Olympic Games and Paralympic Games Bill".

Hugh Robertson: Government amendments Nos. 25 and 26 are not contentious, and Government amendment No. 16 has the support of hon. Members on both sides of the House. I should like publicly to thank the Minister for fulfilling the promise that he made in Committee to introduce such amendments on Report and, indeed, to join in the general congratulations to the hon. Member for Bath (Mr. Foster) on proposing them in the first place.

As I said in Committee, I should like to add my strong support to the proposals in amendment No. 16. Paralympic sport has been moving up the sporting agenda considerably in recent years. As hon. Members on both sides of the House will be aware, at the 2004 Athens Paralympic games, the Great British team finished second in the medals table, with 94 medals, including a staggering total of 35 golds. The team achieved medals in 11 sports, and in doing so met the target set by Phil Lane of the British Paralympic Association. It is only right, therefore, that Paralympic sport is recorded as part of the Bill. Once again, I reiterate my full support.

Mr. Don Foster: Earlier, we discussed another amendment, the subject of which had been proposed in Committee by the Liberal Democrats, and the Minister went away to check it and has returned this evening with such an amendment. He was somewhat churlish in his attack on his own civil servants for not returning with a slightly differently worded amendment on that occasion. So I hope that, on this occasion, he will have the good grace to thank his civil servants who have suggested an amendment that is marginally different from the one that I proposed in Committee—the word "games" has been added. I congratulate the Minister and his civil servants on their ingenuity.

I am genuinely delighted that—having consulted the IOC—as the Minister found it necessary to do and clearly did—he is willing to accept such an amendment and to do what no one disputed from the outset: give equal emphasis to the Olympic and Paralympic games. As I said in Committee, it is worth remembering that Seb Coe, who deserves a great deal of praise for his role in achieving our success in getting the games, said on 29 August:

"We won our bid as one bid for both the Olympic Games and the Paralympic Games."

I am delighted that that fact will now be reflected in the Bill's title.

8.15 pm

Accepting such an amendment and placing equal emphasis on the Paralympic and Olympic games emphasises the responsibility on all of us to ensure that the games, London and the UK will be standard bearers for inclusion. We must place huge emphasis on ensuring that both the Olympic and the Paralympic games and all the facilities that relate to their provision are generally accessible to disabled people.

We have not had an opportunity on Report to discuss accessibility for disabled people, but the Minister will be well aware that there are continuing concerns about the need for more action in making transport facilities in London, venues and so on more friendly for disabled users. He shares my concern about that and has given assurances about it, but I hope that proposing amendment No. 16 to give equal emphasis to the Paralympic games will also remind him of the promises and commitments that he has made in respect of ensuring appropriate facilities for disabled people throughout the period of the Olympic and Paralympic games.

Mr. Caborn: I hear what the hon. Member for Bath (Mr. Foster) says, and we went over this in Committee. We are very proud that we were the first country to hold the Paralympic games in 1948. Overall, we acknowledge the major contribution made by the Paralympics and disabled sport generally. Broadly speaking, sport across the UK responds to that. I hope that we will be at the forefront in designing stadiums and other facilities for the Olympics with disabled people in mind, and I am sure that we will deliver on that.

Amendment agreed to.

Amendments made: No. 26, in page 27, line 24, at end insert

', and

(g) section 37.'.

No. 27, in page 28, line 10, at end insert—

'(9) In respect of section 35(2A)—

(a) paragraph (a) shall have effect in relation to compulsory purchase orders made on or after 1st October 2005,

(b) an order bringing paragraph (b) into force on a date ("the commencement date")—

(i) may provide for paragraph (b) to have effect in relation to purchases (whether compulsory or voluntary) completed before, on or after the commencement date, but

(ii) must include provision modifying section 295 of the Housing Act 1985 in its application by virtue of section 35(2A)(b) so that extinguishment of rights and easements takes effect, in the case of a purchase completed before the commencement date, on the commencement date,

(c) an order bringing paragraph (c) into force on a date ("the commencement date")—

(i) may provide for paragraph (c) to have effect in relation to purchases (whether compulsory or voluntary) completed on or after 1st October 2005, but

(ii) shall not affect the lawfulness of anything done before the commencement date, and

(d) paragraph (d) shall be treated as having taken effect on 1st October 2005.'.—*[Mr. Caborn.]*

Clause 41

SHORT TITLE

Amendment made: No. 16, in page 28, line 34, leave out 'Olympics' and insert

'Olympic Games and Paralympic Games'.—*[Mr. Caborn.]*

New Schedule 1

'TRANSFER SCHEMES

Introduction

1 In this Schedule—

"the Authority" means the Olympic Delivery Authority,

"transfer scheme" means a scheme under section [Olympic Delivery Authority: transfer schemes], and

"specified person" means a person specified in section [Olympic Delivery Authority: transfer schemes](3).

Obligation to assist Secretary of State

2 The Authority and the specified persons shall on request give the Secretary of State information or assistance in connection with a direction to prepare a transfer scheme which the Secretary of State has given or may give.

Content of transfer scheme

3 (1) A transfer scheme may, in particular, make provision in connection with land.

(2) In particular, a transfer scheme may—

(a) require the grant of an estate, interest or right;

(b) require the creation of an estate, interest or right for the purpose of being transferred;

(c) provide for transfer on financial or other terms;

(d) impose liabilities on the Authority;

(e) impose liabilities on the transferor.

[Mr. Caborn]

4 A transfer scheme—

(a) may transfer property, rights or liabilities whether or not they would otherwise be capable of being transferred,

(b) may transfer rights and liabilities under an enactment, and

(c) may dispense with a requirement for consent (whether arising for an enactment, an instrument or an agreement).

5 In specifying property, rights or liabilities to be transferred a transfer scheme—

(a) may use any manner of description (which may include reference to criteria specified in the scheme or to be determined in accordance with the scheme),

(b) may provide for exceptions, and

(c) may provide for the division of property, rights and liabilities in a manner specified in the scheme or to be determined in accordance with the scheme.

6 A transfer scheme may make provision—

(a) for the resolution of disputes as to the effect of the scheme to be referred to arbitration, and

(b) for a certificate given by an arbitrator as to the effect of the transfer scheme to be conclusive.

7 A transfer scheme may make consequential, incidental or transitional provision and may, in particular—

(a) provide for anything done by or in relation to a specified person to have effect as if done by or in relation to the Authority,

(b) permit anything (which may include legal proceedings) which is in the process of being done by or in relation to a specified person when a provision of a transfer scheme takes effect, to have effect as if done by or in relation to the Authority, and

(c) may provide for a reference to a specified person in an agreement (whether written or not), instrument or other document to be treated as a reference to the Authority.

Exclusions

8 (1) Transfer of property, rights or liabilities under a transfer scheme shall be disregarded for the purposes of a provision of a contract or other instrument which refers to transfer or disposal (whether so as to confer a right to terminate or vary or otherwise).

(2) Nothing in a transfer scheme shall give rise, in relation to land or an interest or estate in land or other property, to any of the following—

(a) a right of reverter,

(b) a right of pre-emption,

(c) a right of forfeiture,

(d) a right to compensation, or

(e) an option or similar right.

9 Nothing in a transfer scheme relating to rights in connection with a contract of employment shall affect the operation of the Transfer of Undertakings (Protection of Employment) Regulations 1981 (S.I. 1981/1794).

Modification of scheme

10 (1) This paragraph applies where—

(a) a specified person has made a transfer scheme, but

(b) a transfer under the scheme has not yet taken effect.

(2) The Secretary of State may—

(a) require the specified person to modify the transfer scheme, in so far as it relates to the transfer, in such manner as the Secretary of State may specify,

(b) specify the date by which the modified scheme is to be prepared and submitted to the Secretary of State, and

(c) specify a date on which the modified scheme is to take effect if approved by the Secretary of State.

(3) The Secretary of State may not require a specified person to modify a scheme unless—

(a) he has consulted any person whom he thinks may be affected by the modification, and

(b) the Mayor of London consents.'. —*[Mr. Caborn.]*

Brought up, read the First and Second time, and added to the Bill.

Schedule 3

LONDON OLYMPICS ASSOCIATION RIGHT

Mr. Caborn: I beg to move amendment No. 21, in page 44, line 27, leave out paragraph (a).

Mr. Deputy Speaker: With this it will be convenient to discuss the following: Government amendment No. 22

Amendment No. 10, in page 46, line 4, at end insert

'in any editorial usage including without limitation'.

Amendment No. 11, in page 46, line 5, leave out 'as a necessary incident' and insert 'in the course'.

Amendment No. 12, in page 46, line 7, leave out 'as a necessary incident' and insert 'in the course'.

Amendment No. 13, in page 46, line 8, leave out 'about the London Olympics' and insert

'including news and current affairs'.

Government amendment No. 23

Amendment No. 14, in page 46, line 8, at end insert—

'( ) for the purposes of criticism and review, or'.

Government amendment No. 24

Amendment No. 8, in page 46, line 21, at end insert—

'Duration of right

9A The London Olympics association right shall have effect from 31st December 2007 and shall expire in accordance with the provisions of this Act on 31st December 2012.'.

Amendment No. 9, in page 46, line 21, at end insert—

'Groundless threats of legal proceedings

9A (1) Where the London Organising Committee, the British Olympic Association or a person authorised under paragraph 4 threatens any other person or company with proceedings for infringement of the London Olympics association right, any person aggrieved by the threat may bring an action against the London Organising Committee, the British Olympic Association or the authorised person (as the case may be) for any such relief as is mentioned in sub-paragraph (2).

(2) Subject to sub-paragraph (3), the claimant shall be entitled to the following relief—

(a) a declaration to the effect that the threats are unjustifiable;

(b) an injunction against the continuance of the threats; and

(c) such damages, if any, as he has reasonably sustained by reason of the threats.

(3) If the defendant proves that the acts in respect of which proceedings were threatened constitute or, if done, would constitute an infringement of the London Olympics association right, the claimant shall not be entitled to the relief claimed.

(4) An action may not be brought under this paragraph if the person who made the threat has made an application, or brought an action, for an infringement of the London Olympics association right against the threatened person in relation to the act, or proposed act, to which the threat related.

(5) An action under this paragraph may not be continued if the person who made the threat makes an application, or brings an action, for an infringement of the London Olympics association right against the threatened person in relation to the act, or proposed act, to which the threat related.

(6) If the defendant would be entitled to make an application, or bring an action, against a person for an infringement of the London Olympics association right, the defendant may, in an action under sub-paragraph (1), make a counterclaim for any relief to which the defendant would be entitled.'.

Mr. Caborn: Government amendments Nos. 21 and 22 clarify the circumstances in which the Secretary of State can seek to remove words or phrases from the list contained in paragraph 3 of schedule 3 to the Bill. The amendments ensure that the Secretary of State can seek to remove words from the list if she feels that the London Olympic association right is becoming too unwieldy or that it is placing an unacceptable burden on businesses or advertisers. However, the amendments do not change the position that the Secretary of State can only add to, or vary, the lists in schedule 3 where that is necessary to prevent the commercial exploitation of the London Olympics. Any proposed change to the lists must still be debated and agreed to by both Houses of Parliament.

Amendment No. 23 brings the exemptions in schedule 3 into line with those that we have provided in relation the Olympics association right in schedule 2. The exemption relates to incidental inclusion in artistic, literary or dramatic works.

Amendment No. 24 will simply remove a drafting anomaly that crept into paragraph 9 of schedule 3. It removes the word "controlled" because the concept of a controlled representation is relevant to schedule 2, but not schedule 3.

I come now to the remaining amendments that relate to schedule 3. Amendment No. 8 would delay the commencement of the provisions in schedule 3 until 31 December 2007, although it is intended that the schedule will come into force on Royal Assent. The amendment would also cause schedule 3 to expire at the end of 2012, but clause 39(8) already provides for that.

I understand that the advertising industry is concerned about the practical application of schedule 3 and the possibility that its members could unwittingly or unknowingly infringe the London Olympics association right in the period immediately after Royal Assent. However, that does not change the principle that we should prevent people from commercially exploiting the London games, whether they do so now or in the weeks immediately before the opening ceremony in 2012.

There is also a practical reason why the provisions should commence on Royal Assent. Over the coming months, LOCOG will be approaching and identifying sponsors for 2012. It needs to be able to do that in a market free from unauthorised or ambush marketing. A high-profile campaign that ambushed the 2012 games now could harm LOCOG's ability to attract the sponsorship that it needs, thus, in effect, preventing it from raising the money that is needed to finance the games.

Both we and LOCOG realise that there is some uncertainty, especially for advertisers, about what people can and cannot do under the new provisions. LOCOG is already working closely with the advertising industry to provide its members with advice and guidance on interpreting and applying the new provisions. Keith Mills met representatives of the advertising industry on 31 October to discuss their concerns, and last week he wrote to the Advertising Association to establish a process for how LOCOG and the Advertising Association can work together in the future.

In Keith's latest letter, he says that LOCOG will take a sympathetic view of any infringements that occur immediately after the Bill comes into force on the assumption that they are likely to be inadvertent. However, LOCOG must have the power, and reserve the right, to take action against any persistent and malicious infringements in those early months by people who deliberately exploit the good will of the games. The approach that we have adopted strikes the right balance between the need to protect the Olympic brand and the need to ensure that advertisers are appropriately informed about how the new provisions will work. I thus ask the hon. Member for Faversham and Mid-Kent (Hugh Robertson) not to press amendment No. 8 to a Division.

Amendment No. 9 would allow people to bring a claim against LOCOG if it unjustifiably threatened to bring proceedings against them for a breach of schedule 3. In essence, the amendment aims to prevent LOCOG from acting in an unjustifiably heavy-handed manner when enforcing the provisions in schedule 3. We agree with hon. Members that that is an important principle, and we have already provided for it in paragraph 10(h) of schedule 3. Paragraph 10(h) will allow people to take action in relation to groundless threats regarding the London Olympics association right in the same way in which they currently can in relation to the Olympics association right under the Olympic Symbol etc. (Protection) Act 1995.

LOCOG has already said that its enforcement of schedule 3 will be proportionate and the steps that it has already taken bear that out. The experience of previous host cities is that a sensible balance is found and the organising committee, businesses and advertisers work closely together. I am sure that that will also be the case in London. The existing provisions in the Bill, the levers that the Government have in place with LOCOG, and LOCOG's commitment in the area mean that sufficient safeguards are in place to ensure that the powers in schedule 3 are not abused.

Amendments Nos. 10 to 14 all relate to the editorial and journalistic exemptions that we have created in paragraph 8 of schedule 3 to ensure that any form of legitimate editorial or journalistic work does not infringe the London Olympics association right. The principle of a journalistic and editorial exemption is obviously crucial. The proper balance must be struck between protecting the commercial viability of the London games on the one hand and preserving

[Mr. Caborn]

legitimate editorial and journalistic comment on the other. In particular, we must be careful to avoid a situation in which someone is able to exploit the games commercially by hiding behind a journalistic defence.

We believe that the careful exemptions that we have crafted in paragraph 8 of the schedule achieve that. They safeguard the London Olympics association right and maintain the essential freedom of the press. The inclusion of the term "necessary incident" in our proposed editorial and journalistic exemption is designed to prevent gratuitous use of the London Olympics. We want to prevent the proliferation of advertorials, the real motive of which is commercial gain, rather than genuine editorial comment.

It is also important to remember that for the purposes of schedule 3, people create an association between themselves and the games only if, in the course of trade, they suggest a commercial or contractual relationship, or a corporate or structural connection, with the games.

It would be unlikely that most editorial or journalistic works would create such an association. However, we understand the concerns of the print and broadcast media about the issue and we have been discussing the matter with them over the past few months. I can reassure them and hon. Members that only overt and explicit attempts to create an association between a media owner, or other entities, and the Olympics will constitute an infringement under our provisions. All legitimate editorial and journalistic practices will be exempt from the provisions in schedule 3.

Amendments Nos. 13 and 14 would ensure that news, current affairs, criticism and review were all covered by our journalistic exemptions. Again, I confirm that the current drafting of the Bill exempts such journalistic practice. We have been very clear when settling the policy that underlies the Bill that all legitimate editorial and journalistic practices will be exempt from infringing the London Olympic association right. We are confident that the Bill, as drafted, addresses the concerns that hon. Members have raised.

Mr. Don Foster: I am grateful for the Minister's introductory remarks and some of the assurances that he has put on the record, which go a long way towards resolving our concerns. Nevertheless, I hope that he will accept that it is necessary for me to try to tease out a few more assurances from him as I discuss the amendments.

I have no problems whatsoever with Government amendments Nos. 21 and 22. I do not think that I have a problem with Government amendment No. 23, but I might have. I would be grateful for some clarification of that amendment because its effect will depend very much on the way in which its words are interpreted. The phrase

"as an incidental inclusion in"

could have many different meanings. The amendment makes it clear that the wording comes from the Copyright, Designs and Patents Act 1988. Section 31 of the Act states:

"Copyright in a work is not infringed by its incidental inclusion in an artistic work, sound recording, film, broadcast or cable programme."

However, the phrase "incidental inclusion" is not defined in that Act, and it is not being defined in the Bill.

No doubt, the Minister has researched the matter thoroughly and will be aware that the leading case on the definition of "incidental inclusion" is the 2003 Court of Appeal judgment in the case of the Football Association Premier League Ltd. *v.* Panini UK Ltd. The court decided that the test of "incidental inclusion" should consider why a particular reference had been made, and whether that was for commercial or artistic reasons. Panini sold stickers of football players with photos showing them in their premier league kit, including the premier league logo. It was decided that that was not incidental, as the use of the logo was essential to the object for which the images were created. Although intentional and deliberate inclusion of copyright work may still be incidental, if the work in which it is included is intended to serve a commercial purpose it is unlikely to be deemed incidental.

8.30 pm

Will the Minister give us a clear indication of the definition that he has in mind for the word "incidental" in the legislation? He may find it helpful to look at that judgment, as it considers the motives for incidental inclusion. As he rightly pointed out, what matters is whether someone is seeking to make an unfair commercial gain for exploitative purposes. He may find that interpretation helpful and he may wish to put it firmly on the record. If that is the case, we would support him as long as we do not implement such an interpretation too harshly, as we could limit many activities if we are not careful. If we go too far down the commercial route we could create difficulties for television broadcasts. For example, a programme may be commercially motivated because it wishes to make money from advertising transmitted during the broadcast. It would therefore be helpful if the Minister provided clarification, either now or later.

I wish to focus on the amendments on editorial content. The rules governing editorial content and the London Olympics association right are problematic because they are vague. The Minister provided some clarification today, and he had a second bite at the cherry in Committee, where he amended the wording of the Bill. However, there is still room for improvement. In Committee, the Minister explained that paragraph 8 of schedule 3 is designed to ensure that normal media editorial activities are not curtailed by the London Olympics association right. The provision describes editorial usage that is exempt from the rules governing the London Olympics association right—namely, the publishing or broadcasting of information or reports on the Olympics.

The position appears to be clear until one considers the many permutations of editorial usage that are not included in the definition. Bona fide editorial activity could include news columns, features, readers' letters, reviews, comment and analysis in newspapers. In broadcasting, it could include documentaries, drama, children's programmes, travel programmes, panel discussions and news. To encompass all aspects of legitimate editorial usage, we tabled amendment No. 10, which refers to

"any editorial usage including without limitation".

Such usage would be exempt from the regulations governing the London Olympics association right. That is a simpler and more effective approach that prevents any form of editorial usage from being inadvertently omitted from the list. Time after time, the Minister has said that he does not like lists because something can always be added or removed from them. I have solved the problem with wording that removes the need for a list. However, the amendment does not risk opening the floodgates for illegitimate association with the Olympics, because it maintains a clear distinction between editorial and advertising usage.

Amendment No. 13 follows on from amendment No. 10 as it, too, attempts to ensure that all legitimate editorial association with the Olympics is not regarded as an infringement of the association right. Paragraph 8 of schedule 3 permits representation of the Olympics in information about the London Olympics. However, in the course of their editorial activities, the media may publish information about other events and activities in which the London Olympics are mentioned but are not the subject. For example, a news item about London transport could refer to the Olympic games, although the games are not the subject of that information. Similarly, a feature article about sport in the national curriculum could refer to the Olympics, but such a report is not about the Olympics. Such usage should be covered by paragraph 8 by virtue of its editorial status, not by virtue of its content or the nature of the subject matter. Amendment No. 13 allows this by removing the requirement that information must be about the Olympics and, in order to ensure that all bona fide editorial usage is safeguarded, inserts

"including news and current affairs".

Amendment No. 14 builds on amendment No. 13 and allows information associated with the Olympics to be used specifically

"for the purposes of criticism and review".

Adding this category of editorial usage ensures that further material such as comment pieces, readers' letters and general reviews such as entertainment, leisure or travel is brought under the protective umbrella of paragraph 8.

Amendments Nos. 11 and 12 have been tabled to remove the possibility that a statutory body, LOCOG, could have a say in determining what constitutes legitimate editorial content. The Bill confines exemptions to the London Olympics association right to representation

"as a necessary incident of publishing or broadcasting"

reports or information. As LOCOG is the grantor and enforcer of the association right, the Bill implies that LOCOG will apply paragraph 8, advising on and adjudicating editorial content.

It is worrying that any statutory body should play a part in controlling editorial activities. How can such a situation pertain? The Newspaper Society is deeply concerned about it and states:

"For a statutory body to have any role in determining the content of a newspaper's editorial material would be without precedent and would represent an utterly unacceptable incursion into the freedom of the press, and a breach of the Human Rights Act 1998 as being contrary to Article 10 of the Convention."

The Minister looks surprised, but he has had meetings with representatives of the media. ITN believes the paragraph introduces

"an unacceptable level of external intrusion by a statutory body into editorial freedoms".

I hope the right hon. Gentleman takes those concerns seriously. We have tabled amendments Nos. 11 and 12 to remove the contentious wording and substitute the more neutral and legally certain specification that a representation must be "in the course" of publishing news or information.

It is important that we clarify the legislation governing editorial content and the Olympics association right in order to allow the media to perform their crucial role of informing and inspiring the public. Stifling the media's ability to report the London Olympics will damage the games as a whole and inevitably lead to a less successful games—a situation that we are all keen to avoid.

I fully support amendments Nos. 8 and 9, which are practical and pragmatic. For a long time there has been uncertainty about when various provisions will come into effect. The hon. Member for Faversham and Mid-Kent (Hugh Robertson) proposes a sensible time scale. In Sydney, the time scales were even shorter. Knowing that the Minister is keen to get on as quickly as possible, the hon. Gentleman proposes a slightly earlier start date than I was expecting, but the amendments make eminent sense and I wish him luck in persuading the Minister to accept the good sense of what he is about to propose.

Hugh Robertson: Time is marching on so I shall be brief. I thank the Minister for his comments in connection with amendment No. 9. In the light of his assurances, I am happy to leave the matter there.

On amendment No. 8, I wholly accept what the Minister says about LOCOG's desire to start the process of looking for sponsors early, and the fact that it needs the necessary safeguards if it is to do that. However, there are concerns in the advertising industry about the practical implications for advertising pre-clearance and copy advice. Television advertising, in particular, has long lead times. As we all know, advertisements can be 18 months in the making, and a campaign costs hundreds of thousands of pounds to produce and broadcast. There are serious and costly implications for advertisers and broadcasters if the Broadcast Advertising Clearance Centre, the BACC, has given clearance to a TV advertisement before it is broadcast, and its decision is subsequently overturned by LOCOG. It could, in theory, insist that the advertisement were withdrawn, but under this legislation it could also sue for damages and take out an injunction against the advertiser.

Secondly, another, even more technical issue must be addressed before the Bill comes into effect. The committee of advertising practice, which is the code-owning body within the Advertising Standards Authority system, offers advertising copy advice on a voluntary basis in the non-broadcast media. I understand that the CAP has said that it is not in a position to give copy advice because the legislation will lie outside its self-regulatory British code of advertising, sales promotion and direct marketing, which the ASA

[Hugh Robertson]

enforces. The CAP apparently takes a similar approach to financial services advertising, the components of which are regulated entirely by the Financial Services Authority, which is a body that I remember with considerable pleasure from my time in the City.

I realise that both of those points are technical, and if the Minister undertakes to write to me I will be happy not to press them.

Mr. Caborn: We have all been reading from scripts on the final group of amendments and have been extremely well briefed by forces outside this House. I understand the concerns of some of our dear colleagues in media and advertising—although their points are highly technical, they are important.

We have framed the Bill to protect LOCOG and the Olympics, to make sure that the Olympics are not exploited by rogue elements and to maintain the freedom of the press. The hon. Member for Faversham and Mid-Kent (Hugh Robertson) knows that a dialogue is continuing with those in media and advertising. I cannot add much to what I have said already. [HON. MEMBERS: "Hear, hear."] Some hon. Members want to leave the House sooner rather than later. I will write to hon. Members to clear up those points, which will allow them to write to those who sent them the brief, to whom I will also respond.

Mr. Don Foster: I am most grateful for the Minister's extremely brief, unhelpful response.

Mr. Deputy Speaker: Order. The Minister has responded to his own Government amendment. The hon. Gentleman does not have the right to reply to a reply to a reply.

Amendment agreed to.

Remaining Government amendments agreed to.

Order for Third Reading read.—[Queen's Consent, on behalf of the Crown, and Prince of Wales's consent, on behalf of the Duchy of Cornwall, signified.]

8.43 pm

Mr. Caborn: I beg to move, That the Bill be read the Third time.

I shall start by thanking all the members of the Standing Committee and all hon. Members who have taken part in today's debate. The Bill has received thorough scrutiny, which has been conducted in a fair-minded fashion throughout. I am particularly grateful for the consistent support provided by the hon. Members for Faversham and Mid-Kent and for Bath. They have been quick to understand and welcome the principles behind the Bill, and they have kept me on my toes throughout.

I am also grateful for the support provided by the devolved Administrations. Hon. Members will be glad to note that on 10 November the Scottish Parliament gave its consent to those provisions in the Bill that trigger the Sewel convention, and I have taken the opportunity to place a copy of the relevant Scottish Executive memorandum, including the Sewel motion, in the Libraries of both Houses.

On Third Reading, it is worth taking a step back from the detail to remind the House why we have introduced this Bill and why the Bill is so important to the success of the London Olympics. We need the Olympics to be on time and on budget, which is why we must get the ODA up and running quickly as the single body responsible for planning and construction.

It is great that we now have a dynamic leadership team in place in Jack Lemley and David Higgins. I wish them both well. They have a proven track record in delivering huge projects, and they can now get on with the preparatory work that needs to be done on the setting up of the ODA. To do the rest of the job, they need the full set of powers and functions that the Bill provides in order to plan and construct venues and facilities, to co-ordinate the transport plan, and to maintain a clean Olympic environment. Through the Bill, we are able to ensure that the ODA is fully accountable to Ministers and to Parliament.

The ODA will be at the centre of the Olympic project for the next seven years. After 2012, it will have a key role in helping to reconfigure Olympic venues and the Olympic park to ensure that the games result in real and lasting benefits for east London and for the whole United Kingdom.

Mr. Hollobone: What consideration has been given to the conjunction of the Olympic games in 2012 with, if all goes well, the diamond jubilee of Her Majesty the Queen? Given that a large number of Commonwealth countries will take part in the Olympic games, is there any way in which the two events can be joined together, as it were, better to promote the United Kingdom across the world?

Mr. Caborn: That has been mentioned in several meetings at which I have been present, although not in any great detail. I take on board what the hon. Gentleman says and will ensure that it is reported to the relevant areas to see whether we can move it forward.

The ODA, while central, is only one piece in the jigsaw. The Bill also ensures that where other organisations have key responsibilities for delivering the games, they have the legal powers that they need. For instance, the amendments we have discussed will ensure that regional development agencies, including the London Development Agency, have all the powers that they need to acquire the land required for the games, to time and to budget. The Mayor signed the host city contract on London's behalf, and the Greater London Authority will provide a significant slice of funding. The Bill provides the GLA with an Olympic power to ensure that those obligations are fulfilled and that the GLA is able to help prepare for and to manage the games.

Under the host city contract, LOCOG has a wide range of obligations to the IOC about how the games will be managed. Some of those obligations need to be reflected in the Bill, particularly the IOC's requirements on ticket touting and what it terms brand protection. Those have been among the most keenly debated parts of the Bill, especially where we are creating new intellectual property rights relating to London 2012 for LOCOG to protect. I repeat that the measures that we are taking to protect against ambush marketing are vital not only for the financial security of LOCOG and the

games but for the image of the Olympics, which must not become tarnished by a commercial free-for-all. I do not think that many Members would disagree with those principles. I hope that in the course of debates in Committee and on Report I have provided full reassurance that where new restrictions are being created they will be enforced in a proportionate and targeted fashion in consultation with the advertising industry and others. We must be firm in stopping those who want to rip off the Olympics, but we will not disrupt anyone's right to make an honest living.

The quick passage of this Bill is the first milestone in the successful delivery of the 2012 games. The IOC has been particularly complimentary about the progress that we have made in getting the legislation this far this quickly. It is pleased that London has been so quick to get itself moving towards 2012. I thank the Opposition for helping us to make that happen. This is a good Bill that is better for the amendments that we have made to it. I commend it to the House.

8.48 pm

Hugh Robertson: It is exactly five months since 6 July, when we won the games bid in Singapore. I want to finish my remarks on the Bill where I started on Second Reading by congratulating all those who worked so hard to bring the Olympic games to London. I say that not because it is a nice thing to say at the end of the passage of a piece of legislation but because I genuinely mean it. I pay tribute to Lord Coe, Keith Mills and everybody involved in the bid at London 2012. I congratulate the other shareholders: the Government, particularly the Prime Minister, who did so much in the days running up to the bid, the Secretary of State and the Minister, who has dealt with the Bill as it has gone through the House; the Mayor of London; and the British Olympic Association, especially the Princess Royal, who did particularly well in Singapore and has not, in some quarters, received the thanks that she deserves.

I also hope—again, I say this very honestly—that the Minister will take back to his Department my thanks and those of my party to his civil servants, who have worked extremely hard on the bid and on the Bill as it has gone through the House.

Delivering a successful Olympic games in 2012 will not be easy, and there is no doubt that it is a considerable challenge, but the Bill's Third Reading marks a significant moment in delivery on the pledges made to the IOC in Singapore. Although the Bill is not lengthy in parliamentary terms, it is quite complex, setting up a regional development agency in the Olympic delivery authority in the first half and establishing the ground rules for the commercial media rights in the second. I am pleased that we have found so much common ground, have been able to improve the Bill, and have been able to maintain cross-party support.

As the Bill leaves our House, I have only three outstanding concerns. To be honest, I must say that not all of them relate to the Bill. First, sport as a whole must benefit from our hosting the games in 2012. I think that there is a good deal of cross-party agreement on that, but it is not yet entirely clear how it will be achieved.

I should like effort to be concentrated on three elements. Much good work has already been done on reform of the organisation of sport—I commend the Minister for that—but there is more to be done, along the lines of what has been suggested by the independent sports review. We also need the funds that are necessary to meet the British Olympic Association's objective of moving us from 10th to fourth in the medal table. There are also implications for non-Olympic sports, particularly mass-participation sports. It is feared that funds will be diverted from them to the Olympics.

Our second main concern, which has been discussed at length today, is the impact of cost overruns on the London council tax payer. Finally, there is a small issue that I fear may cause problems in the other place: the reversal of the presumption of innocence.

If the Government are prepared to offer concessions on any of those three outstanding issues, it will ease the Bill's passage. Having said that, I bid it fair passage. I thank the Minister and his civil servants for what they have done, and reaffirm my party's support for the Bill and, indeed, the games. The Olympics are the most unique historic and valuable asset in world sport. I am delighted and, like sport lovers throughout the country, not a little excited that London is to host the games in 2012.

8.52 pm

Lyn Brown (West Ham) (Lab): For me, the central issue in the debate is whether the 2012 games are remembered not just for providing a truly world-class event for London, but for giving a lifelong legacy to east London, to London generally and to the United Kingdom. I believe that the Bill augurs well for the delivery of successful games, on time and to budget. Like the hon. Member for Faversham and Mid-Kent (Hugh Robertson), however, I have three remaining concerns. First, there is the question of who will be held to account for the delivery of the legacy of the games. Secondly, there is the lack of reference to local government, along with its implications. Thirdly, there are the local difficulties caused to residents and businesses.

The physical legacy to my constituency is not in doubt. West Ham will look very different by 2012. Two thirds of the Olympic park and most of the facilities—including the athletes' village, the main stadium, the swimming pools, the media centre and the warm-up tracks—will be in Newham, and 18 of the 26 events will take place within 20 minutes' walk of Stratford station. We have been promised the creation of the largest capital-city park in Europe for 150 years, a park that will incorporate the venues but will also, symbolically and physically, unify communities. It will be the heart of a prestigious new development, Stratford City. The proposals will deliver more than 9,000 new homes in and around the Olympic park, with schools and health and community facilities to match. That is welcome news for my constituency and the surrounding area.

Newham has an exceptionally young population: 41 per cent. of its inhabitants are under 25. It is a poor constituency, bordering to the west and north on areas that are also poor. All its key indicators are in the bottom 10 of the list drawn up by the Office of the Deputy Prime Minister. The promised legacy of the Olympics and the Paralympics would provide a sustainable solution to the poverty and disadvantage experienced in my constituency and in other

[Lyn Brown]

communities with similar social and economic indicators, and the Bill goes a long way towards embracing that aspiration.

One of the difficulties that I have with the drafting of the Bill is that clause 4(3) states that

"the Authority shall, wherever relevant— have regard to the desirability of maximising the benefits to be derived after the London Olympics from things done in preparation for them".

Will the Minister emphasise and underline that commitment, so that the words

"have regard to the desirability"

appear a little less soft and a bit more enthusiastic and emphatic?

We said in the bid that we would radically transform London's east end and, through this sporting spectacle, regenerate a poor inner-city area. I recognise that that will be a huge challenge, and to achieve it we must be clear about whose job it is. Who is to be responsible for overseeing the delivery of the legacy? If I understand the situation correctly, neither the London organising committee for the Olympic games—LOCOG—nor the Olympic Delivery Authority owns the responsibility for delivering the legacy for the country. Individual organisations are responsible for the delivery of bits of it—for example, Sport England will be responsible for the sporting legacy, but which body will ensure that it is on track to deliver greater grass-roots participation? Who will be held accountable for the employment legacy, or for realising the health benefits? Who will be responsible for monitoring and scrutinising the different agencies charged with delivery of the various legacy plans?

The reference in clause 4(3) is perhaps not designed to ensure the delivery of the greatest challenge to the games, namely the economic and social legacy. It was the whole package that prompted the huge support for the bid from ordinary Londoners and others, and we must not let them down. I hope that the Minister will consider establishing a formal mechanism and place official ownership of the responsibility for the legacy within the proposed delivery processes. The games are a catalyst to be seized or squandered. We need to plan for the social gains from the games, to set targets for the reduction of poverty, and to realise real social and economic change for the poorest in society from this huge investment.

I get a sense of the potential of the legacy by considering the impact that the bidding process had on my constituency. As a councillor in the London borough of Newham, I led a two-year programme of sporting, cultural and community activity, using the pull of the Olympics to engage and inspire the community. By the end of the bidding process, there were clear, tangible benefits for the betterment of health, education and antisocial behaviour. For example, 43 per cent. of free swims were taken up by people in social groups D and E, and there were 64,000 attendances at Newham's Olympic summer of sport. The completion rates for exercise on prescription schemes went up from 34 to 52 per cent., and 40 new after-school clubs were founded around sport and physical activity. The number of sports coaches more than doubled, new disability sports clubs were established, and the West Ham Asians in Football programme was expanded. And 25 per cent. fewer young people were reported to the local magistrates court.

There are many more similar examples, and if all that can be achieved by local authority leadership around the bid process alone, the social legacy of the games could be truly life-transforming. Those schemes required funding and were achieved by a combination of mainstream and temporary funding. The gains were achieved by local government working in the community. This was not rocket science, and I am sure that examples such as those have been and will be replicated by other local authorities across the country.

If we are to get real social and economic benefits from the games, local government must be integral to the planning and delivery of the soft outcomes for social and economic regeneration. In October 2000, the Government charged local government with the duty to provide for the economic, social and environmental well-being of its own areas. They did so because local government is best placed to deliver those objectives locally; it is part of its core business. We need to ensure that local government is at our Olympic table, leading on clearly drawn and resourced local renewal and regeneration strategies.

The job of realising the legacy is too big for one tier of government, whether national, regional or local. The job can be done successfully only if all tiers of government and the voluntary, community and private sectors work together in partnership towards the same objectives.

We must remember that renewal and regeneration will come at a price for some in the area where the games are to be held. Local businesses will be displaced because of the need to create space for the Olympic park stadium. Estimates suggest that more than 300 businesses will be affected by the proposals. Companies are increasingly concerned by the action or, they feel, lack of action by the London Development Agency. Negotiations have been under way for a long time and no conclusions have yet been reached. That is placing reputable and thriving concerns in jeopardy, and it is not on. Surely the LDA must take immediate steps to assure the businesses concerned and to expedite relocation and compensation. If the LDA does not have the resources or capacity to undertake that role, I ask the Minister to act, and either to provide additional capacity or to take the responsibility from the agency.

The games will also result in the demolition of the housing co-op at Clays lane, which was established in the early 1980s to address the lack of housing for young, single people in the east of London. Approximately, it houses about 450 tenants, who face an uncertain and unsettling future. Communication appears to have been sparse and not very comforting, with assurances made prior to the bid now apparently being watered down by the LDA. I ask the Minister again to hold the agency to account, and to ensure that those tenants are not disadvantaged by their relocation.

If the legacy of the games is to be realised, we must plan for it, ensure that we know who is responsible for the delivery of the legacy and hold them to account to deliver on it. The challenges of east London are immense, but the opportunities of those challenges are

in our grasp if we harness and resource all parties to deliver on them. Let us realise the potential of the games, and deliver a real legacy for generations.

9.2 pm

Mr. Don Foster: In some parts of America, politicians can have their speeches read into the record without having to deliver them. In a sense, I wish that we had that opportunity, as my opening remarks echo entirely what the hon. Member for Faversham and Mid-Kent (Hugh Robertson) said. Rather than list all the people he listed, let me merely say that all those people deserve our thanks for the huge amount of work that they did to bring the Olympics and Paralympics to London in 2012. It was a fantastic team effort by a large number of dedicated and committed people, and one thing above all set our bid apart from everybody else's—its underpinning of Olympic and Paralympic ideals in relation to sporting activities, which could liberate and inspire people not only in this country but across the world.

I also want to thank the Minister for his contribution and thank the Opposition parties for the role that we have played. It is important to place it on record that a small but perhaps important part of the reason that we won the bid was the clear demonstration of all-party unity in backing it. I hope that our deliberations today, on Report and Third Reading, and the work done in Committee and on Second Reading indicate that that cross-party co-operation can continue while allowing the opportunity for constructive criticism when we disagree in certain areas. We have made splendid progress, however, in getting the Bill to this stage. Indeed, given that the Olympics afford a glorious opportunity for Britain, it is right that the Bill has had a smooth passage. It is equally important to recognise that progress has been made on so many other fronts, not only on the measure.

It was fantastic to hear Denis Oswald, the chairman of the IOC's co-ordination commission for the games, say towards the end of August of the work on the Olympics here,

"it could not have started on a better footing".

A huge amount of work has already been done and more is under way. Compulsory purchase orders have been issued and LOCOG now has many staff. Many are experienced and were involved in the bid. The Go for Gold scratchcard is a huge success and has already raised more than £3 million. It is the most successful scratchcard of its type. We know about the Mayor's exciting proposals for the great rejuvenation and redevelopment of the east end of London.

Much else has happened. Building work is under way at the Olympic park but that is also true in other parts of the country, such as Norwich, Sunderland, Edinburgh and Brighton. Betting has already started on how well different countries will do in the Olympics. I noted with interest that Lord Moynihan, who heads the British Olympic Association, has bet his Australian counterpart on how many gold medals their respective countries will win. The winner will provide bottles of Bollinger to the other. We shall see how that goes.

However, much remains to be done. The Bill is important because it establishes the framework in which the work will be done, the way in which we ensure that the resources come in and the right bodies to make it happen. For example, we must provide appropriate protection for IOC and LOCOG sponsors against ambush marketing, inappropriate advertising and so on.

There is a huge prize, if we get it right. We will invigorate our sporting nation, regenerate some of the most deprived areas in our country, improve the environment, thus setting sustainability standards for the future, showcase the country's excellence in arts and culture and—perhaps most important—unite the nation. That is an exciting prospect and the work that we have done on the Bill—the amendments and changes that we have made—ensure that we will progress and deliver a successful games.

The hon. Member for West Ham (Lyn Brown) is passionate about the games coming to London. She speaks passionately about the enthusiasm in her area for them and talks movingly of the way in which they will provide sustainable regeneration in her area. She is right to stress that. On other occasions, she has spoken about the way in which the games can raise the aspirations of the people she represents. She summed it up today by saying that the Olympics will leave a life-transforming social legacy. That is true for West Ham and every other part of the country.

It is interesting to note a recent survey, which showed that 68 per cent. of Londoners said that the games would bring long-term benefits. That statistic is reflected in many other parts of the country. The figure rose to 78 per cent. among 18 to 34-year-olds. Young people in particular understand the genuine benefit that can derive from the games.

We have made a united, fantastic start on delivering the best ever Olympic and Paralympic games. There is a long way to go and I hope that the unity that we have experienced so far in the House will continue.

9.10 pm

Mr. Andy Reed: I am delighted to discuss the Bill on Third Reading. It has been a great pleasure to take part in the consideration of the Bill, including in Committee. With sport, we often have cross-party consensus on how we want to deliver legislation. That was reflected both in the bid beforehand and in our consideration of the Bill in Committee. The hon. Member for Bath (Mr. Foster) highlighted the fact that we have managed to maintain that approach so far. There was a slight reluctance on the Government's part to back the bid right from the start before they had carried out a proper assessment. They were concerned about whether it would be possible to maintain the process until 2012, particularly given the way in which the media like to treat these matters, with the British approach of doom and gloom. So far, we have managed to maintain a spirit of optimism, and I hope that the spirit of co-operation that has been evident today and throughout consideration of the Bill in Committee will continue until 2012.

The legacy of the games will be important for each and every one of us, not only for those in London. There will be social and sporting benefits throughout the country. It is imperative that the Bill delivers a sporting legacy that brings about a massive difference for people throughout the United Kingdom. Some people, although not many, do not appreciate the value of sport

[Mr. Andy Reed]

and what it can do for their local community in terms of health, education, crime reduction and purely for its own sake. The warm words that are usually associated with sport have to be turned into action and, harshly, into hard cash. We have warm words for the arts sector, and it receives an enormous amount of Exchequer funding. I wish that we could generate the same level of funding to encourage sporting prowess in this country, especially at grass-roots level, where we still have some work to do.

We have made some tremendous strides in league funding and school sport, and have managed to make up for the past 15 or 20 years of decline. Indeed, that has been turned around. Although we can be proud of being able to generate the next generation of young people who are interested in sport, who have had the opportunity to participate and who now want to carry that through, there is a pyramid. Our elite facilities in Loughborough, Sheffield and Bath are among the best in the world. I am sure that other hon. Members know of other excellent sporting facilities throughout the country, for example in Weymouth and Cardiff. I have been to UWIC to be thrashed by the Welsh at rugby, so I am aware of those great facilities.

Although we have the ability to deliver at league level, to make a difference we must deliver at grass-roots level, so that everyone, when they walk out of their front doors, knows that they have a sporting opportunity in whatever sport they wish to participate in. That may be one of the 28 Olympic sports, but we must ensure that there is the same passion and that the same ability to participate is open to everyone in all the other sports that will not be represented at the Olympics. To make a sporting pun, we should not take our eye off the ball. We must recognise all sporting agendas.

It is my passion that sports volunteers should receive recognition for what happens. At the Olympics, we shall rightly focus on trying to get as many UK athletes, throughout all the sporting agendas, on to the podium. A great deal of effort will be made to ensure that we come fourth, fifth or sixth in the medal table. It would be fantastic if we managed to achieve fourth place. The media will decide whether the Olympic games have been a success or a failure on the basis of the number of people we get on to the podium.

For me—I am sure that this applies to the many who are passionate about sport—the real success will be our legacy, participation and generating the next group of people who will volunteer and come through. It has been interesting to be involved in consideration of the Bill because we have been trying to build on our legacy. We have not been waiting for 2012. We cannot call on sports volunteers the week before the Olympics start and say, "Right, you will now wear a blazer and be involved." We must build up the expertise and the volunteer base to ensure that we have people who are fully skilled. We must use the enthusiasm for the Olympics to ensure that that happens.

It was fantastic to be part of that enthusiasm and to see complete strangers hugging each other and jumping for joy—I was not among them as I was filming those fantastic events with my camera. I was delighted to be asked to serve on the Committee that considered the Bill. Being from Loughborough, I was excited to be involved in the London Olympics Bill, but I did not realise that most of it would be about traffic regulation, brand protection and the establishment of a regional development agency. It was an interesting learning curve. It has been fascinating to discover the process, particularly on brand protection, as I had just a little knowledge of that.

A couple of outstanding issues have been touched on in the debate. We have mentioned betting. I understand that one of the contractual commitments that the Government have given to the IOC is to allow it to control—or even, if it seems appropriate, to prohibit—betting on the Olympics in the UK. I hope that the Minister will write to me on those issues, as although we have touched on them, we have probably not followed them through, and they are clearly important.

The issue of betting has the potential to strike at the integrity of sport. For example, a referee in Germany took bribes to throw particular games and there have been other examples at the Olympics. Cricket has had its own problems over the past few years. Sporting integrity and betting now go together. The IOC has managed to stamp down on the drugs problem, and it would be great to ensure in the build-up to 2012 that we are well ahead of the game as sports betting increasingly becomes an issue.

I am not sure whether we have managed to cover that issue sufficiently during deliberations on the Bill so far, or whether the Minister has plans to introduce any amendments in the Lords to cover the commitment to the IOC and how far that goes. As he knows, there are some problems in the sports betting world over the pools companies no longer entering contractual relationships with the football leagues for the sale of data, particularly match data. That creates another little knock-on problem for grass-roots sport. We talked about that earlier when we discussed the lottery and how the money is distributed. So there are little problems. They may involve only tens of thousands of pounds for some football clubs, but they are important, so I hope that the Minister will examine that matter.

The Minister mentioned ticket touting. The Bill includes some welcome measures to protect the London Olympics from ticket touts. As he knows, ticket touting is a growing problem for sport. It diverts resources from sport and deprives real fans of tickets. When many of us who are passionate about sport and involved at grass-roots level try to get hold of tickets, we find that the corporate packages make it increasingly difficult for genuine fans to do so. That is why I welcome the recent ticket touting summit that the Secretary of State for Culture, Media and Sport has called with representatives of the major sporting governing bodies. I hope that that is a success.

The Minister will know that the International Rugby Board is a strong supporter of legislation to combat ticket touting. I wonder whether we can build into the Bill measures to extend the same protection as we have given the Olympic team to those involved in other sports. That would be most welcome.

This is a reasonable Bill. It has been fantastic just to play a small part in the process of delivering the Olympics. All of us who have been involved in the Bill will enjoy seeing the end of its passage in this place and look forward with great passion and, as the hon.

Member for Faversham and Mid-Kent (Hugh Robertson) said, excitement to being part of the crowd watching the greatest Olympics that we have known in London in 2012. I hope, too, that people from all over the country, including those who have the potential to play a part in training camps or as volunteers, will enjoy it. We must ensure not only that we enjoy it but that we get up there on the Olympic medal table, and that the lasting legacy is not just those golds but a future for British sport that means that we take it seriously and put our cash where our mouths are.

9.19 pm

Mr. Caborn: As I said earlier, it has been a privilege and pleasure to take the Bill through Parliament. The contributions on Third Reading show what the nation was feeling on 6 July. My hon. Friend the Member for Loughborough (Mr. Reed) encapsulated that. Many people stood in Trafalgar square, and some Members were with me in Singapore. I visited my French counterpart, Jean-Francois Lamour, in the hall in Singapore, and I had to squeeze past some 50 or 60 journalists to get to him. Steve Redgrave and David Beckham were involved on our behalf, but we had only three photographers in front of us. I thought, "The result has been leaked and we obviously haven't won." Jacques Rogge kept the world in suspense by delaying opening the envelope containing the result. I point out by way of an aside that as we speak, a silver letter-opener is being made for him, on which is engraved, "Please do not keep the world waiting in anticipation again." When Jacques Rogge finally opened that envelope, he said, "London." Until that moment, a lot of people who wanted us to win the bid did not quite believe that we could do so. Such enthusiasm added to the atmosphere in Trafalgar square and definitely to that in Singapore, and it has carried all the way through. When people look back in years to come, they will recognise that through this Bill, we have established a foundation for an Olympic games that has never been established before.

The Secretary of State for Culture, Media and Sport and I, along with others, travelled the world to speak to representatives of many of the cities that have hosted the Olympics. We asked one simple question: "What would you do differently if you hosted the games again?" They were very generous in giving advice and we have worked on the basis of it. The product is this Bill, which will deliver a structure that will address, for example, the concerns expressed by the hon. Member for Faversham and Mid-Kent (Hugh Robertson) about cost overruns. The framework that we have established will be cost-effective, and it is absolutely crucial that in the next 18 months, we get the company up and running, the various structures in place and the contracts laid. We must not get involved in crisis management; we must control the process from start to finish. If we do that, we will host a good games. Such an approach will also enable us to tackle seriously the other elements that make an Olympic games highly successful.

One such element is legacy. Other Olympic games have had to resort to crisis management, and we ourselves have done so with certain big projects. We have learned from that. Avoiding the need for crisis management will give us the space in which to develop the games. Legacy, which the Olympic board controls, is a very important issue to which there are many strands: the built environment, the human environment, the sporting infrastructure, and the cultural infrastructure. I hope that after 2012, we will leave behind one of the best sporting infrastructures in the world. Other strands include participation and talent identification. We want the talented athlete scholarship scheme to find talented young people in our secondary schools not by chance but by design, and to maximise their potential for producing world-class performances. Unlike Steve Redgrave and Kelly Holmes, who were discovered by chance, we want such people to be discovered by design. We are instituting that scheme and the mentoring of young students, arranging the curriculum around such activities and taking them through the scheme as one. The Olympic board deals with many such legacy issues, and in turn it is responsible to this House and its organs, such as Select Committees. I am sure that we will deliver in this area.

On betting, the IOC has asked us to look at that issue, but we have made it clear that we have no plans to legislate. We are discussing with the governing bodies how we can assist on the question of ticket-touting, particularly in the light of the electronic means by which touting is now carried out, such as via eBay.

The momentum generated by the great euphoria of 6 July is still there throughout the country. If we can maintain it by developing cultural activities and grass-root sports projects throughout the UK—in the regions and through the devolved Administrations—we will have a lasting legacy that will be second to none.

Many of us take seriously the narrative on which we won the games—which was reconnecting young people with sport through the five rings and the Olympic movement. While the Bill is about the delivery of the games by the UK, I believe that we have a responsibility to the Olympic movement and the world to use the great influence that we have through the Commonwealth, the European Union and many other institutions to achieve that aim. Seb Coe and those working with him hope that, come 2012, we will deliver the narrative on which, according to the International Olympic Committee, we won the bid and bring young people back into sport through the Olympic movement.

Question put and agreed to.

Bill accordingly read the Third time, and passed.

Medicine Reviews (Older People)

Motion made, and Question proposed, That this House do now adjourn.—*[Tony Cunningham.]*

9.26 pm

Mr. Paul Burstow (Sutton and Cheam) (LD): I am grateful for the opportunity to raise the subject of medication reviews for older people. I do so because I believe that if good practice in medication review were to be the norm across the NHS, it could transform the lives of millions of people.

At the moment, there are more than 3.6 million people over 75 taking at least one medication and 1.6 million taking four or more medications. On the evidence that I have, it is clear that most of them have never benefited from a review of their medication in the way that is envisaged in the national service framework for older people. Getting the dosage right, understanding the complex interplay of different medicines and making sure that medicines are taken at the right time can make a huge difference to people's health and quality of life. For some, simply getting medication right can be like turning the light back on—it can make a huge difference. For others, getting the medication right can be a matter of life or death.

My purpose in having a debate on this issue is to press the Minister for more concerted action to realise the full potential of medication reviews. What do I mean by medication review? That is a good question, because there is no single agreed definition of what constitutes a medication review. However, there is a proposed definition. It comes from the medicines partnership and has been endorsed by the Department of Health. It says that a medication review is:

"A structured, critical examination of a patient's medicines with the objective of reaching an agreement with the patient about treatment, optimising the impact of medicines, minimising the number of medication related problems and reducing waste."

I have long been concerned about the impact that poor medication practice can have on the quality of life of older people. In particular, I still do not believe that enough is being done to stamp out the inappropriate use of medication in care homes. At its worst, the use of medication becomes restraint by chemical means, and that is elder abuse.

According to the most recent figures from the Commission for Social Care Inspection, more than 5,700 of the 13,000 care homes in England either did not meet or almost met the national minimum standard for medication last year. Let us be clear that we are talking about a minimum standard. I acknowledge that those figures are a modest improvement on the previous year, but try telling that to the residents living in one of the homes who do not meet the minimum standard.

I was even more worried to note that the National Care Standards Commission—the predecessor of the Commission for Social Care Inspection—pointed out in its report on medication that:

"The majority of prescribed medicines will be supplied by a GP on a repeat basis at the request of care staff and not the service user."

That places care staff in a powerful position to influence prescribing for good or for ill. In a briefing for today's debate, the Parkinson's Disease Society points out the need to review the medicine management standards, especially standard 9.1, which deals with self-medication. It wants to see greater clarity over the issue of timing of medication, and I strongly agree.

In 2003, a study in the *British Medical Journal* concluded that older people in care homes received poorer medical care than those living at home, in terms of over-use of inappropriate or unnecessary drugs, poor monitoring of chronic disease and under-use of beneficial drugs. That is one of the reasons why regular medication review should be part of the process and why I welcomed the national service framework for older people medication standards.

Although I support the standards, it must be said that international evidence suggests that annual reviews of prescriptions for elderly people, as proposed in the NSF, are inadequate. Harm can be done, and is done, in far less than a year. There is a huge gap between the intention of the Government's policy, which is to be applauded, and its implementation over the last few years since the NSF was published. That gap has been caused by a lack of clarity and insufficient incentives to deliver what is expected; in particular, the new GP contract does not provide the necessary incentives for more frequent reviews.

Among the indicators in the quality and outcomes framework—QOF—for the contract, two specifically incentivise regular review of medication. The first is:

"A medication review is recorded in the notes in the preceding 15 months for all patients being prescribed four or more repeat medicines."

That is worth seven points. The second is:

"A medication review is recorded in the notes in the preceding 15 months for all patients being prescribed repeat medicines."

That is worth eight points. So the QOF says 15 months, yet the NSF talks about 12 months for people on fewer than four medications and six months for people on more than four medications. Neither actually sets out what qualifies as a medication review. Am I the only one who thinks there is a problem?

Every time I have raised the issue with Ministers through written questions and in debate I have been left with the distinct feeling that the NSF medicine review standard has been quietly dropped. That impression was reinforced in February when the Minister of State, Department for Transport, the hon. Member for South Thanet (Dr. Ladyman), who was then a Minister in the Department of Health, told me:

"The quality and outcomes framework (QOF) indicator for medication reviews for people prescribed repeat medicines was developed by a group of independent experts who were commissioned by the British Medical Association and the NHS Confederation. The group developed QOF indicators using its own search of the evidence and did not necessarily use existing national service framework (NSF) standards. Although this means that the QOF indicators and NSF standards may not match entirely, meeting the QOF indicator will go a long way to helping practices meet the NSF standard and vice versa."—[*Official Report*, 3 February 2005; Vol. 430, c. 1119W.]

That really beggars belief. It is optimistic, but when the Department was signing off the QOF why did not it ensure that the NSF standard would be achieved? What is the point of producing the NSF standard if it is not being used in that way?

Mr. Philip Hollobone (Kettering) (Con): I congratulate the hon. Gentleman on securing this debate. Let me assure him that he is not the only one with those concerns. There is a growing number of elderly people in my constituency. If there were to be more regular medication reviews, how would that burden affect already overstretched local GP services?

Mr. Burstow: I shall probably come to that later in my remarks. There could be an additional burden on GPs and also on pharmacists, and some useful evaluation of the relevant guidelines has been conducted.

On the point that I was raising about the QOF and the NSF, I was reassured recently by a written answer from the Minister who will reply to the debate. He told me that the NSF standard had not been superseded. That is good news, but the truth is that the standard has not been achieved either. In a written answer, the Minister told me:

"Historic data for both measures"—

the milestones set in the NSF for older people—

"collected from the 146 PCTs taking part in the programme"—

the national medicines management collaborative programme—

"suggest that there have been significant and sustained improvements in the number and quality of medication reviews."—[*Official Report*, 16 June 2005; Vol. 435, c. 642W.]

Where is the evidence to support that contention? Certainly the evaluation of the implementation of the "Room for Review" guidance on medication reviews published by the medicines partnership earlier this year does not point to significant and sustained improvement.

Part 1 of the evaluation found that only 8 per cent. of primary care trusts had met the NSF standard for annual medication reviews for patients aged over 75. Worse still, just 5 per cent. had met the target for six-monthly reviews for patients over 75 who were on four or more medicines. The NSF milestone for medicine reviews was 2002. That is when this was meant to be in place, albeit with the potential burdens that would arise from it.

Even in 2004, 47 per cent. of PCTs were reporting that they would not be able to conduct six-monthly medicine reviews for over-75s on four or more medicines. Delve a little deeper into part 1 of the evaluation and one finds that even in those PCTs that said they were doing it, not every GP practice was actually conducting and taking part in medication reviews. More worrying still, the evaluation found that in the PCTs that had implemented medication reviews, only a minority of reviews were conducted face to face. That type of patient-centred review was therefore being considered by PCTs as "aspirational"—as a gold standard—and therefore limited to more complex patients.

As I am sure the Minister will know, "Room for Review" defined four levels of medication review—levels 0 to 3. Of these, level 3 involved the patients in face-to-face discussion about their medicines and therefore offered the opportunity to explore the patient's views and experiences of using medicines and allowed them to share in the decision-making process about future prescribing—

Mr. Peter Bone (Wellingborough) (Con): I congratulate the hon. Gentleman on securing the debate on this exceptionally important issue. One of my constituents has brought this problem up. One drawback seems to be that a lot of people in care homes have some sort of dementia, and therefore the face-to-face review is more difficult, and I get the feeling that because it is more difficult it is not being done.

Mr. Burstow: I fear that that is a problem. All too often, repeat prescriptions are ordered by care staff and inappropriate historic prescriptions continue without being properly checked and vetted. That is why the process really has to engage with the patient and, if necessary, carers and other family members who have authority to take informed decisions and give consent.

The lack of a specific requirement for level 3-type reviews in the NSF and the quality and outcomes framework has reinforced the view in PCTs and among practitioners that patient-centred reviews are "nice to have" but not a "must have".

Part 1 of the evaluation was conducted in January 2004 and published in March 2005, which really does prompt the question, why did it take so long to publish the findings? While I am asking about part 1 of the evaluation of "Room for Review", I hope that the Minister can clear up a mystery surrounding the publication of part 2, on the patient's view. I was told in July that part 2 would be published over the summer. It was not, so I asked another question about when it would be published and I was told this time that due to ethics clearance requirements it would not be published until the end of 2006. Then I got the news, thanks to Mr. Speaker, that I had secured tonight's debate, and the following day my office took a call from the Department, telling me that part 2 would be published on 5 December. So Christmas has come early, and that is good news. But what is going on?

Certainly, part 2 paints a mixed picture of patient experience of medication reviews. Part 1 talks about face-to-face reviews being the gold standard, yet the evidence from part 2 suggests that there is quite a long way to go before the potential of that gold standard is realised. Many of the comments from patients suggest that they had been given the impression—I emphasise, given the impression, and that is how they saw it—that the purpose of the review was cost cutting. One woman is quoted in the evaluation as saying that the reason she was given for being called for a medication review was that the PCT wanted to change her tablets

"not for my benefit, but to bring me into line with the PCT."

A man echoed that when he recounted a conversation that he had had with a doctor drawing the review. The doctor told him that

"capsules are dearer so they've got to give you the cheapest medication they've got."

The concern that medication reviews are essentially about reducing NHS expenditure and saving money is a strong theme running through the second part of the evaluation from the patient's perspective, and it clearly is a problem in terms of how we make these reviews something that people feel comfortable with and see the value of from their own point of view.

Another concern that emerges concentrates on who conducts these reviews, and it touches on the intervention by the hon. Member for Kettering (Mr. Hollobone). When it came to GP-led reviews, while most people felt comfortable that their concerns

[Mr. Burstow]

were being addressed, points were made as to whether the GP had sufficient knowledge compared with colleagues in secondary care, which really did fuel a suspicion that the reviews were just being done to save money.

Another set of concerns arose about pharmacists who were leading reviews. The main issue was about the fact that pharmacists did not have access to the medical records or knowledge of the individual medical situation, but above all there was a real concern, and a question mark, over whether the pharmacist could get medication changed; if they could not, delays were occurring while people waited for their practice to change their medicines.

With the new pharmacist contract opening up the possibility of a greater role for pharmacists in medicine management, there is a need for clarity. As the medicines partnership points out in its report, the medicine reviews used by pharmacists are not the same as medication reviews. In the executive briefing published yesterday, the medicines partnership said:

"As with the NSF milestone, there was no published definition of what sort of medication review would qualify for QOF purposes. There is potential for overlap between the different medicines review services and some confusion as to which sorts of reviews 'count' towards which targets. This suggests a need to refocus attention from quantity to quality. PCTs need to consider how the various types of medicines review can help them deliver their objectives and priorities, making sure that reviews deliver maximum benefit to patients and that people with the greatest need and greatest potential to benefit have their medicines reviewed.

We consider that it is important for PCTs, GPs, nurses and pharmacists to have a clear picture of how the various forms of review fit together and how they can be used to meet local priorities and support care for people with long term conditions."

To summarise in two words, confusion reigns. That confusion has caused a failure to join the dots between the rise in the prescribing of anti-psychotic drugs, the rise in adverse drug reaction to anti-psychotic drugs and the worrying 35 per cent. increase in the number of non-fatal ADRs among the over-75s and the alarming 83 per cent. increase in fatal ADRs among the over-75s.

A recent report in the *British Medical Journal* found that significantly older people were admitted most because of ADRs. The cost to admissions authorities is huge, and the consequences for the individual go without saying. The study concluded that the NSF needs to be implemented. Yes, the NSF medicines standards should be implemented. That would be a step in the right direction. Medication reviews would help to safeguard the health and welfare of older people.

To conclude, I have some questions. First, will the Minister confirm that the NSF standard for annual and six-monthly reviews is still the standard that the NHS should be measured against? Secondly, when will the NSF standard be achieved, and how will we know? Thirdly, does he agree that we need to look into the national minimum standards for medicines management in care homes for older people to ensure that medication reviews are triggered in accordance with the NSF standards and that the timing of medication is made clear to managers and staff? Fourthly, will he act now to clear up the confusion identified by the evaluation of the medicines partnership and ensure that clear guidance is issued to the NHS, so that everyone is clear what is expected?

I agree with the medicines partnership that there is a need to focus on quality—that is absolutely right—but that is not sufficient if the NHS is to meet the needs of millions of older people in this country, whose quality of life is impaired because they are not getting the right medication, at the right time and in the right place. I hope that the Minister has something helpful and positive to say.

9.42 pm

The Parliamentary Under-Secretary of State for Health (Mr. Liam Byrne): I congratulate the hon. Member for Sutton and Cheam (Mr. Burstow) on securing this debate. He has indeed taken a long interest in the subject.

Medicines are by far the most common form of medical treatment in the UK. People with long-term conditions, many of whom are older, are reliant on those medicines to stay healthy. In fact, 80 per cent. of people over the age of 75 take at least one prescribed medicine and 36 per cent. of them—just over a third—take four or more medicines each day. With that level of medicine prescribing comes the challenge of ensuring that people with long-term conditions, including those who are older, get the maximum possible benefit from that medicine, and the hon. Gentleman made that argument rather eloquently.

Half of all people—not just older people—on regular treatment do not take their medicines as intended for a number of reasons. Problems with medicines may be the cause of as many as 10 to 15 per cent. of hospital admissions. So people need simple information and advice if they are going to get the best benefit from their medicines. They need to know what their medicines are for, how they work and how they need to take them. However, people also have their own health beliefs, which can affect the way they take their medicines. That is why, as the hon. Gentleman said, involving people in decisions about how medication is taken is an important way in which we can help to ensure that they take medicines effectively. That explains why medication review is important. It is good that the hon. Gentleman has secured such a debate on the Floor of the House because the matter sometimes does not get the airtime that it deserves.

A medication review occurs when a health professional reviews a patient's medicines. The health professional ensures that all medicines that would be of benefit are prescribed and that the various treatments work well together and do not cause problems. That might be done if a GP prescribes someone with repeat medicines, but there is also a place for more in-depth reviews in which a health professional sits down with a patient and discusses his or her medicines in detail. That might occur if someone is on an especially complex regime, or if a patient is experiencing problems. Such reviews are important, not least because they allow patients to ask questions about their medicines and to be more involved in any decisions that are taken.

Given the importance of medicines to many people and the importance of medicine reviews, when we published the national service framework for older

people in 2000, we produced a booklet that focused on the specific issue of medicines and older people. As the hon. Gentleman knows, that drew together the available evidence and made recommendations on how to improve older people's medicine taking.

Within that, we set a specific milestone on medication reviews. We recognised that the more medicines people take, the more likely they are to experience difficulties, so the scheme had two elements. First, by 2002, all people aged 75 and over were expected to have medicine reviews at least annually, and, secondly, those taking four or more medicines were to be reviewed at least every six months. Although it was largely for the NHS, working with other stakeholders locally, to implement the NSF on older people, we have nationally supported the improvement of medicine-taking in several ways. Before the publication of the NSF, medication reviews were not systematically undertaken or recorded.

Let me outline several of the measures that we have taken to support the policy. We have supported several primary care trusts to identify what works best and to share that learning with others through the national medicines management collaborative. About half of PCTs have participated in that programme to implement local medicine management schemes so that people get more help in using their medicines from not only their GPs, but pharmacists and others.

One of the measures used for assessing improvement was the proportion of people aged over 65 who were on four or more regular medicines and had received a documented medication review in the previous 12 months. There was a significant increase in activity and, in some cases, the reported rate of reviews more than doubled.

Another measure was the percentage of patients in care homes who had had a documented review of their medicines in the previous year. I am aware that some people believe that people in care homes do not have their medicines reviewed regularly, or sufficiently regularly, but the data from the collaborative work showed that the situation was slightly different. The increase in activity for patients in care homes was similar to that for those living at home, although the two groups had slightly different starting positions. The extent of patient involvement in medication reviews was measured for PCTs in wave 4 of the programme. It increased from 22 per cent. to 62 per cent. in a single year.

After drawing on this learning, guidance on medication reviews was widely disseminated through "Room for Review: A guide to medication review", which was published by the medicines partnership in conjunction with the national medicines management collaborative in 2002. The document set out a framework on how medication reviews should work, together with supporting tools and advice for managers and health care professionals.

Two years later, the medicines partnership commissioned an evaluation of the impact of "Room for Review", first to determine the extent to which the guidance had been adopted by PCTs and, secondly, to assess the experience and opinions of a sample of patients who had had a medication review. As the hon. Gentleman knows, the original plan was to publish both parts of the evaluation together. However, there were unexpected delays in publishing the part involving patients because of the two practical issues—the need to obtain ethics committee approval and the need to identify a suitable sample of patients through GPs. The medicines partnership did not wish to withhold the findings, so it went ahead and disseminated the survey of PCTs in March 2005. Part 2 was published yesterday.

I am glad that I have helped to ensure that Christmas has come early for the hon. Gentleman. From the survey of PCTs undertaken in 2004, we know that the majority of PCTs had a written strategy and that more than 60 per cent. of them had agreed local guidelines. About 45 per cent. of the PCTs that responded to that survey indicated that they were achieving or likely to achieve the older people's NSF target. Just 30 per cent. of PCTs said they were unlikely to achieve the target. If the survey were carried out now the figures would be very different, and I shall come on to the results of the GP quality and outcomes framework data later. The relationship between the national service framework and the quality and outcomes framework is important. The NSF indicator is still very much in force, but the way in which it has been implemented through the QOF target has become slightly more flexible to make sure that there is local managerial flexibility for doctors who implement it.

Mr. Burstow: That is one of my main concerns, and a key issue in the executive summary of both parts of the evaluation. At the heart of the problem is the fact that a clear working definition of a medication review was not in place when the QOF and the NSF were set. Without such a definition, it is difficult to know what one is measuring and thus be confident that progress is under way.

Mr. Byrne: May I write to the hon. Gentleman on that point, as it merits more consideration than I can provide this evening?

I have talked about the efforts to support PCTs in establishing medicine reviews. We have also ensured that through the new general medical services contract steps are in place to encourage medication reviews. Across the country, about 90 per cent. of GP practices reported that at least 80 per cent. of their patients who were prescribed four or more repeat medicines had had a medication review in the preceding 15 months recorded in their notes. Over four fifths of GP practices reported that at least 80 per cent. of their patients who were prescribed repeat medicines had had a medication review in the preceding 15 months, which is an achievement.

Alongside the role of PCTs and GPs, we should consider the role of local pharmacists. We have gone to some lengths to underpin the important contribution that pharmacists make through the new community pharmacy contract. In the first six months, pharmacy owners have focused on the delivery of essential services. Even so, by the end of October, more than 20,000 people had had the benefit of a face-to-face consultation with their pharmacist to discuss their medicines and resolve problems. It was clear from the national consultation that we undertook as we developed the health White Paper that the role of community pharmacists was

[Mr. Byrne]

considered important by local communities. We will reflect on that in the White Paper to be published at the turn of the year.

Mr. Burstow: Will the Minister ensure that further consideration is given to the need to make sure that, with patients' permission, pharmacists have access to patient records so that they can take their history into account when they look at medicines that are being prescribed?

Mr. Byrne: That may, or may not, appear in the White Paper—time will tell.

From the medicines partnership evaluation that was published yesterday we know that patients welcome medication reviews. To gain the full benefit, they say that they need to be better prepared for the review. We must ensure that there is shared understanding of the purpose of the review to create an environment in which patients are empowered to ask questions about their medicines. We have taken that on board by supporting the medicines partnership in producing a guide to medicine use reviews, which patients can use to prepare and identify the questions that they want to ask before they consult their pharmacist. Copies will be available by the end of the month.

We have also commissioned NICE, the National Institute for Health and Clinical Excellence, to develop a clinical guideline that sets out best practice in involving patients in decisions about prescribed medicines.

The hon. Gentleman highlighted the role of the Commission for Social Care Inspection in ensuring that medication reviews were carried out in care homes in accordance with statutory regulations and national minimum standards. Where inspections are uncovering instances of inappropriate or over-prescribing of medicines, enforcement action is being taken. I am aware that in the past the hon. Gentleman raised the specific issue of the inappropriate or over-prescribing of anti-psychotic medicines. These medicines have an important role to play in the management of a range of conditions and they have a good safety record, but it is vital that they are used with care and in appropriate clinical situations. The role of non-pharmacological therapies is considered where that is an appropriate course of action.

CSCI inspectors routinely check records to ensure that medicines are properly controlled and correctly administered. Where the CSCI finds evidence of over-prescribing or inappropriate administration of medicines, such evidence is reported to the police and the professional bodies of those involved in such activities. The CSCI also employs pharmacist inspectors who can be called on for advice.

Furthermore, I understand that a report that focuses specifically on the management and administration of medication in care homes and in children's homes is expected to be published by the CSCI early in the new year. That report will be important because it will help to identify in much greater detail how care homes are performing against medication national minimum standards. It will also incorporate an analysis of complaints about medicines that the commission has received from care homes. I know that that will be of great interest to the hon. Gentleman.

In summary, the milestone in the national service framework for older people raised the profile of the importance of effective medicine-taking, and in particular the benefit of regular medication review. Significant action has been taken by primary care trusts and others to put in place the infrastructure to deliver those medication reviews. From the first year of the new general medical services contract, we can see and celebrate the progress that has been made, with the vast majority of people taking regular medicines.

Mr. Burstow: The Minister has been generous with his time. Will he undertake to consider the requests that I made at the end of my remarks, particularly the issue of the clarity of medication reviews, which was identified by the medicines partnership in the report that has been available only since yesterday?

Mr. Byrne: I shall look into that. There are different types of medication review, and it is for the clinician to determine which is the most appropriate for an individual patient. Sometimes that will involve a face-to-face consultation, but that will not necessarily be the right solution for many patients. I will happily come back to the hon. Gentleman with more detail on that.

We have seen a great deal of progress since the advent of the older people's national service framework. It is part of a broad package of improved care for older people that we have seen unfold over the past seven years. That is a reform programme that we intend to continue.

Question put and agreed to.

Adjourned accordingly at two minutes to Ten o'clock.

House of Commons

Wednesday 7 December 2005

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

INTERNATIONAL DEVELOPMENT

The Secretary of State was asked—

Africa

1. **Christine Russell** (City of Chester) (Lab): What steps his Department is taking to promote economic growth in Africa. [34883]

The Secretary of State for International Development (Hilary Benn): It is good to see so many Members in their place in anticipation of International Development questions, is it not?

Economic growth is fundamental to reducing poverty in Africa. The continent needs more private sector investment, better roads to link producers to markets and fairer global trade. At Gleneagles, the G8 agreed a comprehensive plan to support Africa's economic development. As part of this, the UK has recently announced £17 million for the African Union-New Partnership for Africa's Development investment climate facility, and a trebling of UK "aid for trade" to £100 million a year by 2010 to help poor countries boost exports.

Christine Russell: I thank the Secretary of State for that very positive reply, but does he agree that one of the best ways to promote economic development in Africa is to unlock the continent's vast agricultural potential? Will he therefore assure the House that at next week's World Trade Organisation ministerial talks in Hong Kong, he will lead the way in lobbying for the removal of, or a reduction in, the unfair trade barriers that deny African farmers access to world markets?

Hilary Benn: I agree with my hon. Friend. Some 70 per cent. of people in Africa work in agriculture and if their lives are to improve, they need to have a better chance of exporting their products to the rest of the world. She can rest assured that the Government will go on doing what they have been doing: pressing for changes that will unlock that potential, so that Africa can have a better future.

Tony Baldry (Banbury) (Con): The Commission for Africa stated that developed countries must complete

"the current Doha Round of world trade talks in a way which does not demand reciprocal concessions from poor African nations."

So what are Ministers expecting African countries to do at the WTO talks to ensure a deal on unfair trade barriers? What pressure is the Secretary of State putting on Peter Mandelson and what does he expect from African countries at the talks in Hong Kong?

Hilary Benn: It is more a question of what African countries are expecting from the Hong Kong talks. They are looking for recognition of the need to improve access to their agricultural markets and of their different starting point. They are looking for special and differential treatment, and those are the proposals that they have tabled. They are also looking for a special safeguard mechanism that will enable them to protect themselves against surges in imports. In the end, their contribution is to look at a deal and to decide whether it will be in their interests. The truth is that we have a long way to go if we are to achieve the outcome next week that all Members want; but that does not mean that we should stop trying, and we will not.

Roger Berry (Kingswood) (Lab): Given the Government's opposition to forced liberalisation in African countries, as in other developing countries, what is my right hon. Friend's attitude to International Monetary Fund conditionality, which seeks to impose precisely that in many African countries—for example, Ghana?

Hilary Benn: The Government's position on conditionality was clearly set out in the policy document that we published earlier this year. I have been working to get the World Bank and the IMF to review the use that they make of conditionality. In the end, it is about enabling developing countries to take their own decisions, but all Governments have responsibilities in deciding how they are going to spend their money, such as managing their economies effectively and keeping inflation low, because high inflation impacts on poor people in particular.

Mr. Andrew Mitchell (Sutton Coldfield) (Con): The Secretary of State was entirely right to identify Conservative Members' intense interest in International Development questions today. As the Prime Minister made clear in his recent Guildhall speech, the engine of economic growth in Africa and elsewhere is free and fair trade. Does the Secretary of State accept that the WTO meeting in Hong Kong next week, which both he and I hope to attend, is in danger of being derailed by the European Union's subtle yet blatantly protectionist negotiating position, particularly on agriculture?

Hilary Benn: May I say to the hon. Gentleman that I am very glad to see him still in his place this morning? I share his aspirations for the outcome of the world trade talks and his frustration at their current state. The EU has tabled one offer and then a second, but in order to unlock these negotiations there needs to be movement on all sides. The question is: can we, in the short time remaining, enable that movement? The effort currently being put into those major negotiating issues means that

the issues that the poorest developing countries are concerned about, to which I referred a moment ago, are not getting a look in. There is one exception: the agreement on trade-related aspects of intellectual property rights, which I welcome greatly.

Mr. Mitchell: None the less, the position that the Secretary of State sets out is a serious and depressing one for the talks next week. Will he press the European Union negotiators, even at this late stage, to put on the table a meaningful real-terms cut in trade barriers, rather than the current phoney offer, which cuts tariff headrooms but not the actual tariff levels? Do not those tariffs prevent some of the poorest countries on earth from starting to trade their way out of poverty?

Hilary Benn: They certainly do prevent the poorest countries on earth from doing that. The fundamental problem, as the hon. Gentleman is only too well aware, is that there are 25 member states of the European Union and not all of them share the perspective that he and I share. That is part of the problem, and it would help the EU to move if there was some movement by others in those negotiations. At the moment, however, we are stuck, because everybody is waiting for somebody else to move.

Alan Simpson (Nottingham, South) (Lab): My right hon. Friend will know that economic development also depends on secure and sustainable public access to water. Across Africa, there have been huge and growing protests against water privatisation, which has priced the poor out of access to water resources. He will also know that there has been a growing counter-movement to develop public-public partnerships in water management provision. Can he tell the House what involvement the UK Government have had in those public-public water resource management projects?

Hilary Benn: I share my hon. Friend's concern about the need to ensure that more people get access to clean water, not least because it will improve children's health and enable more girls to go to school. Some 95 per cent. of our bilateral spending on water goes to support public provision, community-led provision or humanitarian provision of clean water supply, and that demonstrates where the Government's priorities lie.

Andrew George (St. Ives) (LD) *rose—[Interruption.]*

Mr. Speaker: Order. Perhaps I may point out to the hon. Member for Na h-Eileanan an Iar (Mr. MacNeil) that it is not the done thing to stand in front of a Member who is addressing the House.

Andrew George: Although I exonerate the Secretary of State from my criticism, how can the Prime Minister and the Chancellor of the Exchequer trumpet the so-called success of the Gleneagles agreement and claim historic debt write-off when, this year, African countries will pay back a great deal more in debt repayments than the UK will provide in monetary aid?

Hilary Benn: The Government are right to take pride in what we have been able to achieve, with the support of others, in obtaining support for a multilateral debt cancellation deal, because it will mean, for between 18 and 38 developing countries—14 of the initial countries are in Africa—that up to $55 billion worth of debt is cancelled for ever. That was not the case when 2005 started. However, the process of debt relief and cancellation is a continuing one. At the beginning of the year, few people thought that it would be possible to get a deal on that scale and it is a result, in particular, of the efforts of my right hon. Friends the Prime Minister and the Chancellor of the Exchequer, to which I pay tribute. When that deal comes into effect, African countries will have to spend less of their precious resources on servicing debt that is not sustainable.

Mr. William Cash (Stone) (Con): In the spirit of congratulating the Government when they deserve to be congratulated, will the Secretary of State accept that some Opposition Members think that the Government have taken a positive initiative towards improving the lot of those countries in Africa and the developing world? But does he recall the Bill that I introduced earlier this year to deal with corruption in Africa? He mentioned conditionality, so will he impose a condition of external audit, if the countries concerned are not prepared to agree voluntarily, to eliminate corruption?

Hilary Benn: I am grateful to the hon. Gentleman for his kind words and I know that he takes a real interest in these questions. Tackling corruption and promoting good governance are absolutely fundamental to economic growth, which is the subject of the original question, especially in Africa. Many of the poorest countries, are those in which there has been corruption and a failure of governance. We have to try to achieve a position in which countries audit their own spending, so that they can be accountable to their own people. I assure the hon. Gentleman that I take seriously the responsibility that we have to ensure that the funds we use are audited and tracked properly, so that we can account to the House for the way in which that funding has been used. I look forward to continuing the discussion that we have already started on that subject, because it is a very important issue.

International AIDS Day

2. **Ian Lucas** (Wrexham) (Lab): If he will make a statement on the Government's plans to mark international AIDS Day. [34884]

The Secretary of State for International Development (Hilary Benn): On world AIDS day the UK highlighted the importance of more and better funding for the fight against AIDS, and of working towards universal access to AIDS treatment by 2010. As EU President, the UK hosted a meeting that launched an EU statement on HIV prevention for an AIDS-free generation. The Government also published a briefing paper on "Harm reduction—tackling drug use and HIV in the developing world".

Ian Lucas: May I raise a particular issue affecting young children in the developing world who suffer from AIDS? At present, drug companies do not manufacture dedicated drugs for young children and as a result there is some over and under-prescribing of drugs. Will my

right hon. Friend use his good offices to raise the matter with drug companies so that young children suffering from that terrible disease receive the appropriate treatment?

Hilary Benn: I have seen the report from Médecins sans Frontières to which my hon. Friend draws attention. I share his concern and happily undertake to take up the issue, because it is important that we use all the means at our disposal to fight that terrible disease, which presents a real threat to the future development of Africa.

Mr. Jeffrey M. Donaldson (Lagan Valley) (DUP): Could the Secretary of State tell us about co-operation between his Department and non-governmental organisations such as Tearfund and Christian Aid in tackling the AIDS problem in the continent of Africa?

Hilary Benn: We work with a wide range of voluntary and community organisations in the development field and I pay tribute to them for the work they undertake in helping communities to overcome stigma and, in particular, in providing support to orphans and vulnerable children. In the developing world, 13 million children have lost one or both of their parents to AIDS. The work done in local communities makes the biggest difference; if the disease is to be beaten, treatment is hugely important for those who are already HIV-positive. The only way to achieve an AIDS-free generation is if people do not acquire the HIV virus in the first place. That is why being open and honest about the virus—how people catch it and how they can protect themselves and fight it—is fundamental to winning the battle. The work of the organisations to which the hon. Gentleman referred is hugely important in supporting communities to have the confidence to be open and honest about how to defeat the disease, and I applaud them for the work they are doing.

Joan Ruddock (Lewisham, Deptford) (Lab): May I draw my right hon. Friend's attention to the Select Committee report on that very subject, published last week? Will he support one of our recommendations and agree that, as in many countries, if people need drugs, they also need the money to pay for them, that will make universal access to treatment impossible? Will he work with UNAIDS and the World Health Organisation to issue an international policy statement on free access to treatment for AIDS at the point of delivery?

Hilary Benn: I agree entirely with my hon. Friend's point about the importance of ensuring that people can gain access to the drugs that will save their lives. It is no good if people cannot afford them because the price is too high. That is why much of the £1.5 billion that we are committing to the fight against AIDS over the next three years—which, as my hon. Friend knows, makes Britain the second-largest donor in the world in the fight against AIDS—is going to support building the capacity of developing countries to improve their health services and make those drugs available to people. That is the only way we shall save people's lives.

Malcolm Bruce (Gordon) (LD): Will the Secretary of State acknowledge that the Committee welcomed the role of his Department in securing the 2010 target but expressed some concern at the need for annual monitoring to ensure that the target is reached? Will he consider incorporating targets on access to HIV/AIDS treatment in the next spending round? Will he report on cross-Whitehall co-operation and explain what review of programmes his Department is undertaking in the light of the AIDS crisis? It affects countries such as Botswana, where his Department has little aid engagement at present, threatening their very survival.

Hilary Benn: On the hon. Gentleman's last point, Botswana is of course a middle-income country whose economy has been growing fast and well. In the end, the Department and I have taken the view that it is important to prioritise our efforts where we think we can make the most difference. There is a lively and real debate about targets as we move towards "all by 10". The first thing we need is for individual countries to set their own targets, because a global target to measure progress as we go may not capture the ability of countries to build up capacity as quickly as we would like. Secondly, the global steering committee is looking at that question and, in particular, at which milestones we should use to measure the progress we make between now and 2010 in achieving access for all. The committee will report in the middle of next year and we shall look carefully at its recommendations.

Chris Ruane (Vale of Clwyd) (Lab): I have recently returned from a Commonwealth Parliamentary Association delegation to Swaziland. While out in Swaziland, we were informed by non-governmental organisations and Government officers that the AIDS rate there could be as high as 43 per cent.—almost one in two of the population and the highest rate in the world. Will my right hon. Friend consider given extra ring-fenced funding to Swaziland to help it combat that AIDS rate?

Hilary Benn: I can tell my hon. Friend that we are, through a regional project, funding work to support the fight against AIDS in Swaziland. The Government there also have a responsibility to ensure that they use their resources effectively to put money into the fight against AIDS, which is affecting the population there to the extent that he describes.

Mr. Speaker: Order. The Chamber is far too noisy.

Mark Simmonds (Boston and Skegness) (Con): The AIDS pandemic is causing devastation in developing nations and now not only in Africa. It is crippling economies, devastating key-worker sectors and threatening security and stability. This year alone, it is estimated that 4.9 million people contracted the virus and only 1 million are receiving treatment out of a total infected global population of more than 40 million. It is disastrous that the three-by-five initiative appears to have failed and that the G8 aspirations for HIV/AIDS appear to be adrift. What is DFID's strategy to ensure that developing-nation Governments recognise and prioritise prevention and treatment and that the pharmaceutical industry allows the manufacture of cheaper, generic antiretroviral drugs?

Hilary Benn: I share the hon. Gentleman's concern, and the statistics that he describes paint a very depressing picture. However, the three-by-five target has been a good thing because, at the end of June, 500,000 people were on antiretrovirals in sub-Saharan Africa—treble the number of 12 months earlier. Is that progress? Yes, it is. Is it enough? No, it is not. Having a target encourages people to get themselves organised, which is why we fought so hard for the new target.

On prevention, the policy statement that we achieved for the first time in the EU makes the argument that is it only by prevention that we will defeat this disease. Openness and honesty is the key. On access to drugs, the agreement that has been reached to extend the period in which countries have to apply the TRIPS agreement—the least developed countries did not have to do so anyway until 2015–16—gives those countries the opportunity, if they have not got manufacturing capacity, to import from elsewhere, and we have to work with them to enable them to use that new freedom to get the drugs to those who need it.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): My right hon. Friend has just referred to the agreement on the amendment to the TRIPS rules. That agreement is very welcome—I pay tribute to him for his role in bringing it about—but he will also know that the previous agreements have not led to a single case of the rules allowing antiretroviral drugs to be brought to those who need them. Will he take steps to ensure that the new amendment brings affordable HIV/AIDS medicines to those who need them in the poor countries of the world?

Hilary Benn: The reason why the agreement has not yet delivered the benefits that we would like is that legislative changes were needed both in developing countries and in the EU—the EU has now put them in place—but we have been providing technical assistance to help countries to take advantage of that new freedom. We must now step up the international effort, because those poor countries that cannot manufacture those drugs now have the opportunity to import them, and it is important that that freedom is used.

Overseas Development

3. **Daniel Kawczynski** (Shrewsbury and Atcham) (Con): What percentage of his budget for overseas development will be given to Commonwealth countries in 2005–06. [34885]

The Parliamentary Under-Secretary of State for International Development (Mr. Gareth Thomas): Last year, 46.5 per cent. of DFID's total bilateral funding was allocated to Commonwealth countries. We expect spending in the current financial year to be at about the same level.

Daniel Kawczynski: I should like to thank the Minister for that reply, but I am a little concerned that I think I heard him say that the figure is only 47 per cent. for Commonwealth countries. He will know that many Commonwealth countries are very poor. Should we not be prioritising helping our Commonwealth brethren, rather than Francophone countries that receive money from France?

Mr. Thomas: I am sure that the hon. Gentleman recognises that we have a rising aid budget thanks to the decisions that the Labour party has taken, which is in stark contrast to the record of the Conservative party when it was in government. A little more credit for what we have been able to achieve in helping Commonwealth countries to tackle poverty might be appropriate. Let me cite just one example of the continuing support that we give. There was a recent announcement of some £50 million for Bangladesh over five years to help 10 million poor people in rural areas to get access to electricity for the first time.

Mr. Piara S. Khabra (Ealing, Southall) (Lab): Will the Minister tell the House what sort of development aid is being given to India? Can he give us some figures on that?

Mr. Thomas: As I am sure that my hon. Friend knows, we have an increasing aid programme for India. One of the specific sources of funding that we provide is to help it to try to achieve its target of getting all Indian children a primary school place by 2010. We have provided some £210 million for that purpose, and in the past two years, the number of out-of-school children in India has fallen from 25 million to 13.5 million. Clearly there is a lot more to do, but that is a sign of positive progress as a result of the money that we have provided.

Robert Key (Salisbury) (Con): When Zimbabwe was suspended from the Commonwealth, were our aid programmes also suspended? What hope can the Government give to people experiencing severe poverty in that country—both black and white?

Mr. Thomas: The hon. Gentleman might know that our aid programmes to Zimbabwe before the country was suspended from the Commonwealth did not go through the Government of Zimbabwe anyway. We continue to provide funding to the people of Zimbabwe through UN organisations and NGOs with which we have close links and in which we can be confident that they genuinely deliver aid to the people who need it most.

Mrs. Ann Cryer (Keighley) (Lab): Will my hon. Friend give us an update on the amount of aid that is being given for the relief of earthquake victims in Kashmir?

Mr. Thomas: My hon. Friend might be aware that my right hon. Friend the Secretary of State recently announced an extra £25 million for the immediate relief effort to help earthquake victims in Pakistan to survive the difficult winter period. That brings our total aid for the immediate period to some £58 million. Two weeks ago, we pledged £70 million to help to address the long-term reconstruction needs in earthquake-affected areas.

Trade Policies

4. **Anne Main** (St. Albans) (Con): What recent assessment he has made of the effects of protectionist trade policies on poor countries; and if he will make a statement. [34886]

5. **Mr. Edward Vaizey** (Wantage) (Con): What assessment his Department has made of the implications for developing countries of President Bush's recent comments on reducing global tariffs; and if he will make a statement. [34887]

The Secretary of State for International Development (Hilary Benn): We welcome moves to reduce tariffs, subsidies and other barriers to the free flow of goods and services. The UK has made assessments based on research by the World Bank, United Nations organisations and the Organisation for Economic Co-operation and Development that suggest that substantial gains for developing countries could result from the liberalisation of agricultural and industrial trade. The actual gains will depend, of course, on the level of reform and the policies that developing countries themselves put in place to take advantage of a more open trade system. Assistance to help the poorest countries to do this will be important, and the UK Government are committed to trebling trade with them and increasing support to £100 million a year by 2010.

Anne Main: The Secretary of State talks about a logjam in Europe. Instead of dealing with generalities, would he like to be specific: which countries are causing the logjam?

Hilary Benn: The hon. Lady is well aware that agriculture support is a big issue in France, is she not? I made the point earlier that there are 25 member states in Europe that have different views. In the end, there must be agreement in Europe so that progress can be made.

Mr. Vaizey: The Secretary of State said earlier that someone has to move in the world trade talks. Is it not the case that the United States has moved and that President Bush has said that he is ready to eliminate all tariffs? Is that not an offer that the European Union and Britain cannot refuse?

Hilary Benn: I welcome the offers that are on the table, but the question is how we unlock the logjam that we have got into. As far as Europe is concerned, some movement on the part of the G20 might allow progress to be made when we actually get to Hong Kong, but there is precious little time in which that can happen.

Mr. Lindsay Hoyle (Chorley) (Lab): My right hon. Friend is aware that moving trade barriers can have a real effect on the poorest countries, such as those in the Caribbean which have been dependent on protection for sugar cane. Will he ensure that there will be help and support for those Caribbean countries that have benefited from trade protection?

Hilary Benn: I share my hon. Friend's concern about the problems that sugar producers in the Caribbean face. What is currently on offer is €40 million of support from Europe. The British Government's view is clear: that is insufficient. We will continue to press for more support to help those countries to adjust to changes that have to take place.

David Taylor (North-West Leicestershire) (Lab/Co-op): To take the example of one industry, in textiles and clothing the combination of low quotas and high tariffs means that north America and the EU cost 27 million jobs and $50 billion-worth of exports, which is not helping to alleviate poverty. Is not it true that we are helping to stitch up those poorer countries?

Hilary Benn: My hon. Friend makes a powerful case for why the current trade rules need to change so that developing countries can use their skills and expertise to bring a better life to their people.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [34898] **Mr. Stephen O'Brien** (Eddisbury) (Con): If he will list his official engagements for Wednesday 7 December.

The Prime Minister (Mr. Tony Blair): This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House, I will have further such meetings later today.

Mr. O'Brien: Does the outgoing Prime Minister—*[Interruption.]* Does he agree with the chairman of the Cheshire police authority, Labour Councillor Peter Nurse, when he says in his recent letter to the Home Secretary:

"Restructuring policing with such haste and without considering the long term implications is dangerous and not in the interests of the people of Cheshire"?

The Prime Minister: That is precisely why we must consult fully on it, which we will, and ensure that we get the right proposals for policing in the hon. Gentleman's area and others. However, I point out that he has record numbers of police in Cheshire, just as he has record numbers of people across the entirety of the public services. On every score—health, education and crime—things are better today than they were in 1997.

Jeff Ennis (Barnsley, East and Mexborough) (Lab): Can my right hon. Friend tell me how he will deal with a young, handsome, intelligent, charismatic politician, such as myself—*[Laughter.]*—and how Parliament can better engage ordinary people in the political process?

The Prime Minister: I have always thought that my hon. Friend was a model to follow, although I have never quite managed it myself.

The best way to make progress is to continue with the strong economic growth and the investment in our public services that we have seen across the whole of the public services. Every single indicator has improved since 1997.

Mr. David Cameron (Witney) (Con): The first issue that the Prime Minister and I are going to have to work together on is getting the good bits of his education reforms through the House of Commons and into law. *[Interruption.]* That is the problem with these exchanges—the Labour Chief Whip shouting like a child. *[Interruption.]* Is the right hon. Lady finished?

The Prime Minister and I both agree that schools with greater freedom produce the best results. Will he confirm that all of the freedoms for schools in the White Paper will survive into the Bill?

The Prime Minister: Yes. It is important that we give schools the freedoms that they need. I am delighted to hear that the hon. Gentleman supports these reforms. I assume, therefore, that the Conservative party will be voting for them.

Mr. Cameron: Absolutely. *[Interruption.]* With our support—*[Interruption.]* With our support, the Prime Minister knows that there is no danger of losing these education reforms in a parliamentary vote. So he can afford to be as bold as he wants to be. That is when he is at his best—or so I am told. Can we agree that that means trust schools owning their own buildings and land, employing their own staff, setting pay locally, developing their own culture and ethos and controlling their own admissions?

The Prime Minister: Of course it means all those powers that currently are available to foundation and voluntary aided schools being extended to other schools as well. That is the purpose of the proposals. Incidentally, before I answered any questions, I should have welcomed the hon. Gentleman to his new position and congratulated him on winning the Conservative leadership election. But can I tell him where I feel that we may—and I am sorry to say this—have a disagreement? As I understand it, his position is that all schools should be free to set their own admissions procedures. I am afraid that I believe that the present admissions code should remain in place. So perhaps we can clear that up, too.

Mr. Cameron: I want schools to control their own admissions. That is what is in the White Paper, and let us see that it turns into the Bill. *[Interruption.]* It is only our first exchange, and already the Prime Minister is asking me the questions. This approach is stuck in the past, and I want to talk about the future. He was the future once. Education is one of the public services in desperate need of reform, so does he agree with me that our aim should be to ensure that all schools have these freedoms? Will he ensure that this is one reform where he will not look back and wish that he had gone further?

The Prime Minister: I certainly can say, as I have said before, that it is important that all schools get these freedoms. However, it is obvious that we disagree on the issue of admissions. I think that if schools are free to bring back selection at the age of 11, that would be regressive for our country. So I am afraid that in this grand new consensus we have to disagree on that point.

The other point, which is very important, is this: we also have to keep the investment going into our schools. As the hon. Gentleman knows, the Conservative party voted against that investment, but as a result of the investment and the change, through specialist schools, city academies and the literacy and numeracy strategy, we now have the best ever results at 11, at 16, at 18 in our schools. Therefore, I have to say to him that it is not merely in respect of education policy that we have to agree. We have also to agree that the investment that is so necessary to back up that reform continues. I am afraid that his economic policy, which is to cut back investment, because of his desire—*[Interruption.]* I am happy if this is another policy that he is about to change. He is saying that this year he would not have put all the investment in but rather have shared that investment half and half between tax cuts and investment. That would mean substantial cuts in public investment. I am very happy to have this new consensus with the hon. Gentleman, and I am delighted that he has said today that the Conservative party will vote for these education reforms, but it has to be on the basis of agreeing the investment also.

Hon. Members: More.

Mr. Speaker: Order.

Mr. Sadiq Khan (Tooting) (Lab): Would my right hon. Friend like to comment on the experience of Mr. Chuttun, a Tooting resident, who unfortunately was sick on Sunday and had to go to St. George's? He had an ECG, two types of blood tests, X-rays and various blood pressure tests, and was treated wonderfully by doctors and nurses. He said:

"This is the first time that I have used St. George's A and E. I was thoroughly impressed by the hospital and the conscientious staff."

Does my right hon. Friend not agree that if Opposition Members are serious—

Mr. Speaker: Order. I think that the Prime Minister will be able to answer the hon. Gentleman's question.

The Prime Minister: The type of improvement that my hon. Friend is describing is one that is happening right across the national health service at the present time. It is extremely important that it continues. It is the result of investment and reform, which means that over the past eight years waiting lists have come down by almost 400,000. We have the lowest waiting lists that this country has had since records began.

Mr. Charles Kennedy (Ross, Skye and Lochaber) (LD): The United States Secretary of State said yesterday that "extraordinary rendition" had been conducted in co-operation with European Governments. To what extent, therefore, have the Government co-operated in the transport of terrorist suspects to Afghanistan and elsewhere, apparently for torture purposes?

The Prime Minister: First, let me draw a very clear distinction indeed between the idea of suspects being taken from one country to another and any sense whatever that ourselves, the United States or anyone condones the use of torture. Torture cannot be justified in any set of circumstances at all. The practice of rendition as described by Secretary of State Condoleezza Rice has been American policy for many

years. We have not had such a situation here, but that has been American policy for many, many years. However, it must be applied in accordance with international conventions, and I accept entirely Secretary of State Rice's assurance that it has been.

Mr. Kennedy: Given that assurance, can the Prime Minister therefore explain why the published evidence shows that almost 400 flights have passed through 18 British airports in the period of concern? When was he as Prime Minister first made aware of that policy, and when did he approve it?

The Prime Minister: In respect of airports, I do not know what the right hon. Gentleman is referring to. In respect of the policy of rendition, it has been the policy of the American Government for many years.

Bob Russell (Colchester) (LD): Why?

The Prime Minister: The hon. Gentleman says, "Why?" It is as well to remember that we need to detain some of the people we are talking about for reasons of action against international terrorism. Some of those people are highly dangerous, and some of them can provide information that is of fundamental importance in preventing terrorism. Of course, there should be proper treatment of anyone who is detained, and I have already made it clear that, as far as I am aware, it is not an issue here. However, the American policy has been clear for ages. That is not a matter of contention, and I fully endorse what Secretary of State Rice said yesterday.

Rosemary McKenna (Cumbernauld, Kilsyth and Kirkintilloch, East) (Lab): In the week of additional moneys for local government and the Scottish Parliament, will my right hon. Friend join me in condemning East Dunbartonshire Liberal-controlled council, which this week cut 64 jobs, reduced services and increased charges?

The Prime Minister: That is very typical of the Liberal Democrats. It will not surprise my hon. Friend that whenever the Liberal Democrats get their hands on any power in local government there is a clear difference between what they say they will do and what they actually do.

Q2. [34899] **Mr. Philip Hammond** (Runnymede and Weybridge) (Con): In 1998, the Chancellor of the Exchequer said that productivity was the

"fundamental yardstick of economic performance".

Does the Prime Minister agree that the collapse in Britain's productivity growth from 2.7 per cent. in 1997 to 0.5 per cent. today represents a fundamental failure by his Chancellor?

The Prime Minister: I do not accept the figure that the hon. Gentleman gave. Productivity in this country has been catching up with and even surpassing Japan and Germany. As the Chancellor of the Exchequer pointed out on Monday, the only year in which productivity fell was in a period of Conservative government.

Hugh Bayley (City of York) (Lab): What plans do the Government have to increase the supply of affordable housing, especially family housing with gardens, in house-price hotspots in the north of England such as the City of York?

The Prime Minister: Both in my hon. Friend's constituency and elsewhere, the proposals introduced by my right hon. Friends the Chancellor and the Deputy Prime Minister for shared equity in homes are a major step forward that will allow many couples who want to get their feet on the first rung of the housing ladder, but who may not be able to afford the full 100 per cent. equity, to build up their equity stake over time. Together with the very considerable investment in social housing, that will make a difference in my hon. Friend's constituency and elsewhere.

Mr. David Cameron (Witney) (Con): The Montreal climate change conference is taking place this week. We support the goal of a new Kyoto-style treaty that will tackle carbon emissions. Earlier this year the Prime Minister said that he had been changing his thinking on the issue. Can he set out his new thinking? In particular, is he still committed to a proper successor to Kyoto based on clear targets and including all the major carbon-producing countries of the world?

The Prime Minister: Yes, I most certainly am committed to that. The reason it is important that we change our thinking on the matter is that I do not believe that the successor to Kyoto can work unless it has not just the United States involved in such targets and such a framework, but India and China, because they are the major emerging economies of the world. In China, for example, one power station is being built every week or every two weeks. Therefore, unless we manage to get a comprehensive framework that also involves India and China, it will not be of much use to us. I entirely agree that the issue is immensely important. That is one of the reasons, of course, why we passed the climate change levy. I hope the hon. Gentleman's question indicates that he will support us on that, too.

Mr. Cameron: I am grateful for the Prime Minister's answer. His Secretary of State for Environment, Food and Rural Affairs said in advance of Montreal:

"Without mechanisms in the form of compulsory action, such as targets to cut emissions, existing and new technologies will never be rolled out on the scale we need".

and I agree with that. The Prime Minister said last month that people get

"very nervous and very worried"

about this approach, and that we need a

"better, more sensitive set of mechanisms".

Will he confirm that he still genuinely agrees with what his Secretary of State for Environment, Food and Rural Affairs said?

The Prime Minister: I just said in answer to the previous question that it is important that we get binding targets. Emerging economies will want those to be sensitive to the needs of their economic growth, but one of the important issues that was not part of Kyoto but needs to be part of a new protocol is technology transfer. As we develop the research that allows us to have clean energy, we need to share that research and

that technology with others. I am sorry—I was pointing my finger; I would not want that to break up the new consensus. It is important not merely that we say how much we care about climate change, but that we take the action necessary. Therefore, it will be no use the hon. Gentleman's saying that he supports the aim unless he also supports the climate change levy, the renewables obligation and the extra investment that we put into energy efficiency. If he is prepared to have a consensus on that basis, I welcome it.

Shona McIsaac (Cleethorpes) (Lab): Does my right hon. Friend recall that in 1997 maternity pay in this country was a miserly £55 a week and new mums got only 14 weeks' paid maternity leave? I am sure the whole House will agree that the Government have done more for women and working families than any other Government. Will my right hon. Friend assure the House that he will not slow up in helping working families and working mothers?

The Prime Minister: I can assure my hon. Friend of that. It is one reason why it is important that we keep policies such as the families tax credit, which has helped so many families balance work and family life, and why we keep on with the investment in the wrap-round child care between the hours of 8 am and 6 pm that we will be developing over the next few years. That is important, not just to give women and, indeed, men within the family the ability to work and care for their family life. It is a vital part, as well, of increasing the number of people of working age at work, which is of fundamental importance to the pension reforms that we want to see. So my hon. Friend is right to stress the importance of that support, and we must continue it.

Q3. [34900] **Andrew Selous** (South-West Bedfordshire) (Con): Couple support programmes in Australia and America have cut divorce rates by half in some cities. Does the Prime Minister agree that health visitors, registrars and local authorities should co-operate fully with similar schemes in the UK, such as community family trusts?

The Prime Minister: First, I thank the hon. Gentleman for giving me prior notice of his question. I understand that the aim of community family trusts is to reduce family breakdown in the way that he describes, by strengthening and building confident, committed relationships within families. The trusts should be commended for their work. From April next year the new children, young people and families grant will provide support to organisations that support families, including adult couple relationship support. I understand that community family trusts have applied for funding from that grant, and decisions on successful bids will be made by March 2006. I commend the trusts for their work. Obviously, I cannot say what will happen in the bidding process, but money will be available from April next year for precisely the type of scheme that the hon. Gentleman suggests.

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): In view of the Chancellor's clarification of the Government's support for the British film industry, does my right hon. Friend agree that this is a splendid opportunity for the industry to reciprocate by producing more and more movies, especially here in the United Kingdom?

The Prime Minister: I have been told by my right hon. Friend the Chancellor that the latest "Harry Potter" will be produced in Britain. As my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) has said, the Government are replacing the existing film tax relief with a new film tax credit, which will be available to support British films by increasing support for producers and helping large-budget films and small-budget films. I know that my right hon. Friend has campaigned for many years in support of the British film industry, which, I am pleased to say, is in a healthy state, and I hope that the support announced by the Chancellor on Monday will make it healthier still.

Q4. [34901] **Mr. Michael Fallon** (Sevenoaks) (Con): Given that the Prime Minister told us last summer that the UK budget rebate was "non-negotiable", what is his current definition of "non-negotiable"?

The Prime Minister: I will tell the hon. Gentleman: a rebate that goes up—it is actually going to increase. The rebate will be paid in full on all common agricultural policy and on all expenditure in the original 15 member states. However, on new member states, whose economic development we support along with their membership, it is important that Britain pays its fair share. That is a principled position, and it is useless for Conservative Members to say that they support enlargement and helping those new countries if they then say that Britain should walk away from those countries. That is not responsible leadership, and I do not intend to engage in it.

Steve McCabe (Birmingham, Hall Green) (Lab): Does the Prime Minister love the country as it is now rather than the way it used to be? Who deserves the credit for the way things are now compared with how they used to be?

The Prime Minister: Well, in my view there have been many improvements in the past few years—the strength of the economy, investment in public services, the introduction of the minimum wage and the repeal of section 28. All those achievements have two things in common: first, this Labour Government introduced them; secondly, the Conservative party opposed each and every one of them.

Q5. [34902] **Mr. Jeremy Browne** (Taunton) (LD): Like many market towns, Taunton suffers from chronic congestion, which harms the environment, business and local people's quality of life. What measures can the Government take to tackle that problem both in Taunton specifically and in hundreds of other towns across Britain?

The Prime Minister: First, I understand that Somerset county council, which is the local transport authority for Taunton, has received more than £20 million for local transport, which is an increase of more than 20 per cent. in the past few years, and has indicated that congestion in Taunton will be a priority. Towns have been given

new powers under the Traffic Management Act 2004, which include the ability to co-ordinate utility and telecom companies' roadworks, parking enforcement, bus lanes and even some moving traffic offences. In the end, it is our job to provide the powers and the money, and it is the local authority's job to make the best use of them. I hope that that happens in Taunton, which, like many towns, faces a congestion problem, because the local authority has additional powers and resources.

Mr. David Winnick (Walsall, North) (Lab): Does my right hon. Friend accept that in the war against the mass murderers whose hatred of humanity is no less than that of the Nazis it is necessary to win hearts and minds, particularly in the Arab world? In view of what the United States is alleged to be doing, does he really believe that having mini-Guantanamos across Europe helps to win hearts and minds in that war? It is essential that UK facilities are not used, if there is any possibility of the United States using torture.

The Prime Minister: I totally agree with my hon. Friend's last point. That is why I have drawn a very clear distinction on any suggestion that there can be any use of, or condoning the use of, torture. That is completely unacceptable on any basis. In respect of the allegations of so-called torture facilities or detention facilities across Europe, I have to say to my hon. Friend that I really know nothing about them at all—I only know that there are not any such here. If he reads the very clear statement by Secretary of State Condoleezza Rice yesterday, I think that he will find that it is consistent with all that I have said.

As for Guantanamo Bay—I think there are now under half the numbers there that there were some time ago—I have made it clear throughout that that is an anomaly that should be brought to an end, and I think that it is important over the next period of time that it is.

Mr. Alex Salmond (Banff and Buchan) (SNP): I intervene on the remarkable school reunion between Fettes and Eton to ask the Prime Minister this: are there any remaining differences of political principle—not details of policy, but political principle—between the Prime Minister and the new Leader of the Opposition, and if so, what are they?

The Prime Minister: There are many—for example, the new deal on unemployment. *[Interruption.]* The hon. Gentleman may not think that that is a principle; I think that helping the unemployed is a principle, as is the investment in public services, and the European social chapter. Let me tell the hon. Gentleman the difference that I have with him. He wants Scotland wrenched out of the United Kingdom; I believe that the future of Scotland lies within the United Kingdom. I have differences of principle with both hon. Gentlemen.

Mr. Chris Mullin (Sunderland, South) (Lab): Does my right hon. Friend recall saying that whenever he introduced a reform he always, with the benefit of hindsight, regretted not going any further? Is the proposed limited ban on cigarette smoking a case in point? Could I encourage my right hon. Friend to be a little bolder and at the very least ban cigarette smoking in restaurants and pubs that do serve food, not just those that do not? *[Interruption.]*

The Prime Minister: There will of course be a ban on the vast majority of smoking in any form of premises at all. There is an interesting debate going on as to whether we should go further. We have held to our manifesto commitment. However, I have no doubt that this discussion will continue.

Q6. [34903] **Mr. Shailesh Vara** (North-West Cambridgeshire) (Con): In a response that the Prime Minister gave earlier to a question put by my hon. Friend the Member for Witney (Mr. Cameron), he spoke of action. May I remind the Prime Minister of something that he said in April:

"We cannot let the evil of ethnic cleansing stand"?

May I remind him that more than 300,000 people have been butchered in Darfur? Will he kindly tell the House at what stage he intends to move from words to action?

The Prime Minister: We have already moved a long time ago from words to action. It is partly as a result of what my right hon. Friend the Secretary of State for International Development did that the African Union has put together a peacekeeping force that is now 7,000 or 8,000-strong. We ourselves have put an immense amount of overseas aid into Sudan. We have been leading the way on ensuring that the proper talks take place in order to get a long-standing settlement. I think that the action that we have taken speaks volumes for the commitment of this country as well as the commitment of this Government. It obviously continues to be a deeply difficult situation, but the only proper way through is to build up the African Union force so that it can keep the combatants apart long enough for us to be able to get a peace deal negotiated.

Kali Mountford (Colne Valley) (Lab): My right hon. Friend will understand why New college in my constituency has been placed as one of the top schools and colleges in the country because of his visit earlier this year. *[Laughter.]* Is it not right that education is best when children get the best start in life? Will he come back to my constituency to visit the Sure Start programme to see how the £11.5 million that has been invested in that has been spent, and ensure that the investment in education under this Government not only continues but grows?

The Prime Minister: I had hoped that the judgments were somewhat more objective than that. My hon. Friend is right to say that, as a result of the investment and reform in constituencies such as hers, education has improved considerably. Sure Start has made a real difference to people's lives. I know that there are conflicting reports estimating the value of the scheme, but I believe from my own experience of visiting many Sure Start schemes round the country, including those in my constituency, that they have made an enormous difference not only to the children but to the parents. I have talked to many families who have gained skills and jobs for the first time through Sure Start. That is why I believe that it should continue.

Q7. [34904] **Mrs. Theresa Villiers** (Chipping Barnet) (Con): Crime and antisocial behaviour are undermining the quality of life of many of my constituents. In Barnet, we have fewer police officers per head than many other

London boroughs that have far lower levels of crime. When are the Government going to give Barnet its fair share of police officers on the beat to tackle crime?

The Prime Minister: If the hon. Lady wanted to be fair, in this new spirit of debate, she would accept that we now have record numbers of police officers, including in Barnet, just as we have record levels of investment in education and health. We have been able to put this extra money in as a result of the strong economy, and because we have chosen to put investment before tax cuts we have managed to keep that investment going. If the hon. Lady supports our policies over the next few years, I am sure that, in Barnet and elsewhere, we will get the numbers of people we need, in terms of a visible uniformed presence on the streets, and the legislative measures that we need to make a real difference to crime in her area. If she is signalling that our investment and antisocial behaviour plans will be supported by those on the Conservative Back Benches, I am delighted at yet another outburst of consensus.

Parliamentary Constituencies (Equalisation)

12.31 pm

Mr. John Maples (Stratford-on-Avon) (Con): I beg to move,

That leave be given to bring in a Bill to equalise of the size of parliamentary constituencies; and for connected purposes.

The catchy title was not my first choice; I wanted to call the Bill the rotten boroughs Bill, because that is what we have at the moment. Those of us who did our history before the national curriculum was introduced thought that this problem had been solved in 1832, but it has not. There are 230 small parliamentary seats in this country, in which the electorate is more than 5 per cent. below the national average. I am afraid, Mr. Speaker, that several of them are in Scotland, and many are in Wales. Very few are controlled by the Conservatives, although that is of course irrelevant to the purpose of introducing the Bill.

There is something in the Bill for the leaders of both parties. The constituency of my hon. Friend the Member for Witney (Mr. Cameron) has 9,000 voters more than the average. If that figure were reduced to the average, it would give him more time to campaign for a Conservative victory—of which we are now more confident, thanks to his accession to the leadership—as he would not have to spend so much time in his constituency. There is also something in the Bill for the Prime Minister. A cursory look at who represents these small seats reveals a disproportionate number of Labour Members who cause him trouble. So the Bill could provide a cost-free way of getting rid of some of his enemies.

The nature of the problem is quite extraordinary. The smallest seat represented in the House has 21,169 voters. The largest has 107,767, which is more than five times as big. The Member who represents the smallest seat got here by getting 6,213 votes; the Member who represents the largest had to get 32,717. That cannot be right.

The average electorate across the whole UK is just under 68,500, but 239 seats are more than 10 per cent. above or below that target, which creates a variation of nearly 14,000 votes. That is a third of all the seats in this place, and if we include the numbers that are 5 per cent. above and below, that is nearly two thirds of the seats, which is still a difference of 7,000 votes. About two thirds of the seats in the House are therefore more than 5 per cent. above or below the average. Self-evidently, that seems unfair. Whatever the party advantage or disadvantage, it surely cannot be right that some people can get here with one fifth of the votes from one fifth of the electorate with which other hon. Members have got here.

My Bill is designed to deal with that unfairness, not to deal with other questions of the fairness of the voting system or the size of Parliament, although I am in favour of a smaller Parliament. I have drawn on a report from the Electoral Reform Society, however, and a pamphlet written a couple of years ago by my hon. Friend the Member for Chichester (Mr. Tyrie), who used the issue as part of his argument for a smaller Parliament.

The problem derives from us—it is a self-inflicted wound. Usually, the House deals with injustice created by events beyond our control. In this case, however, under the Parliamentary Constituencies Act 1986, the boundary commission has instructions that have led to the conclusions that I have itemised. The injustice is therefore created by us, and it is in our hands to remedy it.

Let me examine the problem in a little more detail. The Act gives Wales a minimum of 35 seats, but it has 40. I do not think that there is a case for the over-representation of any part of the United Kingdom, but Wales now has its own Assembly, and Assembly Members duplicate work with Members of Parliament. If it had the same quota as the rest of the United Kingdom, it would have 32 seats. As a result of that anomaly, 33 Welsh seats are more than 10 per cent. below the average UK electorate. Of the 50 smallest seats in the whole United Kingdom, half are in Wales.

There used to be a similar problem in Scotland, which was in part corrected—wholly corrected, I thought, until I examined the figures—by the Scotland Act 1998. It is supposed to use the same quota as England, which would give it 57 seats, but it has 59—again, it is over-represented. Scotland has even less of a case than Wales for over-representation—it has its own Parliament, and Members of the Scottish Parliament perform constituency functions that, in England, usually fall to English Members of Parliament. If any part of the United Kingdom does not deserve to be over-represented, therefore, it must be Scotland.

A few very small seats in Scotland are created by a geographical exemption which the boundary commission is allowed to use. I think that that exemption should go. Even if it should remain, however, surely the problem should be dealt with in Scotland. If it wants to have three or four small seats because of Orkney, Shetland or the Western Isles—I have been mugging up on the correct pronunciation of the new name for the Western Isles seat, but seeing you there, Mr. Speaker, I am afraid that my courage fails me, and I am sticking to the old English words; it seems to me that the new name is unpronounceable for anyone from south of the border—it should stay within its 57 seats and have a couple of larger ones to make up for it.

Paradoxically, Northern Ireland is given 16 to 18 seats in the boundary commission instructions, and it is mandated that there should be 17 unless there is a compelling reason to the contrary. It has 18, is at the top of the range, its average number of voters is nearly 10 per cent. below the UK average, and if it had only 17 seats, the average number of voters in a Northern Ireland seat would still be below the UK average. In the case of Scotland, Wales and Northern Ireland, therefore, we must move to a United Kingdom average, which would remove a large part of the problem, but far from all of it.

England has a different problem. One seat is palpably too large—the Isle of Wight—and it is under-represented in this place. As I understand it, however, that is the Isle of Wight's choice—it does not want to be divided into one and a half seats—

Mr. Andrew Turner (Isle of Wight) (Con): Hear, hear.

Mr. Maples: I am endorsed by my hon. Friend the Member for Isle of Wight (Mr. Turner), who comments from a sedentary position. I took the precaution of

[Mr. Maples]

discussing the matter with him in advance. I think that the Isle of Wight is a special case, and if it chooses to be under-represented, that is its choice.

The huge disparity between the other over and under-represented constituencies, however, arises from about four causes. The first is the population shift, year after year, from cities to suburbs. The boundary commission works from old electoral registers. In the current review, it is working from electoral registers from 2000. The election at which the new seats come into operation will be in 2009 or 2010 probably, although the sooner the better. The registers will be nearly 10 years out of date at that point. The reviews take place only every eight to 12 years, so there is little opportunity to make up for the discrepancy between Parliaments.

The second group of reasons relates to the boundary commission's instructions not to cross county and London borough boundaries except in exceptional circumstances, which produces some odd results. My county, Warwickshire, is small. We have had five seats, and my own seat has had 85,000 voters. It will come as a shock to a Welshman or a Scot that any seat could be so large. We were entitled to 5.45 seats, so we have five. Now, apparently, we are entitled to 5.52 seats, and will have six. Following a very modest increase in the number of voters, we are gaining a 20 per cent. increase in the number of seats. Obviously some counties will have two fewer seats, because their entitlement is slightly below 5.5. I believe that in such cases we must let—indeed, instruct—the boundary commission to cross county and London borough boundaries.

According to the 1991 electoral register, the Banbury constituency was already 8,000 voters too big by 1997, 15,000 voters too big by 2001 and 19,000 too big by the time of the election that was held earlier this year. As for the other side of the coin, Sheffield, Brightside was already 5,000 voters too small by 1997, 13,000 voters too small by 2001 and 19,000 too small by 2005. We must let the boundary commission adjust the boundaries in accordance with what it expects to happen.

Most of the seats whose electorates are too big are held by us, and most of those that are too small are held by Labour. Of 118 seats that are more than 10 per cent. below the average, 83 are Labour-controlled. That strikes me as palpably unfair.

The remedy is obvious. First, the quota must be paramount. There should be a United Kingdom quota, and the boundary commission should be instructed that it may not deviate by more than 5 per cent. in either direction. There should be a single boundary commission for the whole United Kingdom, so that the same rules are seen to apply everywhere. Secondly, boundary reviews should happen more frequently. I suggest at least one review every four years—one for each Parliament. That would allow more frequent, but necessarily smaller, adjustments.

Thirdly, the boundary commission should be entitled to take projected population changes into account. We know that in Stratford-on-Avon about 1,000 people a year will be added to the population because of planning approvals that have already been granted, and houses that are already being built. Fourthly, the commission should be allowed to cross county and London borough boundaries to adhere to the quota. Fifthly, geographical exemption should be abolished in all parts of the United Kingdom.

I believe that the injustice is self-evident, and that the cure is obvious and in our own hands. I hope that the Bill is acceptable to the House.

Question put and agreed to.

Bill ordered to be brought in by Mr. John Maples, Mr. Stephen Dorrell, Mr. John Gummer, Mr. David Heathcoat-Amory, Miss Julie Kirkbride, Mr. Brooks Newmark, Richard Ottaway, Hugh Robertson, Mr. Andrew Tyrie, Mr. David Willetts and Mr. Tim Yeo.

PARLIAMENTARY CONSTITUENCIES (EQUALISATION)

Mr. John Maples accordingly presented a Bill for the equalisation of the size of parliamentary constituencies; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 20 January, and to be printed [Bill 98].

Point of Order

12.43 pm

Mr. Mark Harper (Forest of Dean) (Con): On a point of order, Mr. Speaker. You will know of the concern about the fact that the Government are now allowing time for a debate on police restructuring. I wrote to the Home Secretary last week, because he had said outside the House that the House would have three opportunities to debate the matter before the Christmas recess. At business questions last week, the Deputy Leader of the House confirmed that there would be no such opportunity before Christmas. There appears to be an inconsistency.

I wrote to the Home Secretary to inform his private office that I would raise a point of order last Friday. I have still not received a reply. Perhaps you will advise me, Mr. Speaker, on what steps I should take next.

Mr. Speaker: All I can tell the hon. Gentleman is that he should wait for tomorrow's business statement. Things happen quickly in the House, despite what people say.

Fisheries

[Relevant documents: The Sixth Report of the Environment, Food and Rural Affairs Committee, Session 2004–05, on the Future for UK Fishing (HC 122) and the Government response thereto, First Report of the Environment, Food and Rural Affairs Committee, Session 2005–06 (HC 532).]

Motion made, and Question proposed, That this House do now adjourn.—*[Tony Cunningham.]*

12.44 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw): It gives me great pleasure to open our traditional annual fisheries debate. I am grateful both to you, Mr. Speaker, and to the business managers for enabling us to adhere to the recent convention that the debate should be held before the important December Fisheries Council. That allows hon. Members to make points of particular interest to their constituents, and me to take them on board before entering the negotiating rooms in Brussels. I know that hon. Members are extremely grateful for that opportunity.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): I am sorry to interrupt the Minister so early in his speech. This debate is important in the context of the Council and the Government's position, but would not it be useful to have another parliamentary debate before the EU-Norway negotiations? Although there are things to be decided at the forthcoming Council, the framework and the total allowable catches have already been set in the negotiations with Norway. It may be useful for the Minister and Parliament to engage before the EU-Norway negotiations.

Mr. Bradshaw: The hon. Gentleman is right to say that the EU-Norway negotiations are important. They were successfully concluded last week. My officials put a great deal of work into them and most, if not all, of the United Kingdom's main objectives were achieved. Whether Parliament can find time to have a debate every year before the EU-Norway negotiations is a matter not for me but for the House. However, it is open to hon. Members to request such a debate, or even to apply for one in Westminster Hall.

Total landings of fish from UK vessels increased last year. They are now worth about £510 million to the UK economy. Our exports of fish and fish products were also up, valued at around £880 million. The pelagic sector, which relies mainly on herring and mackerel, continues to do well, as does the shellfish sector. The importance of nephrops, more commonly known as prawns, continues to grow as a proportion of the UK's total catch. However, some other species are still in decline, or their stocks remain at dangerously low levels, most notably cod.

The UK also has a substantial fish processing industry that continues to go from strength to strength; in all, it is worth about £1.5 billion a year. I am pleased to report again, not least because of the benefits to our nation's health, that fish consumption in the UK is still growing.

[Mr. Bradshaw]

This year has reminded us of the dangers faced by those involved in the harvesting of the sea's natural resources. Indeed, commercial fishing continues to be the most dangerous of occupations.

Mr. Charles Walker (Broxbourne) (Con): Will the Minister raise with the Irish Fisheries Minister my concerns about the Irish drift net fishery, which is ravaging salmon stocks bound for Scottish, Welsh and English rivers, and ask him to take action on it?

Mr. Bradshaw: I have already raised that matter not only with the Irish Minister but with the European Commission. I understand that the Government of the Republic of Ireland are working on proposals that, I hope, may go some way to dealing with the hon. Gentleman's concerns.

This year has reminded us of the dangers faced by fishermen. Losses of UK vessels amounted to 27, of which 22 were lost at sea, and there have been seven fatalities involving fishermen. I am sure that the sympathy of the whole House will go out to the families and friends of those who have lost their lives at sea and as a consequence of harbour accidents.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): I echo the Minister's sentiments about the dangers that are faced by the fishing fleet in our waters and elsewhere. Does he share my concern, and will he speak to his colleagues in the Department for Transport, about the new search and rescue helicopter contract, which is currently held by Bristow's and operated in my constituency from Sumburgh and elsewhere? There are concerns both about the helicopters that are to be used and the transfer of staff who are currently operating the helicopters. Will he convey to his colleagues in the Department for Transport the serious concerns in the fishing industry about that contract?

Mr. Bradshaw: I am helpfully informed by the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for South Dorset (Jim Knight), that he is having discussions with colleagues in other Government Departments this very day on that issue, because I think that he has a similar constituency interest.

Mr. Alex Salmond (Banff and Buchan) (SNP): Let me associate the Scottish National party and Plaid Cymru with the Minister's remarks about those who have been lost at sea over the past year.

The Minister says that many stocks are under pressure but, as he knows, all white fish stocks and indeed others are to some extent being dictated by the cod recovery plan. Therefore, even if a stock is in robust condition, because of the attachment to cod in a mixed fishery, it can have a very low quota estimate. Is there not a case for a full review and public examination of the cod recovery plan, taking into account recent scientific evidence on climate change and other factors, which perhaps can look to establish a plan that does not discriminate against other fisheries in pursuit of an attempt to recover cod in the central North sea?

Mr. Bradshaw: I certainly agree that it is sensible continually to review our fisheries policy, not least the cod recovery plan. In tactical terms, it would be a mistake, however, for the UK Government to argue for an earlier review, because I suspect that that might open up a number of proposals that the hon. Gentleman would find much less attractive than the status quo. We are, however, constantly trying to satisfy ourselves that the plan, which has not had long to work in fisheries calendar time, is right. At the December Council we will argue very strongly against further pain being inflicted on the UK fleet—I will deal with this issue in a moment—including the important Scottish white fish fleet, because in our view we have yet to give the plan enough time to work. So to call for a review of it would not serve our interests well.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): Given what the Minister has just said, will he therefore oppose any future plan to ratchet up the cod recovery plan?

Mr. Bradshaw: We accept that the cod stock is still very low in historical terms and does not show any sign of recovery. However, it is our very strong view that the United Kingdom has done more than any other member state to reduce effort on cod, and the Commission accepts that. We have reduced it by some 62 per cent. since the cod recovery plan came in, so in our view it is other people's turn to take a bit of pain.

This year has also been a very important one for the development of fisheries policy. In June, my colleagues in the devolved Administrations and I published our response to the Prime Minister's strategy unit report, "Net Benefits". That response, "Securing the Benefits", sets out a framework for the development of fisheries policy around the UK and how we will change for the better. I followed up "Securing the Benefits" by publishing a detailed action plan, "Charting a New Course", in October. This plan sets out how the Department for Environment, Food and Rural Affairs will deliver the commitments made in "Securing the Benefits" in England. These actions will help to deliver a more sustainable and profitable sector.

We have already made progress in delivering these commitments. "Net Benefits" recommends that fisheries management take more account of recreational sea angling interests. We recently launched a consultation on proposals to increase the minimum landing size of bass, in recognition of anglers' strong interest in this stock and of pressure for a bass management plan. These proposals could provide real benefits to all interested parties by increasing the overall value of landings and by allowing more fish to spawn. We have also increased the representation of recreational angling interests on the sea fisheries committees.

The documents that I have just mentioned, together with our response to the Royal Commission on Environmental Pollution's report, which we anticipate making in the spring, set the tone for how we will address the challenge of achieving the sustainable exploitation of marine resources that we all want to see. This is a major and global challenge that we must not underestimate.

It is with the aim of achieving real integration of the management of human activities in the marine environment that the Government are now preparing a

marine Bill. The Bill will introduce a new framework for the seas—based on marine spatial planning—that balances conservation, energy and resource needs. We need new approaches and better arrangements to replace systems that have grown up piecemeal over the years and do not meet current needs.

Our coasts and seas are biologically productive and support a wide range of marine life, but they are coming under increasing pressure through development and exploitation. Fishing is one among many developing industries operating in this extremely important but delicate natural environment. Any new legislation will have to recognise the importance of all those interests, as well as the need to protect the environment in which they operate.

Mr. Walker: Will the Minister update us on the status of commercial sand eel fisheries, which have had a catastrophic effect on the food chain in our oceans?

Mr. Bradshaw: The fishery to which the hon. Gentleman refers has been closed for the past two or three months because of the collapse of the stock. The UK will certainly argue very strongly in the December Council for continuing measures to protect the sand eel stock.

We want a framework that helps us to use our marine resources in a sustainable and environmentally sensitive way, in order to conserve ecosystems and to achieve maximum environmental, social and economic benefit from the marine environment. We wish to promote and encourage environmentally sustainable use of natural resources to ensure long-term economic benefits and sustainable employment.

The Government have also listened very carefully to the concerns expressed in the royal commission's report about the environmental effect of bottom trawling—an issue that I take extremely seriously. The UK's position is that where there is no competent regional fisheries management organisation or arrangement, we now favour a moratorium on deep-sea bottom trawling in known areas of vulnerable or high biodiversity.

There have been one or two other important developments this year that I should mention before turning to the detail and to our priorities for the December Council. Modernising and streamlining fisheries management has been another priority. In October, I launched the new Marine Fisheries Agency, which is formed from the sea fisheries inspectorate and other delivery teams within DEFRA. Separating policy and delivery functions in this way will strengthen our ability to provide a professional and efficient service. This change goes hand in hand with improving compliance, so that we can secure an industry that is profitable in the long term.

Another high priority for the Department is the better regulation initiative. Rules are necessary to manage the fisheries, but the combined effect of current controls on fishermen is to impose too great a burden on them. We need to cut back on red tape wherever we can, and I am very pleased that DEFRA has linked up with the National Federation of Fishermen's Organisations in a joint project to identify what changes we can make. Working with the NFFO, we have already proposed to the European Commission a number of changes that should be made to EU law. We have pressed Brussels for an effective action plan to cut burdens on fishermen, and the Commission has promised to provide its ideas at the December council.

Mr. Philip Hollobone (Kettering) (Con): Given that the Minister has been talking about ecosystems and the health of fish stocks, can he tell us about the consequences of the 1998 ban on the dumping of sewage in the North sea? Has there been a noticeable improvement in the marine environment, and is he satisfied that other EU countries with North sea coastlines are complying with that regulation?

Mr. Bradshaw: Yes. That regulation has had an enormous impact on the quality of our marine environment; indeed, the measures that the UK and other countries have taken to deal with sewage in a more sustainable way have contributed to our seas being cleaner than at any time since the industrial revolution. But there are other pressures, which are still growing. One reason a marine Bill is so important is that it will enable us to take an overall, holistic approach to the management of our marine environment. That is an enormous challenge, given that most of what happens occurs underwater and is invisible to the human eye. Nevertheless, we are talking about a very important resource for our country.

Mr. Salmond: Before the Minister moves on to the Fisheries Council, will he comment on a point of detail concerning the pelagic fleet? A scheme has recently been developed through which white fish licences can be aggregated into the pelagic sector. That is obviously a very good thing for the five boats that have such licences, but the other 15, which will not have time to acquire such licences and aggregation, are to some extent being discriminated against. At first sight, this scheme therefore appears to discriminate against some fishermen and in favour of others. Will the Minister have a look at this issue and see whether the time scale can be extended, so that all boats can be treated on equal terms?

Mr. Bradshaw: I certainly will examine this issue. The decision to which the hon. Gentleman refers was subject to extensive consultation over a number of years and was taken with the support of fishing industry representatives. But I undertake to write to him or to say a little more about this issue at the end of the debate.

Another issue flagged up in "Net Benefits" is problems with the current quota management system, which is regarded as confused and confusing. I agree, and in response we initiated a major programme earlier this year to reform our quota management arrangements. The programme is being undertaken in collaboration with the devolved Administrations and in full consultation with the industry. The plan is to deliver changes by 2008. They will bring clarity to the use and transfer of quota, while recognising the impact on vulnerable communities and on the small vessel fleet.

In addition to effective management of quota, the fishing fleet must be of the right size to take advantage of fishing opportunities in a sustainable way. This balance of capacity and opportunity is particularly relevant in the western channel, where the Commission

[Mr. Bradshaw]

proposes further restrictions to protect flatfish stocks. In addition, our economic modelling of the south-west beam trawl fleet, which targets these stocks, suggests that there is some overcapacity. I have therefore asked for an assessment of capacity across all fleet segments so that I am in a position to take a strategic view of how best to achieve a fleet structure that is sustainable in the long term. On the basis of that work, and in the light of the conservation needs, I will be actively considering further decommissioning in England and Wales in 2006-07.

Mr. Austin Mitchell (Great Grimsby) (Lab): The fear, certainly in Grimsby, is that in the process of decommissioning—unfortunately, some Grimsby owners want to decommission, because the industry is not profitable—preference will be given to the south-west, especially the beam trawlers, which are heavy users of fuel. The problems of the whole nation, and particularly of Grimsby, need to be taken into account and the aid should not be focused only on the south-west.

Mr. Bradshaw: I assure my hon. Friend that the Government will take a holistic approach to the capacity situation. He is right to highlight the problem caused to particular sectors of our industry by high fuel prices, but I suggest that they are here to stay. If we are to achieve a sustainable and profitable fishing fleet in the long term, it makes sense to take such considerations into account when considering decommissioning. I will certainly bear in mind the representations that my hon. Friend has made and will no doubt continue to make on behalf of his constituents.

For the second half of this year, much of our focus has been on delivering a successful UK presidency of the EU. Further progress in engaging stakeholders has been made through the setting up of regional advisory councils. The UK has been a key player in this process, and under our presidency we have seen the launch of both the pelagic and the north western waters RACs. Those new RACs have already provided advice on the annual quotas regulation. The established North sea RAC has also made significant developments, including providing advice on the Shetland box that has directly influenced European policy. The RACs are now planning to advise on key Commission policies, such as maximum sustainable yield, over the coming year.

We have also achieved agreement on measures to restore and maintain healthy fish stocks. We agreed a recovery plan for southern hake and nephrops in the Cantabrian sea and western Iberian peninsula, and technical conservation measures for the Baltic sea were agreed last month in the Council. Both will be of long-term benefit to fish stocks.

One of our other objectives is to improve decision making under the CFP, with better stakeholder involvement, and we hosted a constructive meeting on that at the October Council to consider possible changes to working methods for adoption of the annual fisheries total allowable catches—TACs—or what most people refer to as the fishing year. We now expect the Commission to make concrete proposals for changing the fishing year in the spring.

Mr. Mike Weir (Angus) (SNP): While the Minister is talking about improving the way in which those issues are dealt with, will he consider how advice from the International Council for the Exploration of the Sea is released? The run-up to the Council is always a difficult time for fishermen, but this year advice was released from ICES that haddock stocks were plentiful. Within a week we were told of a proposal for a 40 per cent. reduction. I appreciate that that reduction has been scaled down since, but it caused much anxiety to fishermen, who feel as though they are on a rollercoaster ride.

Mr. Bradshaw: I should point out that the reduction was successfully negotiated by my excellent officials, but the hon. Gentleman has a point. That is one of the reasons why we wanted to put the issue on the agenda for our presidency. Although there is general support in the Council for some change, countries do not necessarily agree to the same changes, depending on their own interests. However, I am confident that a more sensible fishing year will emerge from the process, with maximum periods between the receipt of the scientific advice, the Commission's proposals and the need to agree them in Council. We also need to bear in mind the need that some people perceive to inject some discipline into the process, which is one of the few advantages of having the Fisheries Council in the run-up to Christmas.

Sir Robert Smith: The Minister talks of building a better process, but does he agree that the RACs need to be allowed to grow and build so that eventually those affected by decisions in, say, the North sea are the ones who make the decisions about what happens there? That would result in more buy-in to the proposals and more cohesion.

Mr. Bradshaw: I hope that that will be the case. It is worth pointing out that those organisations are only a year old. Many people were cynical about how effective they would be, but they have been proved wrong. Already, for example, the North sea advisory council has done some excellent work, produced some very good papers, engaged constructively and effectively with the Commission and managed to keep together in one body diverse interest groups with, on the face of it, different views of what we should do in the North sea. That is no mean achievement.

We also co-hosted a seminar with the Commission on fisheries partnership agreements with third countries—often poor African countries—and agreed a series of actions to ensure that those third countries' fisheries are not unsustainably exploited. That is not a major issue of concern in this country, although it should be. My concern was that in the past many of those agreements were not properly monitored, with the result that a renewable resource for some of the poorest countries in the world was being unsustainably exploited by some of the wealthiest nations, including members of the EU.

We also successfully resisted attempts to end the moratorium on commercial whaling at last year's International Whaling Commission in South Korea. We highlighted the cruelty involved in whaling. Our challenge now is to encourage more conservation-minded countries—all hon. Members have a role in delivering this message on their travels—to join the

IWC, which has been subject to a vigorous recruitment campaign in recent years by the Japanese and their pro-whaling allies. We must be serious about that challenge if we are to defend our simple majority on the IWC.

The UK has also taken even more of a leadership role on illegal, unreported and unregulated fishing on the high seas. The high seas task force, which I chair, is due to report on combating IUU fishing in March next year. We are working with other countries and external bodies to support the implementation of that report.

Mr. David Heathcoat-Amory (Wells) (Con): Will the Minister comment on salmon stocks, especially the interception of migrating salmon off the west coast of Ireland? That is particularly damaging in view of the fact that Ireland received a grant from the EU to promote rod-caught salmon and tourism, but that country continues to grant licences for salmon that would otherwise end up in English rivers, especially in the south-west.

Mr. Bradshaw: I am happy to repeat what I said in answer to the same question from the hon. Member for Broxbourne (Mr. Walker). I do not think that the right hon. Member for Wells (Mr. Heathcoat-Amory) was in his place at the time. We share the concern that he expresses about the effect of Irish drift-net fishing on salmon stocks and I have raised the issue personally with my Irish counterpart and the Commission. My understanding is that the Irish Government are also well aware of the level of public concern in the Republic of Ireland and elsewhere and are considering what measures they may take to help to address those concerns.

The main priority of our presidency has been successfully to manage the December negotiation of the TACs and quota regulations for next year. Our primary objective will be to ensure that a balanced agreement is reached that respects the CFP's objectives of securing sustainable fisheries and the protection of the marine environment. We will aim to maximise economic opportunities for the UK industry within that context and seek to protect the viability of vulnerable sectors of the UK fleet and the interests of particularly fisheries-dependent communities. The latest scientific advice should mean that the Council can agree increased TACs for western monkfish and for nephrops. But there are likely to be some tough decisions needed on those stocks that are not doing so well, including North sea, west of Scotland and Irish sea cod, and a number of flatfish stocks. The scientific advice also highlighted the challenges faced in managing vulnerable deep-water species. Some industrial fisheries, such as North sea sand eels, continue to be severely depleted. Again, this year, I and my officials have gone to great lengths to ensure the active participation of the industry in discussions in the run-up to the Council. We have been ably assisted by my hon. Friend the Under-Secretary, who will sit in the UK chair for the Council. We will continue to keep in close touch with the industry up to and during that meeting.

Our analysis of the Commission's earlier proposals was that they would have cost the UK about £25 million, or 5 per cent. of the value of UK landings, but hard work by my officials has turned that around to a small increase of 1 per cent., as things stand at present, in the value of TACs next year.

1.10 pm

Mr. Owen Paterson (North Shropshire) (Con): I echo the Minister's comments: I am delighted that there is a full day's debate on fisheries, giving the industry its due importance. Like him, I begin by offering our condolences and sympathies to relatives of the fishermen who were lost last year. According to figures from the Maritime and Coastguard Agency, 24 fishing vessels were lost and, sadly, nine crew members died last year. Preliminary figures for this year show that there have been five deaths. We extend our deepest sympathies to the families and friends of the brave men who risked their lives every day to supply us with one of our most popular and healthy foods.

The industry should be providing prosperous and sustainable long-term employment in some of our most remote communities—I emphasise the word "should". Two years ago, having visited only one serious fishery, which was in the Falklands, I took on shadow responsibility for fisheries, so I made it my job to visit the fishing communities on our coasts. It has been a huge pleasure and privilege to learn about the industry and the communities that depend on it, but it has also been deeply sad and depressing. Whether it was Whalsay in the far north of the Shetlands—where the nearest railway station is Bergen—Peterhead, Stornoway—in the western isles—Whitby, Hastings, Plymouth or Brixham, an appalling picture of the desolation of our marine environment and the destruction of our fishing communities emerged.

One example encapsulates the problem. In Fleetwood, which I have visited on several occasions, there was a fleet of 140 vessels in the 1960s; today, there are five. I met an engineer who used to employ 60 people; he now employs one fitter. There is no clearer example of the insanity of the current system than my experience when I sailed overnight in the trawler Kiroan. The owners fish for plaice in the Irish sea. They are allowed 22 days fishing per month with 80 mm mesh, at which they are viable, and only 17 days if they use the more environmentally friendly 100 mm mesh, at which they are unviable. I asked them to use both mesh sizes and they trawled twice during the night. The 100 mm net came up twice with two thirds saleable adult fish. Twice, the 80 mm net came up absolutely bursting—almost too full to pull on board—with 90 to 95 per cent. of tiny baby plaice, which were all dying.

I told the Minister about that a year ago, yet when I went back to Fleetwood this autumn I was astonished to learn from the same fishermen that 80 mm cod-ends are still being used, with 80 to 90 per cent. discards. The owner of the Kiroan told me:

> "Things have never been worse. Nothing has been done over the past eight years to make fish stocks better. The position on cod is worse than ever due to tiny mesh sizes."

It is hard to understand how intelligent, sane human beings can enforce such a policy. He went on to say that the Faroes and Norway have bigger mesh sizes; and those problems do not occur. That is my central point. We do not have to inflict that damage on our marine environment.

In the past two years, having already seen order and prosperity brought to the Falklands by local control, I have also made it my job to visit successful fisheries. I visited Norway, the Faroes, Iceland, Newfoundland

[Mr. Owen Paterson]

and New England and I am flattered that the Minister trotted after me to some of those successful fisheries. Yesterday, I spoke to Oli Breckmann, who is a Conservative MP in the Løgting, the Faroes Parliament. By contrast to what we have just heard, my notes of the conversation spring off the page:

"Cod stocks are improving as food is improving. Coley is fishing well. Fish prices are improving and there is a buoyant mood in our industry. We are confident that cod is recovering. Haddock is OK. There is very little grumbling amongst our fishermen. Fishermen's incomes are considerably improving. We expect to improve our tax due to higher volumes and higher prices. It is absolutely ludicrous for the EU to be cutting our capacity. Here, we are improving capacity and efficiency, discarding old vessels"—

not fish—

"and buying new ones. Four new trawlers have recently arrived from Iceland so we are dumping old vessels."

They are opening some areas near the shore to summer fishing of flatfish, as the fish were "dying of old age", and using selective gear to let cod escape from the top. They maintain a discard ban and the most important thing is to land everything. The sand eel fishery has been stopped as the fishing industry did not want to restore it.

Mr. Breckmann reckoned that fishing was responsible for about 10 to 20 per cent. of mortality in the Faroes and confirmed that the industry is self-regulating. That is popular with fishermen. There is collaboration between fishermen and scientists. Above all, they know that cod numbers are decided by phytoplankton and protoplankton, which depend in their turn on temperature and salinity.

A few weeks ago, I talked to Höskuldar Steinarsson of the directorate of fisheries in Reykjavik. He said:

"Things are going well without a doubt".

Yesterday, I talked to Paul Howard, executive director of the New England fishery management council. Their policies of days at sea in closed areas have led to a huge revival of fish stocks and improvement in the marine environment. I give one example that is easy to understand. Closed areas have led to scallop landings increasing from 12 million lb in 1996 to a projected 43 million lb in 2005 and 78 million lb for 2007. In the USA, 20 fish species have been removed from the over-fished list in recent years.

On the basis of many weeks of travel and long hours of discussion with people who run successful fisheries that actually improve the marine environment, we published a Green Paper in January, describing how our seas should be managed for the benefit of the nation. There is not a single original idea from me in the paper; it is a compilation of the best practices that I have seen working in other fisheries. Our policy objectives are clearly set out:

"Our policy is to manage the sea fisheries in UK waters in such a manner as to safeguard the natural environment; to rebuild and preserve our fish stocks and wildlife; to maximise the economic value of exploitable stocks, both in the short and in the long term, commensurate with the natural resource available and the environmental impact of so doing; to create a stable, equitable framework within which the fishing and allied industries can operate, including the recreational fishing sector and tourism; generally to protect the interests of the United Kingdom."

We set out a management framework with a series of tools and controls that have worked effectively in successful fisheries. The most important is effort control based on days at sea instead of fixed quotas. The immediate effect of adopting an effort control system to conserve fish stocks is that Government bodies, scientists and fishermen will be relieved of having to administer the labour-intensive and unpopular system of quota control. For many fishermen, it also relieves them of the double burden of having to deal with the EU imposition of quota controls and days at sea, with a significant reduction in bureaucracy.

The Royal Commission on Environmental Pollution, which reported a year ago, stated:

"We recommend that the UK Government should move towards managing fisheries on the basis of effort controls."

The two best examples that I saw of such controls were in the Faroes and New England, where days at sea have completely rid fishermen of any incentive to cheat and land black fish and have broadly eliminated the hideous problem of discards. Above all, fishermen are co-operating with scientists. That is fundamental. In the UK, I am afraid that there is still a poisonous distrust in many areas between the scientific establishment, environmentalists and fishermen. The key gain is accurate data—that is fundamental because there is such a high level of discards and black fish landings that neither the Government, ICES or the EU commission know exactly what is going on. They are flying blind.

Greg Clark (Tunbridge Wells) (Con): Will my hon. Friend confirm for the layman that discards do not amount to throwing back small fish that might grow into bigger ones, but that the great majority of discarded fish are dead? They pollute the environment and represent an environmental scandal.

Mr. Paterson: My hon. Friend is right. This is a complete scandal, and the facts are unknown. I cited the example of Fleetwood, where I saw 90 to 95 per cent. of tiny baby plaice being discarded. If they had been allowed to grow, with sensible mesh size regulations, they would have become commercial fish. Most fishermen tell me that they believe that more fish is dumped as pollution than landed for human consumption, and a large number of those fish must be saleable, commercial fish. I have heard that some beam trawlers in the south-west dump 20 boxes of cod a night because they do not have the quota for it. The lesson from the Faroes and New England is that if those fish are landed, we know what is going on. Bluntly, we do not know what is going on now because there is such a level of discard and black landings. Having accurate data is an absolute basis of any management system, and my contention is that we do not have accurate data.

Mr. Carmichael: I accept the hon. Gentleman's point about the importance of accurate data—it is a very good one and we have all suffered over the years because of the lack of accurate data—but he has twice mentioned that a lot of black landings are going on, although, as he says, we do not know that. I caution him that it does the interests of our industry and our Ministers in representing our industry no good to make such wide statements about the level of black fish landings.

Mr. Paterson: I am grateful to the hon. Gentleman for that comment, but I am reporting what I found on my travels. It is common to every quota system that quotas

inevitably lead to discards and black landings. That is an ineluctable fact. The point of our policy is that we have seen that where days at sea rules have been introduced—I think that this is the third time that I have said so—there are fewer black landings and fewer discards. That is the most fundamental gain, and accurate data are produced. The royal commission said:

"Our view is that a discard ban should be introduced. Under such a scheme, all fish caught should be landed."

Mr. Salmond: I wonder whether the hon. Gentleman's travels may have taken him to the major pelagic fish factories in Norway, where the nearest fisheries inspector will be well over a day's travel, perhaps two days' travel, away. From his travels or perhaps just from intuition, can he say what that might mean, for example, to the percentage of herring and mackerel going into such a Norwegian pelagic fish factory?

Mr. Paterson: I have been to Oslo and Bergen, but I cannot speculate on those questions because I did not discuss them with the people there.

I wish to return to the closed area proposals. Closed areas were also endorsed by the royal commission, which regards them as

"a vital tool in the conservation of the environment",

and they have been used successfully in each of the fisheries that I have mentioned. New England closes as much as 33 per cent. of its fishing grounds—an area of 8,000 square miles. We would certainly encourage a system of no-take zones, particularly in spawning and nursery areas, which are biologically sensitive, or in areas with corals or reefs, which might be exploited by divers or those with tourism interests. There is also a case for temporary closed areas.

Again, I have been struck by the speed of response that is available to those countries that run independent fisheries systems. In the Falklands, each vessel is required to report its catch every night by satellite. If a vessel that is after squid runs into too many hake, a message will be sent to it overnight requiring it to steam on for a few hours to avoid an excessive by-catch. In Iceland, messages are sent by radio within hours of a vessel reporting running into juvenile fish, and announcements are made on all the radio stations requiring vessels to stay clear. Such instant management is impossible under the system from which we currently suffer.

Sir Menzies Campbell (North-East Fife) (LD): The hon. Gentleman has been indicating his view of the merits of independence. Is it still Conservative party policy that Britain should withdraw from the common fisheries policy?

Mr. Paterson: Yes. I have made that clear on many occasions—it was our policy at the general election. Our policy is that we believe that national and local control can deliver the measures that I describe. Sadly, they are not possible now. My contention is that the Minister should take on board those measures.

Mr. Bradshaw: Given the leader of the Conservative party's pledge to jettison unrealistic, extreme policies based on dogma and his failure in his leadership campaign explicitly to support the Tory policy of attempting to withdraw from the common fisheries policy, is the hon. Gentleman absolutely certain that his new leader supports that policy?

Mr. Paterson: It is very interesting that the first time that the Minister jumps up, he avoids the technical details that would improve our marine environment and gets into tittle-tattle. I was delighted by both of our leadership candidates. As Anatole Kaletsky reported last week in *The Times*, my right hon. Friend the Member for Haltemprice and Howden (David Davis) said that he

"would return national powers from EU level",

which would have included fishing, and my hon. Friend the Member for Witney (Mr. Cameron) said that he

"would reverse EU control of fisheries policy and withdraw from employment and social policies."

On numerous occasions during the campaign, my hon. Friend stressed employment and social policies—and my word, fishing certainly comes into that category. I can assure the Minister that we are all Cameronistas now.

The Minister does not want to talk about the detail, but I have often brought the use of selective gear and technical controls to the House's attention during our numerous sparring matches in European Standing Committee A and at other times. The obtuse attitude of the Commission and the Government to the possible gains from using selective gear is extraordinary. Selective gear is quite simple—it is designed, to quote one scientist, to "surgically extract" a species from a mixed fishery without affecting any others, and many techniques can be used. As the hon. Member for Banff and Buchan (Mr. Salmond) has said many times, it is ludicrous that when our haddock stocks are at a 30-year high we are letting such catches go to waste and concentrating entirely on cod.

I have visited Manomet in Massachusetts, which is the world's leading research centre for selective gear. I have told the Minister about the details when he asked me about them behind the Chair. We could use those techniques. The Manomet centre has managed to separate cod and haddock with an 81 per cent. success rate. It has separated cod from flat fish with a 100 per cent. success rate. When the Minister leads these discussions in Brussels, will he please get his colleagues to understand the environmental benefits of using selective gear, because many of those techniques are not allowed by EU regulation?

We would also opt for a rigorous definition of minimum commercial sizes. Ideally, we would like a commercial size to be set to ensure that mature adults are able to survive at least one and preferably two breeding seasons without being caught. We would ban industrial fishing. I am pleased that that is one of the lessons that the Government and the Commission picked up and, very late in the day, the sand eel fishery was closed. However, as the Royal Society for the Protection of Birds has said, it was

"unprecedented action to close the North Sea sand eel fishery . . . but this was not implemented until July, when the season was over and the Danish fleet . . . had already returned home."

[Mr. Paterson]

Internationally important seabird populations have suffered widespread breeding failures, partly owing to climate change, with warmer seas altering the plankton cycle, thus reducing the availability of sand eels, which the RSPB describes as

"a vital food source for seabirds."

That makes it doubly important that the industrial fishery for sand eels should not worsen the situation.

Mr. Salmond: I want to make a friendly intervention this time. Many hon. Members have sat through fisheries debates over the years and there has been virtual unanimity among most fishing MPs to ban the industrial fishery. Yet, year after year, ICES produces the most extraordinary figures—many hundreds of thousands of tonnes—for the permissible fishery. Is it not passing strange that, after all those years, the welcome decision has now been made to close the sand eel fishery? Does that not bring into question the nature of the scientific advice that, year after year, against all experience and all common sense, has suggested that hundreds of thousands of tonnes of fish could be swept from the North sea and elsewhere?

Mr. Paterson: I agree with the hon. Gentleman. It is extraordinary that it has taken so long for the message to get through, but we must be grateful that the authorities have got it at last. It is not just a question of depriving haddock and cod of a food source; there is a considerable by-catch of juvenile commercial species. The hon. Gentleman is absolutely right, but I will come later to the grave doubts that I have about the scientific basis for the whole policy.

We would set up a completely different system for management and the creation of fishing plans. The idea is drawn from my experience in the States, where the Magnuson-Stevens Fishery Conservation and Management Act sets the strategic framework. A diverse group of people serves on regional councils to devise the policy and, above all, enforce it. Commercial fishermen, recreational anglers and environmentalists—all those with a local interest—take decisions and debate matters. Apparently, the debates can get very rowdy and the police have been called on some occasions in New England. There is a strong tradition of local democracy and accountability there and, of course, the town meeting goes back to the 18th century.

There is great merit in having the activity managed as locally as possible by those who really understand it. We would want all local producers, processors, marketers and, above all, recreational fishermen to be involved. It is extraordinary that although we have 1 million recreational fishermen who spend £1 billion a year on their activity, they are totally excluded from making decisions on what could be a really exciting and expanding sector of the economy. We would expect such people to have full influence when recreational angling gives significant value to a fishery. There are 17 million sea anglers in America who sustain nearly 350,000 jobs. It is bizarre that this country excludes such an important group, which could grow and benefit our marine resources. We would like more to be done on marine ecosystems.

Mr. Bradshaw: I am not quite sure whether I heard the hon. Gentleman correctly, but he seemed to be implying that the Government were ignoring the interests of recreational fishermen. Was he listening at all to my earlier remarks? Perhaps he would like to associate himself with the proposed consultation on the increase in the minimum bass landing size as a sign of his commitment to recreational fishing.

Mr. Paterson: We have made it absolutely clear in our discussions with recreational fishermen that we would not stop at bass. We would like minimum landing sizes for all species to be increased. I know that the focus—the battering ram—is bass because there will be great value in that. Decisions will be taken in Brussels, but I do not understand how the interests of recreational fishermen will be represented there. However, account is taken of such interests in America because of the regional councils. There are 5 million recreational anglers in Florida and they are directly involved in submitting their own information and contributing to the debate. Above all, they are involved in enforcement. For example, it is compulsory there to report every landing—hundreds of thousands of tonnes of fish are landed by recreational anglers. The current system does not allow such a thing to happen.

On research, we would like far more emphasis on the impact of climate change and natural phenomena such as the north Atlantic oscillation, because such matters affect phytoplankton and zooplankton, which ultimately determine fish biomass. Such matters have much more influence on our fish stocks than fishing effort.

An interesting report has been produced by the Institute of Marine Research and the Bjerknes centre for climate research in Bergen, Norway. It has been pointed out:

"The speed at which cod grow is very dependent on water temperature. Average bottom temperatures account for 90 per cent. of the observed difference in growth rates between different cod stocks in the North Atlantic".

Temperature affects the condition of cod and the speed at which they become sexually mature.

The report says that a sustained 1°C change in average bottom temperatures would lead to rapid and serious change here. It is reckoned that:

"Stocks in the Irish Sea, the southern North Sea, and Georges Bank would decline owing to decreasing recruitment."

The report shows the dramatic changes to the cod population that would occur if the temperature rose by 2, 3 or even 4°C. It states that future warming would lead to cod spreading even further north, but no account of that seems to have been taken at any stage of the deliberations.

The problem is confirmed by an entirely independent fishing expert, Menakhem Ben-Yami. He is an Israeli skipper who has worked for the Food and Agriculture Organisation and advised on fisheries throughout the world. He has made several interesting comments. He said:

"Illegal fishing and misreporting are direct results of wrong management, which in turn is the product of flawed science. Scientists are unable to properly assess stocks, or make reliable predictions, as long as they apply the present methodology. Current models are unable to represent marine fishing reality. They are innocent of ecology and ignore environmental factors, such as multi-annual, cyclic and semi-cyclic climatic fluctuations affecting the populations of fish and their prey and predators.

Even with the best information, they would be based mostly on statistical-mathematical manipulation of 'guestimated' values. It's 'garbage in, garbage out'."

Menakhem Ben-Yami proposes:

"Fishery science needs a major shift ... back to on-board, at-sea biological research that would enable management steps in step with the life history of the species fished".

He wants:

"on-going monitoring and analysis, considering all possible correlations between environmental factors and fish populations."

Tellingly, he says:

"When a multi-species fishery is managed by the weakest species, you reinforce the biomass of the prevailing species that often compete with the weakest one over food and habitat. Those species, say, whiting, haddock, in this case, with their large populations, simply benefit from the management applied to the cod, and thus makes its recovery even more difficult."

To pick up on the earlier comments made about the scientific basis of the proposals for the total allowable catches this year, the National Federation of Fishermen's Organisations has said:

"It is now widely acknowledged, not least by the International Council for the Exploration of the Sea, that the scientific underpinning for setting quantitative limits on catches is for many stocks wobbly. The number of times the words 'uncertainty' or 'unreliable data' are used confirms that. There is a vicious cycle of poor data, weak assessments, low TACs, leading to weak compliance or discarding. This does not apply for all stocks or all areas but there is sufficient grounds to question the scientific underpinning for many quotas."

As before, we have the standard Community instrument—this one is called COM(2005) 617 final. It is dated 30 November 2005. It is the proposal for the regulation

"fixing for 2006 the fishing opportunities and associated conditions for certain fish stocks and groups of fish stocks, applicable in Community waters".

The Commission claims:

"The annual fishing opportunities Regulation is the main instrument of our conservation policy under the Common Fisheries Policy."

It says that the regulation has become "increasingly complex"—it is certainly right there—and that that is mainly due to the recovery plans.

The Commission's contention is:

"Fishery resources are, in many cases, overexploited".

In the litany of woes, there is only one main reason for that: "excess fishing". It says nothing about food supply, other predation, climate change or plankton variations. In the Commission's book, the matter is black and white. It also takes a swipe at member states for "poor enforcement".

There is a weary predictability about the matter. The Commission is again looking to a

"longer term approach whereby the level of fishing is gradually reduced to long-term sustainable levels",

with a "decline in fishing effort" and

"reductions in the catching sector in terms of number of vessels and/or in the average fishing effort per vessel".

However, as the Minister said, the UK has already reduced its effort in the main cod fishery by 67 per cent. through a combination of decommissioning and effort control measures.

What is going to happen is that the Minister will disappear for three days and nights and a vast amount of detail will be decided without proper consultation. Commercial fishermen, recreational anglers, environmentalists and anyone else who might exploit the marine environment will not be involved. Something like the 887 pages of detail that I have with me will emerge—we got a further 17 pages on the day that the matter was last considered in Committee.

Mr. Robert Goodwill (Scarborough and Whitby) (Con): Does my hon. Friend agree that although the people who he listed will not be involved in the negotiations, member states that are completely land-locked will be? Does he think that fishing will be their priority in the negotiations?

Mr. Paterson: I am delighted that my hon. Friend the Member for Scarborough and Whitby (Mr. Goodwill) is in the Chamber, because having someone who is really interested in fishing present to speak on behalf of Scarborough and Whitby is in stark contrast to the situation last year. He is absolutely right that decisions will be taken at the Council by nation states with no real interest in fisheries, no real understanding of fisheries, or any background in fishing. Buccaneering countries with real agricultural interests, such as Hungary and Austria, will be present, but those interests will be traded off with deals on other people's fishing interests. That is not the way in which things should be run. In reality, there are 887 pages of detail somewhere in the Commission, which, in fairness, the Minister cannot possibly understand. Last time there were two big slips, although I do not blame him for that.

Mr. Carmichael: The hon. Gentleman remarked on the former Member for Scarborough and Whitby, who served in the House before the general election. He was not a member of my party and I have no interest in the politics of Scarborough and Whitby, so I shall not get involved in that. However, the hon. Gentleman referred to him in a way that was, frankly, unworthy of him. The former hon. Member always attended and spoke in fisheries debates. He and I were usually boxing and coxing for the last speech, trying to get in after the Conservative Front-Bench spokesman had, as seems still to be the practice, taken so long. The hon. Gentleman should reflect on that.

Mr. Paterson: I am perfectly happy to apologise if the hon. Gentleman thinks that I cast a slur on the previous Member for Scarborough and Whitby. My point was that when I went to Scarborough and Whitby, my hon. Friend the Member for Scarborough and Whitby, the new Member, introduced me to fishermen and we had a most interesting discussion because of his real interest in the subject. I did not mean to cast an aspersion on the previous Member, and I assure the hon. Gentleman that I will shortly draw my comments to an end. I do not intend to plough through the 887 pages of the documents.

I do not blame the Minister for this, but there were two serious slip-ups last year. One was in the North sea, when a complete muddle led to fishermen buying 120 mm nets when the regulation was intended for the Baltic. The other was in Trevose, where there was a

[Mr. Paterson]

muddle over a closed area. Those serious problems for British fishermen were not even mentioned in the enormous bundle of documents.

It is no wonder that the chairman of the Icelandic bank, the largest investor in fishing businesses around the world, has made it company policy not to invest in any Russian or EU fishery because of the arbitrary political nature of decision making. No other fishery in the world is run quite like ours and none is run quite so badly as ours. The CFP is a biological, environmental, economic and social disaster. It is beyond reform. Our policy is to establish national and local control.

1.42 pm

Geraldine Smith (Morecambe and Lunesdale) (Lab): I welcome the debate and the opportunity to raise once again inshore fishing in Morecambe bay and the need to change legislation so that there is proper regulation of shellfishing and a national licensing scheme.

I thank my hon. Friend the Minister for recently meeting me and Steven Atkins, the chief executive of the North Western and North Wales sea fisheries committee, along with Margaret Owen and Mark Hamer, who sit on it. Margaret and her husband Trevor have fished in Morecambe bay for many years and are well aware of the dangers posed to inexperienced strangers who cockle out in the sands of the bay. I was grateful to my hon. Friend for the generous amount of time that he allowed for us to apprise him of our concerns about health and safety, damage to the natural environment of Morecambe bay, the loss of taxation revenue, and fishing and the depletion of stocks.

My hon. Friend is aware of the dangers of Morecambe bay, with its fast rising tides and shifting sands. Indeed, he was the first politician to visit it after the terrible tragedy in February 2004 when 23 Chinese cockle pickers lost their lives in appalling circumstances. People who live around the bay value its beauty, but they are well aware of the need to take great care when venturing out on to the sands. It can be treacherous for those who do not have local knowledge of the tides and the shifting quicksands. Indeed, the Queen's sand pilot, Cedric Robinson, who has been leading walkers safely across the sands for more than 25 years, recently told the BBC:

"for strangers to come into the area and go cockling, it is dangerous".

I share his view completely.

The cockle beds that surround Morecambe have been closed since April 2005 by the North Western and North Wales sea fisheries committee. Legislation allows it to close beds to protect cockle stocks, but not to close them to protect human lives. That is crazy and unacceptable. The law must be changed to take health and safety concerns into account.

The closure of the cockle beds was warmly welcomed by me, the police, the coastguard, the lifeboat, the parish councils of Slyne with Hest and Bolton-le-Sands, Lancaster city council and, indeed, the local fishing community. I am pleased to note that the sea fisheries committee has not reopened the beds. However, a cockle bed further down the coast at Fleetwood reopened yesterday. My concern is that the beds will reopen and that, without proper regulation, they will once again put people's lives in danger. When the Morecambe bay beds were open for cockle fishing, the lifeboat had to be called out on numerous occasions to help cockle pickers who were in danger. In fact, the lifeboat locally became known as the "cockle taxi". People cockling were taking serious risks with their lives and were often unaware of the danger in which they placed themselves.

The problem is that Morecambe bay is a public fishery, so just about anyone can go cockling when the beds are open. A permit scheme is in operation across the bay, but again, anyone can apply for a permit by providing identity and a national insurance number. When the beds were open, hundreds of permits were issued. It is alleged that many people obtained permits to fish who were in receipt of state benefits and were not declaring their income, and that others gave bogus or fake national insurance numbers. Although several million pounds-worth of cockles were collected from the bay, I am sure that many cocklers did not pay taxation on their income.

As the sea fisheries committee has limited resources and there is only a small number of fisheries offices to deal with enforcement for a huge area, proper checks on permits did not take place. There also appeared to be problems with sharing information across Departments as a result of the Data Protection Act 1998. The weakness of the permit scheme is that just about anyone with a national insurance number and identification can apply and be granted a permit, regardless of their total lack of knowledge of health and safety issues in the bay or, indeed, of any knowledge of fishing.

The Minister knows that the situation is different for fishermen who go out on boats on Morecambe bay, because they require qualifications. There is, however, no restriction on the number of permits issued when the beds are open, which can lead to over-fishing and a depletion of stocks over a short time. Also, no charge is made for issuing a permit. The sea fisheries committee says that it is unable to charge, to restrict numbers or to link the permit to health and safety considerations because of the outdated fisheries legislation. The committee also voiced concerns to my hon. Friend and me about resourcing issues relating to law-enforcement activities in Morecambe bay.

The solution is simple: we need to change the legislation, as I am sure my hon. Friend would agree, to allow a proper licensing scheme to operate. A restricted number of licences should be issued to the bona fide fishermen—those who depend on fishing for their main source of income and who pay taxes on that. They should have first preference to hold licences for shellfishing. A charge should also be made for every licence issued. The fishing community supports that because if they paid for a licence, the regime would almost become self-policing because it would ensure that people who did not have licences were reported to the relevant authorities. That income could go towards employing more fisheries officers to deal with enforcement. A licence should not be issued to anyone who has not taken a short course on health and safety and obtained a certificate of competence. I understand that the sea fisheries committee could organise such courses relatively easily. Small changes to legislation are

required, but they could make Morecambe bay a much safer place to harvest cockles and lead to long-term sustainable shellfishing in the bay.

I have talked specifically about Morecambe bay because it is the public fishery about which I have the most knowledge and because it can be so dangerous. However, I am aware of similar problems in other coastal areas, such as the Dee estuary, where a licensing scheme could also be helpful.

Mr. MacNeil: Surely the hon. Lady would not look for a licensing scheme in a cockle fishing area unless actual cockle fishers in that area were in favour of the scheme.

Geraldine Smith: Yes. Obviously, there would have to be consultation, but such a scheme would represent progress as it would ensure that people could work safely in the dangerous environment of Morecambe bay.

As well as health and safety issues, many of my constituents have been appalled by the environmental damage to Morecambe bay. When the cockling beds were opened, they were fished on an industrial scale. Rubbish and netting were left behind by cocklers, and many old vehicles were abandoned in the middle of the bay. I went out with the lifeboat crews on the hovercraft, and saw the problem for myself. It is a beautiful bay, and in the middle of it are several vehicles. They are in the sand and covered by water. Those abandoned vehicles pollute the bay and present a hazard to fishermen who work in small boats should their nets become entangled with the vehicles.

As my hon. Friend the Minister will be aware, the problem is that no agency or Government Department appears to accept responsibility for the removal of the vehicles from the bay. I have tabled several questions to various Government Departments but I have not been able to establish who is responsible for their removal. I would be most grateful if my hon. Friend were to make inquiries and write to tell me who has that responsibility. It may be helpful for him to know that so far the Department for Environment, Food and Rural Affairs, the Environment Agency, the police and the local authority have all denied any responsibility. I do not know which organisation will be the last to disclaim responsibility.

I hope that the Minister will carefully consider what I have said in my brief contribution to the debate. I look forward to hearing his response when he winds up.

1.51 pm

Mr. Colin Breed (South-East Cornwall) (LD): It is a pleasure to follow the hon. Member for Morecambe and Lunesdale (Geraldine Smith) to whom we should pay tribute for her tireless work on cockle fishing in Morecambe bay and for the changes that she has brought about. I am much persuaded by what she has said, particularly about abandoned vehicles. I am used to dealing with abandoned vehicles in fields in Cornwall, but to have vehicles abandoned in Morecambe bay seems ridiculous.

I welcome the opportunity to contribute, once again, to the annual debate on fisheries. I pay my respect to the many fishermen who day by day risk their lives. We also remember those who have lost their lives during this year in pursuit of their livelihood.

Later this month, the Council of Ministers will once again have its work to do. It is right that we record the many issues that are facing fishing communities in the UK, some of which have already been raised. Ministers will again decide on the quotas for commercial fish stocks in each and every member state. Too often in previous years decisions on quotas and total allowable catches have been more about short-term political priorities than about informed science and decisions reached after proper consideration and consultation involving the fishing industry.

The UK's presidency of the EU leads some of us to worry that the Minister, in trying to undertake his role as chair of the relevant committee, will pull his punches on behalf of UK fishermen. He has not done so in the past, and I hope that that practice will continue. I also hope that he can assure us that he will go into the negotiations fighting for the UK's interests. Seemingly, other countries have had no embarrassment in doing so on behalf of their fishing industries when they have been in the chair.

We want the 2006 quota regime to be based on sound science and sustainability—sustainability not only in terms of fish stocks but of the industry itself. We are mindful that stocks of many species remain at a critical level, despite a number of beneficial changes that have been introduced, including those relating to mesh sizes. Still, however, not enough young fish are being allowed to grow to maturity, with a consequent continuing decline in some fishing opportunities.

The penalties that are exacted upon those who buy and sell black fish are punitive, and this is having a real effect on the incidence of such fishing. It is, however, obviously difficult to measure the trade in black fish. It is a practice that none of us can condone, and I am pleased to note that there is some evidence to suggest that that activity is beginning to be reduced.

The cod recovery plan was well-intentioned, and originally we all supported it, but it is not working. Before any further reductions in quotas or efforts are considered, I suggest to the Minister that there should be a full review of the current plan. It should address especially the issues of by-catch and discards, and data. Merely going on with more of the same, but at an even more draconian rate, is unlikely to improve stocks to the extent that we would all wish.

We certainly need much better information on by-catch and discards. Some recent improvements need to be factored into scientific assessments relating to new data on that, but some scientists are a little behind.

John Thurso (Caithness, Sutherland and Easter Ross) (LD): The lack of any real quality data is at the heart of the scientific debate and of the difficulties that scientists face. Will my hon. Friend suggest to the Minister that using our own fishermen productively to create such data and to help in its capture would be a positive way forward?

Mr. Breed: That is an excellent suggestion, and one that has been considered in the past. The means by which that data will be collected and the arrangements governing inspectors on ships and on other vessels are yet to be established.

Mr. Bradshaw: The Government have funded to the tune of £5 million what are called fishery starts partnerships, which are doing exactly what has been suggested. The data on which the recommendations are based are themselves based not only on research that has been undertaken in the seas but also on real catch data.

Mr. Breed: I thank the Minister for that helpful response. Informed data—that which is robust and clear—is at the heart of decision making, or at least it should be.

Does the Minister envisage any cap on the effort in the haddock fishery? Will he tell us what perhaps he might be arguing for in the Council meeting on UK interests? The Commission has submitted its proposals for TACs, and he will know that there is considerable concern about haddock, especially in connection with the bilateral negotiations with Norway. Will he confirm that the bilaterals still take place between officials and that there is no direct ministerial involvement? Perhaps he might comment on whether he thinks that there should be such involvement.

We welcome the continued development of the regional advisory councils, which we have supported over many years. We hope that those councils will develop somewhat more rapidly to take on more of a management role rather than merely an advisory one. Even in that role, however, the councils have not been given sufficient time to respond properly to the Commission's proposals. It is vital that the RACs are in possession of information and are aware of proposals in good time for them to respond. Will the Minister, in future, insist that they receive information in good time so that they might respond in a proper manner?

We are delighted that at long last sand eel industrial fishing has been stopped. We assume that that will continue to be the case for the foreseeable future. Does the Minister expect that the issue might be raised at the Council meeting, with a date for its recommencement? Perhaps he will comment on that.

Mr. Carmichael: Does my hon. Friend agree that if that fishing were to be restarted, the test that must be applied is one that enables the industry to demonstrate that the fishing can take place without damage to the stock levels of other species, rather than simply taking the approach that has been adopted in the past by the International Council for the Exploration of the Sea—ICES?

Mr. Breed: I quite agree. Earlier, the hon. Member for Banff and Buchan (Mr. Salmond) suggested that the scientific evidence had been available for some time. How that argument held sway at such a late stage has never been explained, but clearly an explanation will be required if there are any proposals whatsoever to reopen the fishery.

Last week, Commissioner Borg indicated his intention to introduce new proposals, and began by stating that much of the scientific evidence on which proposals are based is often weak and, in some cases, non-existent, due to poor or non-existent landing data. What plans does the Minister have to improve that important data to achieve more informative decision making? Scientific underpinning for the setting of quantitative limits on catches is clearly not solid, and if we fail to include proper data that will only continue. Once again, the Commission and member states will be almost blind when they make important decisions on the livelihoods of many people and the economic future of many communities.

Mr. Lindsay Hoyle (Chorley) (Lab): The hon. Gentleman has been generous in accepting interventions. Does he agree that we can have all the agreements in the world, but we cannot do anything without policing to deal with foreign trawlers that fly different flags and use different names to land as many fish as they like on the same vessel? That is the big problem. Whatever fine words we use, we need to take action.

Mr. Breed: I agree. The implementation of the agreement and the way in which it is enforced are at the heart of many problems and cause frustration among fishermen who try as far as possible to keep within the regulations.

Given that the Minister will be chair the Council meeting, may I ask what the UK presidency has done in the past six months to ensure that TACs and quota decisions are made on the basis of sound science and in full consultation with the fishing industry? We hold a fisheries debate every year, and the Council meets every year so it is sensible for information to be made available over a reasonable period. However, at this time of year, things are squeezed into a few weeks, often resulting in some people being unable to provide the information that, quite properly, they want to contribute to the debate. I welcome the Minister's confirmation that a marine Bill will be introduced. It will be a significant piece of legislation for fishermen and will provide extremely important measures on use of the sea, including spatial planning and environmental degradation in some areas. We therefore hope that it will be introduced at the earliest opportunity. It would benefit significantly from pre-legislative scrutiny, as the Animal Welfare Bill has done.

I, too, think that we must not forget sea anglers. In Cornwall, sea angling contributes a great deal to seaside activity, as I am sure is the case in many resorts with significant recreational and commercial sea angling operations. As appears to be the case in other countries, sea anglers should be included in discussions so that they can play a role in the constructive governance of UK fishing. Once again, the Minister will have considerable responsibilities at the end of the month, and we wish him well. UK fishermen have responded to many challenges, including the recent hike in fuel charges and so on, that have been inflicted on them. However, I hope that he realises that there remains a genuine belief that other countries are less robust in their implementation of EU policy. We would not wish UK fishermen, particularly in the south-west—I know they are very much in the Minister's sights—to be penalised once again because of the inadequate enforcement by other European states of TACs and quotas, which constitute the only available framework to address both the environmental and commercial aspects of fishing.

2.4 pm

Mr. Austin Mitchell (Great Grimsby) (Lab): May I begin by joining criticism of the hon. Member for North Shropshire (Mr. Paterson) for his unwarranted and unfair attack on Lawrie Quinn? As chairman of the all-party fisheries group, I can testify that Lawrie Quinn worked long and hard for the cause of fishing, particularly in his constituency. I accept that the hon. Gentleman would wish to welcome a new Member to the House—that election, however, was decided more on the issue of fox hunting than on fishing—but it is not legitimate to do so with an attack on the newcomer's predecessor, who is missed by Labour Members and who worked vigorously and diligently for the cause of fishing. I therefore hope that the hon. Gentleman was sincere when he withdrew the aspersions that he cast on Lawrie Quinn.

In the parliamentary life-cycle, it is traditional to hold a fisheries debate at Christmas, which could be regarded as a Christmas party—usually a depressing one—for the industry and MPs from fishing constituencies. To be fair, it is our only chance to say what we would like for the industry and to brief the Minister before he goes to Brussels for the Council meeting. On his return, he usually says that he could not secure what the industry wanted, but gained the best deal that he could from the negotiations. We always end up with less than we want.

This year, two factors complicated the position. First, timing has been a problem. Commissioner Borg adopted a new approach, and suggested that he would provide advance notification of what he wanted to achieve in December. Even though he was not required to provide figures, the general principles of such a statement would have provided a useful basis for discussions, particularly those with Norway that effectively set total allowable catches. After a suspension last year, those discussions were delayed this year so, in addition to the fact that Commissioner Borg's prediction has not been forthcoming, we have had to wait for a last-minute decision, which has put the industry and ourselves at a disadvantage.

Secondly, I fear that the British presidency has been a handicap in certain negotiations. We are so anxious to bend over backwards to secure an agreement and conciliate people that we do not assert our national demands and interests as vigorously as the Dutch did when they held the presidency. They used their position ruthlessly to gain what they wanted on fishing. Why do we not do the same? Our civil servants are brought up in the best tradition of British sportsmanship—probably in an arcane game such as cricket—and they always want to be fair to the poor continentals, particularly at a time when we have to show leadership. However, that is not what the industry wants or needs. We want a vigorous assertion of our demands and interests.

Mr. Salmond *rose—*

Mr. Mitchell: No doubt, that assertion is about to be made.

Mr. Salmond: Is the hon. Gentleman, who chairs the all-party fisheries group, saying that the Minister is not ruthless enough? Does he not recall that at a meeting of the group at the beginning of the presidency we instructed the Minister to be ruthless? Is he saying that he has disobeyed us and kowtowed to unreasonable demands elsewhere instead of ruthlessly asserting his position?

Mr. Mitchell: I am not up to the clever techniques of Scottish politics because I am a decent, inhibited English Member. I think that the Minister has done an extremely good job and been effective in pushing our demands, and particularly effective in maintaining close and continuous contact with the industry, to listen to what it wants. I am not criticising the Minister, but I am criticising a position which makes a British Government who are in a difficult situation in Europe more accommodating than they might otherwise be, because they have the presidency and want to show responsibility. It was certainly not a criticism of our Minister.

Mr. John Hayes (South Holland and The Deepings) (Con): I understand the image that the hon. Gentleman is painting. The picture of the Minister as a sporting loser is about right, but is he not going into the conference chamber naked? Are his hands not tied? As the House can see, I am making the image more colourful by the moment. The truth is that the Government as a whole do not prioritise fishing. It is traded off against other countries that do prioritise it. We do not value fishing highly enough. Is that not the truth of the matter?

Mr. Mitchell: I shall not attempt to reply to that. The loser image was a description of my own position and sporting instincts. I was not saying that our Minister was a loser. I was saying that the difficulties of combining the presidency with arguing for national interests make the British Government more inhibited because of their instinct for fairness and conciliation. I go no further than that. I am not entering into the old in and out argument, as the hon. Gentleman may want me to.

I am sure that the new leader of the Conservative party does not want to recruit dinosaurs, and on this issue I am one. I believe that, from a fishing perspective, we would do better having national control over our own waters. That is a goal that I still support and work for. It is true that we would still need to co-operate, but we would co-operate and consult from a more powerful position if we had such control. We would act with more muscle.

As we are now arguing about the cash return on Europe, particularly the rebate, and asserting the fact that the common agricultural policy costs us dear and benefits France, it is important to point out that the common fisheries policy also costs us dear. The policy was stitched together at the last minute to get access to British waters. As the evidence produced from Scotland shows, civil servants were told to regard the fishing industry as disposable.

Mr. Salmond: Expendable.

Mr. Mitchell: Expendable. That was disgraceful, but it was accepted by the late Sir Edward Heath in his passionate desire to get into Europe. We got a worse deal than was justified. We made the biggest sacrifice.

[Mr. Mitchell]

We have had the biggest loss of catches, and the total amount of fish taken out of British waters by European vessels will come to a huge total—measured in billions—added to which is the cost of the run-down of the British industry and the run-down of fishing communities. So there are very heavy costs which need to be taken into account in the financial argument that we are involved in.

The industry has been blighted by the common fisheries policy. The English industry has borne the brunt of the cuts—substantial cuts, more than we should have taken and more than have been necessary in any other country. I can become positively elegiac when I consider the position of Grimsby, which in the days of fishing in Icelandic waters and big fishing in Norwegian waters had a powerful fishing industry as Britain's and perhaps the world's premier fishing port, and I see the present shrunken state of the industry, with owners who have invested in the industry now asking why decommissioning money cannot be channelled to them because they cannot fish profitably and want to get out. That saddens me, but I have put their demands to the Minister.

Mrs. Iris Robinson (Strangford) (DUP): How does the hon. Gentleman view the fact that the Republic of Ireland is building boats yet our Northern Ireland fisheries are asked to decommission? Quotas and the tie-up schemes are decimating our industry, yet across the border we see a vibrant fishing industry compared with Northern Ireland in particular and the rest of the United Kingdom in general.

Mr. Mitchell: I did not intend to reach Grimsby via a detour to Northern Ireland, but I agree. The problem for fishing communities such as mine and other communities in Northern Ireland and Scotland is that if the cuts go on, the critical mass of the industry will be insufficient to support the facilities needed to keep it going.

Mr. Bradshaw: If my hon. Friend did not already know, it might interest him and the hon. Member for Strangford (Mrs. Robinson) to learn that the Government of the Irish Republic are in the process of implementing the decommissioning of 20 per cent. of their current fleet.

Mr. Mitchell: After the huge vessels that have been built in the Republic of Ireland, that is more than welcome.

With regard to critical mass, we have already had a report on the east coast fisheries industry which suggests that one or more of the white fish ports there will have to close. We have seen what has happened in Lowestoft.

Mr. Salmond: Does the hon. Gentleman think that the Minister, who is extremely vigorous and ruthless, could be persuaded to lay before the House an examination of the capacity in the Irish white fish fleet over the past 10 years, compared with the capacity in the fleets of England, Scotland and the other countries of the United Kingdom?

Mr. Mitchell: That would be interesting to know, and it would be interesting to have it reinforced by figures for new build in other European countries, particularly that financed by the European Union in Spain. The figures make me envious, so reading them will be a form of masochism, but it is necessary information that should be provided to us.

When the industry shrinks to a level below the critical mass, we need to take measures to support it—for example, to keep a regional industry going by buying licences and track records to keep them in the area, otherwise the Scots poach the lot. I do not want to sound contentious towards my colleagues in Scotland, but that is what has been happening on the east coast.

When we pressed for some measure of financing to allow the fishing communities to keep quota locally, we were referred to the regional development agencies. They initially took a firm line that they were not allowed to give support to the industry because it was against European competition rules. The only support that was offered was for health and safety measures, which would have enabled the Grimsby industry to purchase millions and millions of plastic helmets for fishermen to wear. We saw the Minister in August and I hope that he has put that right. Yorkshire Forward, for instance, is still too slow to provide the help that is necessary, and is unadventurous in keeping catching capacity in the area so that we have no further shrinkage.

I chaired the Environment, Food and Rural Affairs Sub-Committee inquiry into fishing, which produced a very good report. The report emphasised the need to move forward through co-operation and devolving power from Brussels to the regional advisory councils. The Sub-Committee backed the approach developed by the strategy unit, which resulted from the Prime Minister's intervention. The Government reply to the report was lethargic and did not indicate that the issue was being pursued with the necessary dynamism. It did not address the concern that if we are not going to provide the direct aid that the industry wants—I still think that the industry should receive it—we must be vigilant in order to prevent others from providing it to their industries, which returns us to the Irish Republic and Spain.

There have been attempts to reopen the issue of whether there should be investment in new vessels and new capacity. Such investment should have ceased and that position must be maintained, but the Government must safeguard our industry against other industries that receive support.

Mr. Paterson: Conservative Members endorse the hon. Gentleman's comments. When I attended a meeting in Northern Ireland, strong words were used to criticise the handing over of money to the southern Irish. There is no place for subsidies—the lesson of Newfoundland concerns the grotesque damage caused by excessive subsidised capacity. In our paper, we make it clear that there is no role for subsidies.

Mr. Mitchell: I wish the hon. Gentleman joy in announcing the Tory policy of no subsidies for the fishing industry, which in my view requires a measure of Government support to perform the necessary transition—in particular, it needs the Government to be vigilant on subsidies to competing European industries. I am worried about fuel subsidies, which have recently

become an issue in France. They are a traditional French reaction to a difficult situation, and they are totally unacceptable, because our industry is subject to the same costs. If our industry is not subsidised, nobody's industry should be subsidised.

The slower approach than I would have liked has left the industry to seize the initiative, which it has done because it wants to co-operate. The RACs resulted from not only the importance placed on them by the strategy unit, but the importance attached to them by the industry, which has committed itself. They have been handicapped by the lack of advance information on the Commission's proposals. If they had received an indication of the Commission's proposals by the middle of the year, they would have been able to develop plans on how to apply them and to make suggestions on what should be done. However, they had to work in the dark, and the timetable was put back to a November meeting, which did not achieve as much as it should have done because it did not have the material to bite on.

Mr. Hayes: My hon. Friend the Member for North Shropshire (Mr. Paterson) is right about the difficulties for the industry in long-term business planning and investment, because the policies change year by year. Because the industry does not know where it stands, it cannot invest, but that does not seem to be the case in Ireland. In 1973, the total catch by the Irish fishing fleet was 78,068 tonnes; by 2003, it had risen by 195 per cent. Somebody is doing well within the EU, and it is not the UK—it is, as the hon. Member for Strangford (Mrs. Robinson) has said, Ireland.

Mr. Mitchell: The problem in this country is that the fishing industry has never been big enough to be a powerful influence on Government. It is more powerful in Scotland, and it exercises more influence on the Scottish Executive than it does on the UK Government. Smaller countries with bigger fishing industries focus more intensely on the issue and can achieve more.

The building of ever bigger and more powerful vessels goes against conservation. We need older and less efficient vessels, such as those in Grimsby, because their catches are much less damaging environmentally. What has happened in Ireland is bad for the industry and bad for conservation. It is unfortunate that the machinery in Europe is so cumbersome that it does not allow us to stop such practices immediately.

There is a case for re-organising the fishing year, which is out of kilter. We should bring forward what the Commission wants to achieve and hold earlier talks with Norway to set total allowable catches. We should also revise the scientific advice, which is increasingly questioned. It provides a freeze-frame of the previous year, so it may well be out of date by the time that judgments are made on it—it is published in the middle of the year, and the decisions are made in December.

I agree with the evidence put forward by the National Federation of Fishermen's Organisations, and the International Council for the Exploration of the Sea and others have acknowledged that the scientific underpinning for the catch limits is wobbly. The number of times that the words "uncertainty" or "unreliable data" enter into those calculations means that we should not base tough judgments and restrictive measures on them.

The fishing industry and I welcome the fisheries science partnership. That welcome innovation by the Government allows fisheries vessels to undertake DEFRA-funded research, which has been very successful in making the scientific advice more practical. Given the wobbly scientific underpinning, decisions on restrictions and cuts are based on inadequate information. The industry is right to protest against the proposals on cuts, because it has been slowly ratcheted downwards by that process. We need a better organisation of the year and more information to allow the industry to become more involved in taking the necessary decisions.

We must take a long-term view of how to reach sustainable catch levels and a sustainable industry, but the Commission is still motivated by a short-term view. I was disappointed when Commissioner Borg's promise on advanced information about the Commission's objectives was not fulfilled. Unless we receive such information, the RACs cannot work effectively, because they need to take views on what the Commission is proposing in order to allow their own views to be taken into account. Those views should be enforceable, so we do not want advisory councils; we want regional managerial committees to determine the targets for their area and the means of reaching those targets—in other words, how to limit catches, if they are to be limited. What the industry wants is right. We must move on to the future by co-operating with other countries, through the RACs and more powerful bodies that will succeed them, and with scientists and Government. That is the only way in which we will achieve a sustainable industry.

I am grateful that some of the industry's demands have been taken into account and that it has been consulting so effectively. More power to that process, because the industry needs to be brought much more into it. The industry's aim, like that of the Government, is sustainability. It might be necessary to give it more financial support than the Government have been prepared to give. However, there is a common aim that will be achieved by better organisation of fishing in Europe, with more flexible management instead of blanket bans and the cod fish recovery programme.

We need more temporary closures of areas and more selective measures taken vigorously through the RACs. We need the ban on industrial fishing for which we have been asking for years. I was delighted to hear from the Minister that the effective ban on sand eels and pout will close down much of the industrial fishing, which has been an abomination. I could never understand the scientific advice on which it was maintained. Licensing will deal effectively with the black fish industry. The industry grumbles about the regulation involved, but traceability and registration are the only effective way forward in that respect.

That brings me back to the main issue that faces us: cod recovery. It is clear that the cod recovery plan is not working, yet it inhibits the rest of the industry, because what it can catch is geared to it. Haddock is more plentiful and can still be caught, yet it is not allowed to be caught because of the coupling with the cod recovery programme. The industry wants a full review of the cod recovery programme in 2006. I would go further, although it grieves me to do so, because Grimsby has always been a cod port. The time may have come for us to recognise the fact that cod stocks are not going to

[Mr. Mitchell]

recover. In the North sea, the decline was mainly caused by over-catching. That has brought stocks to the point where it is questionable whether they will survive. There is also the problem of climatic effects and the warming of the waters, which was mentioned by the Opposition spokesman.

Frankly, we do not know in scientific terms whether cod stocks will recover if the cod recovery programme is maintained. If they are not going to recover, that is an end of it. Let us remove that ratchet, which is screwing down on the rest of the industry, and give up on cod. Certainly, the Canadian experience indicates that there will not be a recovery. When cod stocks reach a particularly weak point, predators come in and eat the eggs and the whole environment becomes more hostile. We may have reached that point.

I am not qualified to evaluate whether the warming of the waters will be countered by what is happening to the gulf stream. I am affected by that only to the extent of bathing from Cleethorpes beach, and I am not qualified to assess the effect on fishing. However, there is a process that is driving out the cod. It might be as well to recognise that and to say that we are not going to engage on a ratcheting process which is screwing the rest of the industry down on the basis of a cod recovery programme that will not succeed, especially as we could achieve the same objective by other means— for instance, geographically focused measures on cod taken by the RACs.

That brings me full circle to the argument on whether we are in or out of Europe. I hope that the Conservatives' position is not changed by the rush to the middle ground—or middle waters—that the new leader seems to be embarked on, and that they will maintain a position that is important, because it is an assertion of our national rights. Whatever position is taken, the transfer of power needs to be away from Brussels and down to the national and regional levels so that the industry can shape its own future and has the necessary powers to do so. That is the only way in which to achieve the sustainable industry and sustainable targets that we really need and should be the basis of our discussions today.

2.36 pm

Mr. Robert Goodwill (Scarborough and Whitby) (Con): I commence by saying a few words about Lawrie Quinn, my predecessor. Mr. Quinn was a very hard-working MP. As *Hansard* shows, he regularly attended these annual fisheries debates.

When my hon. Friend the Member for North Shropshire (Mr. Paterson) visited the constituency, he witnessed real anger in the fishing community. Some of the anger was directed at the Member of Parliament, but I suspect that it should have been more rightly directed at successive Governments who have failed to deliver for the fishermen of the north-east coast, and even more at the European Commission, which has failed to deliver a common fisheries policy securing, in the words of the Minister, sustainable fisheries and the marine environment. We have had 22 years of the common fisheries policy, which has not delivered those objectives. How much longer do we have to wait to realise that the solution to the problem is that which Conservative Front Benchers, and the hon. Member for Great Grimsby (Mr. Mitchell), suggested?

Fishing was a central issue during the election campaign. I am pleased to say that I had the warm support of the fishermen, not least because in one of the debates at Whitby community college before the election proper started, my predecessor said that not many people were involved in the industry any more—the implication being that it therefore did not matter. I must make it clear that every one of my constituents matters, not least the fishermen. We have a vestige of a once-great industry, but we must hold on to it. There is no point in having a cod recovery plan if, when it does recover, we have no industry to capitalise on the harvest of the seas.

My constituency includes the two fishing ports of Scarborough and Whitby. People from Scarborough rarely agree with people from Whitby, but one thing that they do agree on is that the fisheries policy promoted by this Government and, I am sad to say, the previous Government, has not worked. Last week, at Hull Crown court, 10 Whitby skippers and two Whitby trawling companies pleaded guilty to 55 charges of not properly recording fish landings. The accused represented 90 per cent. of the Whitby fleet. For three months during the late summer and autumn of 2003, only 50 per cent. of landings were recorded. They were fined £122,800. I must make it clear that there was no suggestion of fraudulent activity in relation to the Inland Revenue; in fact, tax was paid on all the fish landed and harbour dues were paid on the fish that came into Whitby harbour. In fact, DEFRA spent £21,000 on forensic accountants to try to determine whether any fraud of that kind might have been committed.

I must stress that the people involved are not wealthy men. Evidence given to the court revealed that the income of the skippers was between £8,000 and £20,000. The highest-paid skipper involved in the case earned one third of the salary of a Member of Parliament—without the generous pension provisions, I hasten to add. The biggest fine was levied on Arnold Locker of Locker Trawlers. Twenty-one offences involving seven trawlers resulted in Mr. Locker being fined £52,500. I am told that similar offences in French ports would have resulted in warnings being issued.

Fishermen such as Mr. Locker, who is the chairman of the National Federation of Fishermen's Organisations, faced a terrible choice at the end of 2003: break the rules or go out of business. They faced a 65 per cent. cut, due to the recovery plan, and they had already invested in more quota and new vessels. Mr. Locker had a £1.5 million overdraft because of such investments in the future of the industry. The Whitby fishermen have also invested in the young people there. We have the best training in the country for fishermen, because the Whitby fishermen have faith in the future. There are also problems relating to days at sea and the increasing pressure on them.

I must stress that those fishermen are not dishonest men. They are decent men who have been driven to dishonesty by the common fisheries policy. We have seen 22 years of failure of that policy, in which stocks have crashed and employment has gone down. Those fishermen are the people who would be in the lifeboat if someone got into trouble in their yacht off the east coast

and needed rescuing. They are not criminals; in many cases, they could be called heroes. The common fisheries policy is the problem, not the solution. While I cannot condone anyone breaking the law, I think that we can all understand the desperation that they would feel when faced with the loss of their business and their home, and perhaps with the family breakdown that could result from that.

What made the fishermen in Whitby even more bitter was the fact that—no disrespect to the Scots—they knew that the Scots had been given a £50 million package to tide them over, consisting of £40 million for decommissioning and £10 million in interim aid. That worked out at £14,000 per vessel per month, or roughly £50,000 in cash to tide each skipper over. Skippers in the north-east of England got none of that money. In Northern Ireland, 16 vessels together received £900,000 to tide them over, and fishermen in Wales also got assistance. But England, for once the poor relation—

Mr. MacNeil: For once.

Mr. Goodwill: Indeed. England got nothing. Mr. Locker sold four vessels. One went to Northern Ireland—surprise, surprise!—and three went to Scotland. That enabled him to reduce his borrowing and to keep going. As I said earlier, there is no point in having a cod recovery plan if there is no industry in England left to capitalise on it.

Skippers and fishermen in Whitby feel that the science that is being used is in many cases not robust. I can understand why it is important to have figures that can be compared from year to year. However, much of the light tackle that has been used for the past 40 years to sample the stocks does not perform in the same way behind high-powered trawlers as the old tackle did. May I suggest to the Minister that we have a few years in which the two different types of tackle are used in parallel, so that we can also use modern fishing methods to sample the stocks? In that way, we would be able to pass the figures on from one year to the next.

I was going to say that the industry in the north-east had been decimated, but we know from our Roman history that decimation was what happened when a legion had not lived up to the standards of the empire and one in 10 of its soldiers were taken out. The situation in the north-east is worse than that. I have here the employment figures in UK fishing for the two years in question: 2003 and 2004. In Scotland in 2003, the figure stood at 5,276, and in 2004 it was 5,275—almost the same. In England and Wales, the figure for 2003 was 6,270, and in 2004 it was 5,665, a reduction of 9.6 per cent. But in the north-east of England, the figure for 2003 was 695, and for 2004 it was 192. That represents a reduction of 72 per cent. in employment in the east coast fishery. That is worse than decimation; that is one in three people going out of the industry in one year because of the effects of the cod recovery plan.

I thank the Minister for attending a meeting in August that was facilitated by the hon. Member for Great Grimsby (Mr. Mitchell). I presume that the "Great" in "Great Grimsby" refers more to the football team this season than to the fishing industry in that once great fishing port. During his speech, I could not help thinking that perhaps we should have sent him to Brussels to negotiate on our behalf, as he seemed to be talking an awful lot of sense—[HON. MEMBERS: "Hear, hear!"]

The meeting that the hon. Gentleman facilitated at DEFRA in August was attended by our fishing leaders, including Mr. Fred Normandale, a Scarborough fisherman, and we tried to come up with a way of facilitating some aid for the Yorkshire coast fishermen within the rules. Yorkshire Forward said that it would make £500,000 available to the industry over two years, and it was suggested that that money could be used to fund mandatory safety equipment. I understand the arguments of additionality in this context, because if something is mandatory, there is no real gain for the taxpayer in giving people money to do something that they have to do anyway. However, the industry and Yorkshire Forward thought that that would be at least one way of levering some money in to help the industry. The Minister was very helpful and listened to everything that we said at the meeting, but I am sad to say that, so far, no money has been made available.

So, what is the future for the fishing industry on the east coast? Looking back over the debates on the issue, in which my predecessor spoke every year, I see that there was never any good news. I wonder whether there will be a future for the industry. On the bright side, we have seen a renaissance in shellfishing. The port of Bridlington is now entirely a shellfish port. It has been suggested that we are fishing our way down the food chain: we have caught all the big fish and now we are going for the small stuff. The fleet in Scarborough has been switching over to shellfish, and there has been some investment in jobs on shore. Whitby scampi is also becoming famous.

There is a company in Whitby run by a gentleman called Mike Russell, the coxswain of the Whitby lifeboat, and he knows everything there is to know about lobsters. Everything that I know about them I have learned from Mr. Russell, and he has not told me half of what he knows. Whitby has developed a thriving export market to Spain, but I was interested to hear that only the good lobsters go there. A lobster casts its shell because the meat inside its body is bursting to get out. Those are the lobsters that we send to Spain. When it has cast its shell, it goes off somewhere to hide for a couple of weeks because it is particularly vulnerable at that time. When it comes out again, it is very hungry, so it goes into the first lobster pot that it sees. However, at that stage, it is not crammed full of meat; its shell is in fact quite empty. Those are the lobsters that we tend to eat in Britain. It would be uneconomic to transport those lighter lobsters to Spain anyway. When right hon. and hon. Members visit Spain, they should make sure that they try the lobster, as there is a fair chance that it has come from my constituency. If they visit my constituency, however, they should not pay over the odds for a lobster, because the chances are that it will be one of the outgrades, which, although tasty, do not have as much meat in them as those that they will find in Spain.

The brown crab is not as abundant as it once was. Whitby fishermen are developing a market in Spain for the velvet crab, however, which is much smaller—it has a diameter of perhaps less than 10 cm—and used to be thrown overboard or destroyed because it was predating

[Mr. Goodwill]

on other species that fishermen wanted to catch. Before the election, there was an interesting culinary evening to which local people were invited to sample the velvet crab. I suspect that velvet crabs will not catch on in Whitby, however, because tackling one involves an awful lot of work for not too much meat.

Until a lorry arrives from Spain that can carry a full load of 25 tonnes, the problem posed by the velvet crab is storage. Currently, velvet crabs are being stored offshore in nets, which causes the problem of crabs predating on themselves. There is also the problem that if the seas are particularly rough when the lorry from Spain is scheduled to come, the fishermen cannot go out to retrieve the crabs. I am therefore pleased that Scarborough borough council and Yorkshire Forward are working together to get a quayside storage facility for velvet crabs, so that the fishermen can capitalise on something that they once thought worthless but is now becoming a useful source of income. I hope that that will go ahead in the next few months. I also hope that a local businessmen will get a franchise on that operation, because under the tendering rules it will have to go out to widespread tender. I am sure that we would all be disappointed to see that go to a large multinational company. I know that the borough council has that in mind.

On the bright side, Whitby also has a vibrant shipbuilding industry. It has a long tradition of shipbuilding, going back to the days of Captain Cook and before. The Parcol yard, which is on the banks of the River Esk, run by a Mr. Jim Morrison, is doing a good trade selling boats, mainly for the shellfish industry, to the Shetlands and Scotland. It seems to be the Scots who have the money to buy the boats. I was pleased to visit the yard shortly after the election, to see the tremendous work going on there, and to see that the tradition of shipbuilding is being carried on in Whitby, which is not the case in many of our traditional shipbuilding ports. Several people have said to me that it detracts somewhat from the traditional, picturesque view of Whitby, but Whitby can be successful only if it is a truly working port, with working fishermen and people working in the shipyard.

I invite the Minister, when he has time on his hands, which I am sure is not too often, to come to my constituency. I assure him that he will get a warm welcome. If the weather is inclement, we will take him either to the famous Magpie restaurant, where the queues snake around the block, or to Trenchers restaurant, which, many people contend, serves better fish and chips, although it is not as famous. If the weather is clement, I am sure that we can sit on the quayside and eat fish and chips out of the paper in the traditional way. He will then be able to hear first hand what the Whitby fishermen have to say, and he will experience the frustration and anger that they feel. They are proud men, who have worked for many generations in the industry, and who would like their sons and grandsons to go into that industry. Their real concern is that no industry will be left in two, three or four years if assistance is not forthcoming.

The frustrations of those fishermen are generally directed at the rules with which they must contend. I commend the work done by my hon. Friend the Member for North Shropshire in examining successful fishing communities such as that in the Faroe Islands. It has used long-lining and automatic baiting to catch the big fish and leave the little fish in the sea. We should also consider what Iceland did to take control of its waters and rebuild its industry. Norway, too, has a vibrant industry—a couple of boats from Whitby fish in Norwegian waters and have seen how stocks are recovering there.

I am saddened that, in future, we will just see more of the same—more of the medicine that, in my view, is poisoning the patient. Surely now is the time for a different prescription, and for considering how we can take back control of our waters. I do not talk as a little Englander. I was I am almost ashamed to say, a Member of the European Parliament for five years before entering this proper—as the Chief Whip told me—Parliament. I understand the difficulties of getting agreement in the Council. I understand how, with the presidency, the Minister's hands will be even more tied than normal. I understand the difficulties of trying to negotiate about fish with Czechs, Slovaks and Hungarians, who could not care less about the North sea or fishing in general, but who will negotiate and build coalitions with other countries, such as Spain and France, if they can get what they want on the agricultural front. It is somewhat bizarre that agriculture and fishing can be traded off against each other. I must declare an interest as a farmer—I am responsible for supplying the chips to go with the fish. It is disappointing that the fishing industry often seems to be the poor relation when the Council decides the way forward, and that fishermen often get the rough end of the deal.

Fishermen who have pleaded guilty to breaking the law have no confidence in the rules that they are being asked to apply. They have no confidence that what they are being asked to do will deliver a vibrant and forward-looking industry in the future. I am sure that they do not like throwing dead fish back into the sea—we have heard about 90 per cent. by-catches—as they realise that by doing so they are polluting the marine environment, not contributing to it. If we had a system whereby days at sea were controlled, and fishermen had to land everything that they caught, the industry would feel confident that what it was doing would deliver a future and the sustainable fisheries that the common fisheries policy was meant to achieve.

I commend the programme set out by my hon. Friend the Member for North Shropshire, and I hope that it will at least form the basis of a way forward. While I know that it has been said that negotiating an opt-out would be impossible, surely, for the sake of fishermen in Scotland, Northern Ireland and the north-east of England, we must try to build a future based on the confidence of the people who must implement the rules, not on a plan in which, in my opinion, the industry has no confidence. It is no wonder that so many fishermen, unfortunately, are ignoring the rules.

2.58 pm

Mr. Iain Wright (Hartlepool) (Lab): I want to associate myself with the comments made by the hon. Member for Orkney and Shetland (Mr. Carmichael) and my hon. Friend the Member for Great Grimsby (Mr. Mitchell) regarding the criticism made by the hon.

Member for North Shropshire (Mr. Paterson) of Lawrie Quinn. The hon. Member for Orkney and Shetland was very gracious—he did not have to make those comments. It strikes me, however, that there are many physical similarities between him and Lawrie, and I do not think that I have seen them in the same room. Perhaps Lawrie is back in the House, in which case he is warmly welcomed. *[Laughter.]* He is on the wrong side of the House, but he is welcome.

I understand that Lawrie worked hard on behalf of the Scarborough and Whitby fishing industry and always participated in the annual fisheries debate. I felt that the comments of the hon. Member for North Shropshire were unnecessary, and made a mockery of the new Conservative leader's claim that we would see an end to "Punch and Judy politics". That's not the way to do it.

Like the hon. Member for Scarborough and Whitby (Mr. Goodwill), I am making my first contribution to the annual fisheries debate. I hope that it will be the first of many, and that during my time in the House the fishing industry of the United Kingdom, and that of Hartlepool in particular, will go from strength to strength. As it is my first fisheries debate I hope that, before I speak of the challenges facing the industry in Hartlepool, the House will indulge me for a moment so that I can briefly set out the history of the fishing industry in my constituency.

Fishing has a long and proud history in Hartlepool. Before the industrial revolution and the rapid expansion of the town, it was predominantly a fishing settlement. The town received its charter in 1201 from King John, not only because of its military and strategic importance as a port against the French, but because of the strength of its fishing fleets and the regular town market's influence on the commercial activity of the north of England.

The harshness of the sea and the difficulty of making a living injected a great deal of character into the local people. In his "A History of Hartlepool", written in the middle of the 19th century, Sir Cuthbert Sharp expressed himself vividly:

"The inhabitants of Hartlepool consist principally of fishermen, a hardy race: their manners are courteous and civil, especially towards strangers; their mode of life and thinking is characterised by stern and unbending independence. They are in general sober, and their luxuries seldom extend beyond the indulgence of fine white cakes. They marry early, have in general large families, and their wives are universally the purse bearers."

Reading that, I know that I have Hartlepool blood flowing through my veins.

Sir Cuthbert went on

"The women perform the most laborious part of the occupation on shore. They are seen to be on the beach waiting the return of the cobles and carry the lines home; the task of baiting is performed by them, and they likewise have to procure the mussels from the scalps".

Within living memory—although not mine—it was possible to leave the pub, "The Fisherman's Arms", and walk on to the fish quay, where a fishwife, shawl on her head and knife in her hand, would give people a cod slice from her pram while they waited. That was a good meal, certainly on a Friday.

Sir Cuthbert's comments were written just before West Hartlepool was established. Because of the rapid expansion of the town through the industrial revolution and the growth of heavy manufacturing, we as a community have not been as reliant upon the sea and fishing as other constituencies may have been. Nevertheless, in the oldest part of Hartlepool, the headland, we still have a strong and proud fishing community that catches fish that is renowned for its quality. Not for nothing is Hartlepool fish served at the tables of the finest seafood restaurants in the north of England. Some, such as Ocean and Big Mussel—along with Don Bee's and Verrall's fish-and-chip shops—are in Hartlepool itself. We have a high quality industry with high added value, dating back for many centuries. I want to make sure, during my time in the House, that it remains sustainable and profitable in the long term.

In the summer, I met representatives of the Hartlepool fishing community. They raised concerns with me, which I passed on to the Minister in the form of written parliamentary questions. The four broad themes that I raised in those questions form the basis of my speech.

I asked the Minister about the use of larger mesh nets as a means of enabling younger fish to escape and repopulate the seas. I was trying to ascertain the long-term viability of fish stocks in the North sea, particularly cod. Cod has been the staple catch of Hartlepool fishermen for centuries, but today's fishermen confirm from experience that there has been a massive decline. That was reiterated by the Minister in a reply during last month's Environment, Food and Rural Affairs questions. I understand that if we take a baseline of 100 for the year 1963 in the North sea, current cod stocks amount to about 25.

Fishermen in my constituency vehemently deny that the shortage has been caused by overfishing. Quotas have been too low for too long. The fishermen, many of whom have been at sea for decades, tell me that they detect a change in the habits of the cod. Essentially, they are migrating further north, presumably to find appropriate plankton for food. Evidence on the ground—as it were—seems to support research done in the past few years, which suggests that global warming, and a subsequent reduction in the supply of appropriate plankton, is having a knock-on effect on cod supply. I agree with my hon. Friend the Member for Great Grimsby that the shortage has not necessarily been caused by overfishing; it could be due to environmental changes.

Mr. Carmichael: I am familiar with the arguments about environmental changes and their impacts, and indeed I have advanced many of them in the past. My difficulty, which the hon. Gentleman may now share, lies with increasing evidence of a growing stock of young cod along the east coast, such as we last saw in, I believe, 1996. That demonstrates that neither the hon. Gentleman nor I, nor even any of the clever scientists, really know what is happening. However, does the hon. Gentleman agree that it is now imperative for the spawning grounds to be protected at all costs?

Mr. Wright: I entirely agree. I want to go on ensuring that the Hartlepool cod fishing industry has a vibrant future, and it is vital to protect as much of it as possible.

There is an absolute need to link the study of the maritime environment with the fishing industry—although I bear in mind the observation of the hon.

[Mr. Wright]

Member for Orkney and Shetland that scientists really do not have a clue about stocks—to determine how the UK fishing industry can adapt to the effects of a changing environment. I hope that the Marine Bill, which the Minister mentioned, will reflect that. It causes me some concern that the Prime Minister's strategy unit has said,

"the UK whitefish fleet is too large to be profitable in the long term . . . we estimate that reductions of at least 13 per cent. of whitefish capacity is needed to ensure long term profitability".

I urge the Minister to manage the process of downsizing extremely carefully, to ensure that fishermen and the infrastructure in the Hartlepool industry are not adversely affected.

Given what has been said, I understand that fishermen cannot catch stock that is not there. That brings me to my next point, which concerns diversification—not only in the industry, but in interests outside fishing. My fishermen tell me that there is a massive stock of shellfish, particularly prawns, in the North sea off the coast of Hartlepool. We are currently developing the velvet crab industry, which was mentioned by the hon. Member for Scarborough and Whitby. I hope that the Minister will take that into account when considering the negotiation of total allowable catches and quotas in Europe that will permit the fishermen in my constituency to continue to make a living.

My area in the north-east is all too familiar with the dangers of failing to diversify. The collapse of heavy manufacturing industry in the 1980s, for example, had a devastating effect on communities in my region, and we are only now beginning to pick up the pieces. The town of Hartlepool is regenerating itself as a major tourist and leisure destination, supported by our jewel in the crown, a world-class marina. I do not wish to see the fishing industry in Hartlepool "Disneyfied", as I want it to remain a true, real and vibrant industry, but I think there is an opportunity to expand the role of fishing within the leisure and tourism sectors. There are plans, for instance, for a fish restaurant on the Kafiga landings at the headland, which should give an additional boost to tourism.

The Minister may recall that in his reply to my question about diversification in the summer, he mentioned that his Department tasked regional development agencies with boosting rural economic development. While I welcome that—particularly as I was employed by One NorthEast—I agree with my hon. Friend the Member for Great Grimsby that RDAs could do more to stress the importance of fishing ports. Will the Minister tell us in his winding-up speech what additional pressure he is placing on relevant development agencies to boost the fishing industries in their areas?

The Minister also mentioned in his reply that the new EU grant scheme for fisheries, under negotiation in the Agriculture and Fisheries Council, would from 2007 include powers to grant aid for diversification from fisheries. I should like to know what progress is being made and whether the recent debate in Europe on the future of the EU budget has had any impact on that work.

May I mention the increase in fuel prices in recent months and years? Other Members have mentioned that, too. It is having a huge effect on fishermen, as well as others. When I raised the issue with the Minister, he mentioned that DEFRA officials have met representatives of the fishing industry to discuss the increases in fuel prices and how the industry can respond. I would be grateful if the Minister could give the House an update on those discussions.

The Chancellor's pre-Budget report this week mentioned an increase in tax rates on oil companies. I know that there will be a long queue of interested parties who would like to get their hands on that increased tax revenue, but does the Minister think that additional support will be provided to those in the fishing industry whose margins are extremely tight? Fluctuations in fuel prices can mean the difference between profit and loss.

Another factor in ensuring profitability is bureaucracy. That is seen by the Hartlepool fishermen as a major concern and something that takes them an inordinate time to process. I found the Minister's reply to my written question on the matter in the summer extremely helpful. He stated that reduction of bureaucracy and simplification of the legislation was a huge priority for his Department. I welcome the improvement in application procedures for the fisheries grant scheme.

The Minister also mentioned in his reply that work is going on between his Department and the National Federation of Fishermen's Organisations on a joint research project to identify specific reforms. I think that he mentioned that in his remarks today. I welcome that and look forward to the industry, particularly that in Hartlepool, reaping the rewards. Also, simplification of EU law is seen as a priority for this country's presidency of the EU, and I understand that an action plan is due by the end of the year. I would like to know from the Minister what progress has been made on that.

Hartlepool has a very long tradition of fishing. I want that to continue and, indeed, to thrive and expand. I hope that the Minister will take on board, when he goes in to bat for Britain in the EU in the coming days and weeks, the concerns of Hartlepool fishermen to ensure that we have a vibrant industry in the years and decades to come.

3.11 pm

Dr. William McCrea (South Antrim) (DUP): I congratulate the hon. Members who have spoken in the debate. It is a pleasure to follow the hon. Members for Great Grimsby (Mr. Mitchell)—who gave an insight into his local area and the wider scene as regards European affairs—for Scarborough and Whitby (Mr. Goodwill) and for Hartlepool (Mr. Wright), from whom we heard a few fishy stories.

On behalf of the fishing industry in Northern Ireland, I would like to share a few thoughts with Members, which I trust the Minister will take cognisance of as he prepares for the Fisheries Council. I also hope that he will encourage his colleague at the Northern Ireland Office, Lord Rooker, to attend with him to bat for Northern Ireland fishermen and to do his best to put forward the case for local fishermen in Europe.

I also hope that, following my remarks, this House will better understand the problems that the industry is facing and the few opportunities that it has. Some of

those problems are common to all regions within the United Kingdom. I understand the frustrations that the hon. Member for Scarborough and Whitby expressed. I can assure him that those frustrations are felt by Northern Ireland fishermen, especially as the Irish Republic Government seem to secure a more favourable outcome from the talks and negotiations in Europe than the UK Government do on behalf of fishermen in Northern Ireland. There are some issues that are unique to those who fish and depend upon fish in the Irish sea.

Sea fishing is maintained all around Northern Ireland's coastline, but the main commercial activity is centred around three fishing villages, namely, Portavogie in the north, Ardglass in the middle and Kilkeel in the south of the County Down coast. The fishing industry is in reality the community in those villages, and the community is the fishing industry. The two are inextricably linked. Therefore, we can understand what a decline in that industry does to the community. Before I refer to some of the recommendations that those fishermen would like the Minister to take cognisance of, let me give hon. Members some background.

Traditionally, the industry sustained itself and the fish stocks by being able to conduct what was known as a mixed fishery, targeting three main stock groups. For about a third of the year, the fleet would target herring; for another third of the year, it would target whitefish; and for the final third, it would target nephrops, or prawns. Then fisheries managers intervened. Back in 1980, temporary closed areas were introduced in the herring fishery. Twenty-five years later, those temporary closures are still with the industry. One might ask, what has resulted from those temporary closures? For the vast majority of fishermen, the herring fishery disappeared. The local fleet then had to divert its efforts to the remaining fisheries: whitefish and prawns.

Then, at the beginning of the 1990s, the fisheries managers decided that too much effort was being exerted upon the whitefish stocks. Reduced TACs in the Irish sea were the order of the day, but those were compounded in 2000 by the first so-called cod recovery programme to be implemented in EU waters. The temporary area closures were complemented by the imposition of effort controls in 2004. The Irish sea remains the only EU waters where so-called cod recovery combines area closures with effort control.

In 1999, there was a fleet of over 40 Northern Ireland trawlers targeting whitefish for most of the year. Today, the number of trawlers targeting whitefish can be measured in single figures. Consequently, white fisheries managers now give lip service to the mixed fishery model. In fact, the traditional mixed fishery in the Irish sea, which served both the stocks and the industry so well for decades, has been managed into a single species fishery.

Prawns are by far the most important single species to the entire local fishing industry, both at sea and onshore, accounting for more than half the value of all fish and shellfish landed in the Province. Prawns are the bedrock of the local fish processing sector. They account for the vast majority of fishery exports to Europe. That sustains most of the processing sector jobs and has a worth of over £70 million annually to the local economy. Yet despite the fact that fishery managers have cornered the industry into the single species fishery, they are still not happy—they want to go further. How much further can they go?

I am led to believe that the Commission is minded to impose additional management measures on that industry. There are rumours about further reductions in the number of days prawn boats spend at sea. Additional unproven technical conservation measures in the TAC persist and are counter to the science on that stock, which confirms what fishermen have said for years—if anything, the size of the prawn stock is on the increase.

Many fishermen hold out for the future; they look for a new dawn. Fishermen, it should be remembered, are just like everyone else—they are business men; ordinary people desiring to make a living. Each owns assets worth several thousands, if not millions, of pounds. Does anyone really believe that if fishermen did not think that there was a future in fishing the Irish sea, they would be continuing to invest in the industry, despite the problems? I congratulate those who have maintained that hope and encourage Government to defend them in the negotiations in the Fisheries Council later in December.

Fishermen want to safeguard fish stocks—after all, they are their future. Our local fisheries organisation is currently managing various projects, utilising European Union and national funding, that are designed to improve the selectivity of fishing gear. In partnership with local fisheries scientists, they are conducting an attempt to identify simple measures that can be used by the local prawn fleet to minimise discards in its prawn trawls. Fishermen are developing a new partnership with local fisheries scientists to improve data, which, in turn, will improve the science and should improve fishery management in the area. Those are commendable exercises. Fishermen are working with scientists and others in the industry and the Department to try to achieve goals.I simply hope that, in the meantime, the forthcoming Fisheries Councils do not scuttle that work by imposing more meaningless measures on the local industry.

Mrs. Iris Robinson: In relation to the forthcoming Fisheries Council in Brussels and with specific regard to quotas, I am informed that EU scientists have advised the Commission to increase the Irish sea plaice quota by 250 per cent., but that the Commission is set to order a 15 per cent. decrease. Will my hon. Friend join me in pressing the Government to investigate the scientific evidence on which the Commission intends to base the decision?

Dr. McCrea: I thank my hon. Friend for her intervention and simply direct her question and her information to the Minister and press him to take the point seriously and investigate it now, before the Fisheries Council meeting.

I ask the Minister to take account of the current fuel crisis, which is affecting the industry. Hon. Members must be aware of the problems that increasing fuel costs have caused. Some member states have assisted their fishing sector on that but, typically, the United Kingdom has not.

Mr. MacNeil: Does the hon. Gentleman agree that the United Kingdom should operate a similar scheme to that in France, whereby the Government supply fuel to fishermen at about 22p a litre? When the price of fuel falls to below 22p a litre, fishermen pay the higher price. However, in the interim the scheme gives fishermen guaranteed prices and they know that they can plan their businesses.

Dr. McCrea: I thank the hon. Gentleman for that. France is supposedly regarded as the great European, yet it always finds a way around European legislation, whether it affects farmers, fishermen and so on. We simply ask for a level playing field in Europe. If that is good enough for France, there is no reason why it cannot be done. Ministers often tell us, "We can't do these things." How can the great European leaders of France do them? If the French Government can do it, why cannot it be done to save our industry at a time of crisis?

The fuel crisis is in danger of overarching all the issues that I have mentioned. The industry could be crippled soon. What more could be done? I make a plea to the Minister to ensure that the forthcoming Fisheries Council bears that major socio-economic issue in mind when it reaches its decision for 2006. The fishing industry cannot sustain the imposition of any further cuts—in for example, quota and days at sea—or the unworkable technical measures. They must be resisted.

I believe that there are those in the industry who feel that there is a future. I ask hon. Members to join me in asking the Minister to ensure, through the negotiations, that he and his colleagues in Europe give our fishermen that future.

3.24 pm

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): I should like to associate myself with some of the earlier comments about fishing and the attendant dangers. I have known several people who lost their lives fishing, including people with whom I was at school, and I am therefore well aware of the courage and drive of fishermen. That should not be underestimated.

I declare a slight interest in that I have been fishing. Ten years ago, I fished with static nets, west of Uist, in a boat called the Dawn Ann. Two years ago, I was lobster fishing, which the hon. Member for Scarborough and Whitby (Mr. Goodwill) mentioned. When lobster fishing, if one sees a good lobster that is going to Spain and one knocks its claws off, it cannot be sold. We also fished brown crabs and the violent little velvet crab. I admire anybody who eats velvet crabs. I am sure that they are tasty and they should command a higher price. I hope that they will in the run-up to Christmas.

As I said, many friends of mine fish. Many are successful fishermen who were given the right chance at the right moment and found themselves in charge of boats at a young age. When given such an opportunity, many young island men have made a great success of it. I hope that the Under-Secretary is mindful of the need for continued support to ensure that, in future, we experience the same success.

On my island, the Isle of Barra, we have the tremendously successful company, Barratlantic, which employs many local people. Many people with whom I went to school work at Barratlantic. Fishing is therefore the bedrock and foundation of my island and my communities. It is interesting to note that many people have come over from the Czech Republic and Poland to work in our factory. It is especially encouraging to witness the good relations that have consequently been established. Many co-workers from the islands have been on holiday with their colleagues in the Czech Republic and Poland. I especially welcome that sort of development and friendship, and the way in which the island people work with those who come to work in their midst.

I welcome the increase in the nephrop-prawn quota in the coming year. The Western Isles fishermen are pleased with that. It means more jobs and, I hope, greater prosperity.

Scotland has approximately two thirds of UK fish landings. With population factored in, that makes fishing 20 times more important to Scotland. Scotland has around 127,000 square miles of the European seas. I am mindful of the comments of the hon. Member for Great Grimsby (Mr. Mitchell), who said that smaller nations are more aware of their fishing and fishery needs. The hon. Member for Strangford (Mrs. Robinson) highlighted that in practice, when she spoke about looking over the border to the Republic and seeing new boats at Killibegs and similar ports.

With 127,000 square miles of European waters, one imagines that Scotland would be a bigger player in Europe, but it is not and that is unfortunate. The negotiations have already been framed this year in the talks with Norway, which is a power to be envied. It is an independent nation with excellent relations with Westminster. However, Norway negotiates with the EU directly, and when Norway frowns, the EU trembles.

It is useful to highlight the problems that underpin our annual debates on fishing. Recently, the Prime Minister, while abandoning the rebate, has tried to attack and target the common agricultural policy. Perhaps he should have looked at the common fisheries policy. Have the Government looked seriously at the pros and cons of replacing the CFP, which has many problems, with other fishery structures? Of course, no one is saying that we should not have international negotiations on and co-operation between fisheries, but should it be on the current basis? Instead of this horse-trading, would it not be better for nations to be up-front with each other? For instance, why, west of the Hebrides, where there is no overlap, are France and Spain hoovering up many of our fish? I leave that with the Minister.

Consensus at this time of year is difficult to find and the consensus in the Chamber is that the run-up to Christmas is not the right time for such negotiations. I should not be surprised if after a tiring and pressing three days, Ministers make mistakes. As my hon. Friend the Member for Banff and Buchan (Mr. Salmond) said, their robustness and ruthlessness might decline somewhat by the end of such long negotiations.Consensus is also emerging on the cod recovery plan. It is not doing what it says on the tin—it is damaging other fisheries. It needs a public re-examination and cod needs to be separated from other fisheries.

When the plan fails, we go back for more of the same medicine from the same source of advice—even at a time when many feel that cod are migrating to colder seas.

The demand for a 30 per cent. increase is unrealistic, and if it is not achieved, cuts will come into play for other species. Now is definitely the time for a full re-evaluation. The Minister might say that it is tactically the wrong time, but it is strategically the right time for fishermen. We need to do away with the annual emotional rollercoaster ride that is caused, in the main, by the failure of the CFP. This year, there are projected cuts of 15 per cent. for cod, 13 per cent. for haddock, 15 per cent. for saithe, 15 per cent. for whiting and 2.5 per cent. for plaice. The latter figure is attributable to the particular interest of the Dutch in plaice; they are lobbying quite fiercely in that regard. The CFP clearly has knock-on effects for many other fisheries.

I hope that our Government will push hard for the industry during the negotiations. I point out, particularly to the officials, that any reference to cricket should go. Given that we are in the driving seat—that we have the presidency of the EU—we should make absolutely sure that we are doing the best for our fishermen and getting the best deal. I want to be able to tell my communities that things are going well and that fishing will be looking up in the next few years, not down.

I am also concerned about the cut in pelagic fishing. I know the owner and crew of the pelagic vessel, the Prowess, which operates in the Outer Hebrides, and I hope that that cut will be offset by the increases that scientists say could be made in other areas overseas. I hope that the Minister will look at this issue and ensure that the pelagic cut is not as currently framed.

I wish the Minister well and I hope that the officials will be mindful of my earlier cricket reference. Would it not be better if the Minister were at the top table in Europe with the ally of an independent Scotland, rather than being without one?

3.32 pm

Mr. Alan Reid (Argyll and Bute) (LD): This is the fifth annual fishing debate that I have taken part in since being elected to the House and the issues raised are depressingly familiar. They include the usual background of the failure of the cod recovery plan and the knock-on effects for other species. The aims of our fisheries policy should be to create the conditions in which stocks at risk can recover, and to maintain stocks at safe biological limits, so that we avoid the need to take drastic measures to save a particular species. It is also important to ensure the continuing viability of the industry both at sea and on land, and in the many local communities that depend on it.

There is little doubt that the common fisheries policy as currently structured has failed. It has failed to achieve any of its key objectives or to conserve fish stocks, most obviously of cod. I agree with those Members who say that a full review of the cod recovery plan is required; imposing more of the same measures has little chance of success. We need to move away from the annual round of negotiations and horse-trading in Brussels at this time of year. Ideally, we should move toward a system of regional management committees.

The current policy has failed mainly because it is far too centralised and run from Brussels. Decisions are taken in a forum that is far too remote from the fishermen and others affected by such decisions. Whereas the Norwegian delegation at the EU-Norway talks allows its fishermen into those talks, other European fishermen are kept outside. Before Sweden joined the EU, Swedish fishermen were able to take part in the talks; once Sweden joined, they were ushered out of the room. We need to involve fishermen much more in these discussions. I also agree that we need to look at the fishing year; the current system leads to a very rushed series of negotiations at this time of year. There seems not to have been time even to involve the existing regional advisory councils fully in that process.

Withdrawal from the CFP, while it may be tempting, is not a serious option. It was not clear from the comments by the hon. Member for North Shropshire (Mr. Paterson) whether it was still the Conservatives' policy to withdraw from it unilaterally. I thought from his last remark that that was still their policy, but he may be preparing the ground for a U-turn by the hon. Member for Witney (Mr. Cameron).

Mr. Weir: Is the hon. Gentleman aware that the hon. Member for Witney (Mr. Cameron) has already started that U-turn? It was reported, when he made his brief visit to Scotland during the leadership campaign, that he said that there were more important issues in Europe than fisheries policy and he was no longer committed to withdrawal.

Mr. Reid: That is interesting information and it reinforces my suspicions that the hon. Member for Witney has gone down one leg of the U.

Mr. Salmond: Is the hon. Gentleman aware that at one of the leadership hustings in Aberdeen only 15 people turned up?

Mr. Reid: Were they charging for admission?

As I was saying, withdrawal from the CFP is not an option. Fish swim across national boundaries. They spawn, feed and get caught in different parts of the sea. National boundaries are only artificial lines on the map, drawn halfway between countries, and are not boundaries on which we should base a fisheries policy.

At European level, we need an overarching policy. However, within that policy, management of fish stocks would be best carried out by regional management committees, which would involve local fishermen, scientists, representatives of Government and other stakeholders. I hope that the new regional advisory councils will develop into regional management committees with real power. I am sure that such committees would manage their local fish stocks far better than the present system.

I now wish to say a few words about this year's negotiations. As part of my preparation for this debate, I consulted fishermen in my constituency. The main fishery in the waters off my constituency is prawns. In fact, the prawn fishery is now the most valuable fishery in Scotland. There is universal agreement that prawn stocks are healthy, although it is true that in certain areas, at certain times, there is a more than negligible cod by-catch. However, the cod spawning grounds have been identified and a box has been drawn at the entrance to Clyde, partly in Scottish waters and partly in Northern Ireland waters, in which trawling for prawns

[Mr. Reid]

is prohibited during the cod spawning season from 14 February until 30 April. As long as the cod spawning box is avoided between those dates, the Clyde Fishermen's Association insists that the cod by-catch when fishing for prawns is negligible, but its fishing effort is restricted. This year the Commission has proposed further cuts in days at sea for nephrops trawlers in the west of Scotland area. The Clyde Fishermen's Association does not see the need for that further restriction because its cod by-catch is negligible as long as the box is avoided at the specific times of the year.

The views of the CFA on the cod by-catch are backed up by a written answer that I received from the Minister's predecessor, now the Minister for Climate Change and the Environment, as long ago as 7 November 2002. It stated:

"We have already reminded the Commission of our view—substantiated last year by detailed scientific analysis—that curbing nephrops fishing brings minimal benefit to cod."—[*Official Report*, 7 November 2002; Vol. 392, c. 584W.]

Given that longstanding scientific advice, I do not understand why the Commission still insists that further restrictions on the days at sea for nephrops fishing are required as part of the cod recovery plan.

This year, there was some good news from the Commission in that it proposes an increase of 39 per cent. in the west of Scotland nephrops TAC. It is very important that the Council agrees to that measure. Last year, the published scientific data showed that the nephrops TAC for the west of Scotland could be increased by 30 per cent. without any risk to cod stocks, but only a much smaller increase was allowed. I am pleased that this year the Commission has taken the scientific advice and proposed a much larger increase.

The association is also concerned that the European regulations are complex and often change drastically from year to year, which makes it difficult for fishing businesses to plan ahead. The association makes a plea for simplicity and continuity in the regulations. Sometimes, due to their circumstances, individual fishermen suffer greatly from the regulations. The association gave me two examples of such hard-luck cases. I plan to write to the Minister about them in more detail, so I shall only summarise them.

The owner of a scallop boat wants to convert his vessel so that he can fish for queen scallops, but the scallop-fishing gear on his boat falls outside the regulations. Queen scallops also fall outside European regulations but the gear that he requires to fish for them is caught by European regulations designed to minimise cod by-catch. Because he has no record of prawn fishing in 2002, he cannot to convert his gear, yet the local association tells me that it would be almost impossible to catch a cod with that gear.

The second case involves a Campbeltown fisherman who bought a vessel from the North sea white fish fleet in 2002 with the intention of converting it to a prawn trawler and using it in the west of Scotland zone. However, just after he bought the trawler the new days at sea regulations were published, whose effect is that the days at sea applying to that vessel are not the days at sea that apply to the west of Scotland nephrops fleet, but the much lower number of days at sea that apply to the North sea white fish fleet. I am not sure of the logic of imposing days at sea restrictions for a species in one zone that were meant to apply to a different species in a different zone. That fisherman was caught out by regulations that did not apply when he bought the vessel, but had retrospective effect to the time before he bought it. That appears unfair to what must be only a small number of fishermen. The fishermen's association told me that as the regulations are European, the Scottish Executive have no flexibility, so I hope that the Minister will investigate those cases.

Other Members have referred to angling. Angling at sea and in salmon rivers is an important industry and sea management measures can affect it. It is important that the angling industry is allowed to participate in the management of fish stocks.

In conclusion, I live in hope that future debates will be held against the backdrop of a cod recovery plan that has been seen to work and that the regional advisory councils will have been translated into successful regional management committees, so that this annual, pre-Christmas Brussels horse-trading will be a thing of the past.

3.43 pm

Mr. Alistair Carmichael (Orkney and Shetland) (LD): It is a pleasure to be back in this little club of ours—the annual fishing debate. We have some new members this year. I especially enjoyed the thoughtful contribution from the hon. Member for Na h-Eileanan an Iar (Mr. MacNeil), and also the contributions of the hon. Members for Hartlepool (Mr. Wright) and for Scarborough and Whitby (Mr. Goodwill). I commend the latter for his generous comments about his predecessor. When I heard that Lawrie Quinn had lost his seat, I mused on the fact that it would deprive us of our annual update on the life and times of Mr. Arnold Locker. I am delighted that we have not been deprived of that, although I am distraught to hear that Mr. Locker has hit hard times. I look forward with some anticipation to next year's instalment, when I hope that his fortunes will have taken a turn for the better.

This is one of the least febrile of the fishing debates that I have attended. It has been much less fraught and heated than some of those we enjoyed in years gone by. There are perhaps a couple of reasons for that. First, I give the Minister credit for the fact that when he went to Brussels with the UK delegation last year, for the first time in my experience he managed to take with him—metaphorically, if not literally—the fishing interest. He was much better at listening to and taking on board the views of the fishermen who were then in Brussels. As a result, they obtained a much better deal, which has better support from the industry.

Perhaps one of the reasons why we are less hard on the Minister this year than in years gone by is that he is not responsible for the industry's most immediate and pressing concern: the cost of fuel, which is becoming a real difficulty for many fishing boat owners in my constituency whose boats operate on the very margins of profitability. I do not yet know—I can only wonder—the effect of the Chancellor's reference in the pre-Budget statement to increases in duty on red diesel. I never quite understand how the red diesel rules work in the fishing

industry, but if there is any such effect, the situation will only get worse. Even if there is no such effect, the situation will not get any better. I contrast that, as other hon. Members have done, with the situation in France and Spain, whose Governments have been able to give their fishing industries some support by one means or another.

I reiterate my concern, which I expressed to the Minister in an intervention, about the contract for search and rescue helicopters, one of which is based at Sumburgh airport in my constituency. I am now due to meet the director of the Maritime and Coastguard Agency tomorrow—the meeting had been scheduled for 13 December, but I then discovered that the contract was due to be placed on 12 December—and I shall put my concerns directly to him then. However, I can tell the Minister and the House that my concerns are very real.

There are unresolved issues about the suitability of the aircraft, but I return to the point that I also made to the Minister that it is essential that the terms and conditions of the existing staff are transferred when the new contract is awarded. It is the skill, courage and expertise of the crews of those helicopters that is vital. The reason why that is of such concern to the fishing industry in particular is that barely a month goes by in my constituency without a fishing boat getting into trouble and ending up being towed into Lerwick harbour, and the helicopter at Sumburgh, Oscar Charlie, frequently plays a crucial role in the rescue. If we do not get that contract right, I very much fear that the commencement of these proceedings in future years will feature even more tales of loss of life and injury.

I want to say a few words about the cod recovery programme, which has been with us for a number of years. Of course, on one side of the equation is the reduction in effort and on the other is a growth in cod stocks. We have met our targets on the reduction of effort. That has been an exceptionally painful process, especially in heavily fishing-dependent communities such as Shetland. I have lectured the Minister on the reduction in the Shetland white fish fleet in the past, so I shall spare him it today. The reduction has been massive, but there has not yet been any substantial evidence of a recovery in the stocks of cod. However, I enter the caveat that all hon. Members have applied today—which is, of course, that exceptionally wobbly science seems to be associated with fisheries.

I remind the Minister of the point that I made to the hon. Member for Hartlepool: there seems to be some evidence of a good recruitment of young cod along the east coast of the United Kingdom. That is not unknown; there was a similar situation in 1996, or perhaps 1995. Unfortunately, as a result of the fishing practices at the time that involved smaller mesh sizes, especially for the nephrop sector, the immature class was slaughtered. We now have a window of opportunity, albeit a small one. The spawning grounds with immature cod must be identified and protected, because this might be our last chance. We can only speculate on the impact of climate change on cod stocks, but if we have the opportunity to improve the situation, we must not allow it to pass.

I add my voice to those of other hon. Members who have said that this is a point at which we should be reviewing the cod recovery programme. We must examine the targets that have been set. Is a 30 per cent. increase in the spawning stock biomass year on year realistic or achievable? Is the time frame in which we should achieve the targets realistic? Should we now be considering a more evolutionary approach?

When we review the cod recovery programme, there must be a central role for the regional advisory councils, especially the North sea regional advisory council. The Minister must be aware that when the RACs were set up, they were greeted with a degree of scepticism—I think that he used the word "cynicism" earlier, but I hope that "scepticism" is nearer the mark. It is fair to say that the jury is still out on RACs in fishing communities and the fishing industry. However, there is a need to nurture the RACs for the benefit of those of us who hope for a regional or decentralised structure of fisheries management.

I was most concerned to hear today from the lobby from the Scottish Fishermen's Federation and the National Federation of Fishermen's Organisations that the November meeting of the North sea regional advisory council was not given the figures on which the Council will make its judgment in December. There was not even an oral report to the Council from the Commission. If RACs such as that for the North sea are ever to do the job that the Minister and I would like them to do, they will need rather better treatment than that. I suggest that the first step towards giving them better treatment and improving their standing and stature would be to task them with the review of the cod recovery programme in the North sea.

I want to say a few words about black fish landings. I note that the hon. Member for North Shropshire (Mr. Paterson) has returned to the Chamber, so I caution him about the terms in which we all should speak about the matter. It is exceptionally difficult to make estimates about the situation—it is like proving a negative. The problem is more acute in different parts of the country at different times of year due to the circumstances that arise because of different quotas that are set. Any bold or sweeping statement will almost inevitably be out of date by the time that it is made, yet will be damaging to the wider interests of the fishing industries of the United Kingdom.

Mr. Goodwill: Does the hon. Gentleman agree that the two Shetland-based fishermen who pleaded guilty to landing illegally 7,600 tonnes of fish in Denmark without declaring it to fisheries officials, fixing log sheets and making £3.4 million in the process could be described as being involved in black fish?

Mr. Carmichael: I have no difficulty in saying that that would generally come under the term of black fish landings. The hon. Gentleman refers to the Altaire case, which I have followed closely for obvious reasons as both gentlemen in question are my constituents.

In the Altaire case, the criminal justice system and the confiscation procedures have been rigorous and have been followed. If that case is cast up to the Minister when he pleads our case in Brussels, he can point to our criminal justice system and confiscation procedures and say, "We have been rigorous. We have made our policing work." If there is an absence of similar cases in other jurisdictions within the United Kingdom, that should not be taken as evidence of their not having a problem; rather, it should be evidence of the fact that

[Mr. Carmichael]

they are less rigorous in policing fisheries. I asked the Minister about that not long ago in Department of Environment, Food and Rural Affairs questions, and he has spoken about it. I hope that the case in my constituency and that in the constituency of the hon. Member for Scarborough and Whitby will be taken as evidence of the fact that we are rigorous in our policing and that such cases are not necessarily indicative of any wider problem.

It has long been my view that we are among the most enthusiastic of enforcers of fisheries law. I remember discussing that with the hon. Gentleman's predecessor, who took the same view. Having worked in the criminal courts as a solicitor and having acted in many fish landing cases, I have a great deal of sympathy for many of the skippers who get caught out. Very often, it is the result of mere sloppiness. On occasions, it is because the nature and complexity of the fisheries regulations with which skippers are expected to comply is such that it would be barely safe to set to sea without first completing an LLB; people need to be qualified lawyers before they can be expected to find their way around the full range and complexity of the regulations. However, I did not come across many solicitors queuing up to go to sea during my time as a practising solicitor—indeed, I have not come across many since I came into the House. That might be why cases continue to arise.

The Minister finished his speech more abruptly than I thought he would. I had hoped that he would come on to say a few more things about the upcoming Council. Again, I echo the comments of other hon. Members about the fishing year. I commend Commissioner Borg for being prepared to say that he will consider it. Along with that—this thought came to my mind as I listened to the hon. Member for Great Grimsby (Mr. Mitchell)—we should revisit the question of multi-annual quotas. No matter what point in the year we pick to set the quota for the next year, it still leaves the industry able only to plan one year ahead. I know of no other industry that would allow its businesses to organise things in that way. There has to be a longer-term vision for the industry, especially when—hopefully—stocks across the border are more stable. That will allow for proper financial planning, which, frankly, is next to impossible as things stand.

I should also pay tribute to Commissioner Borg for his performance as commissioner, which is infinitely to be preferred to that of his predecessor. I was privileged to lead a delegation of fishermen from Shetland and Orkney to meet him in April—I suspect that I would not have got within a country mile of his predecessor—and he was open with them, he engaged with them, he listened, and he was sympathetic. That is a significant advance. He has undertaken to visit Shetland, or the northern isles, in the course of next year, and I hope to see him. I know that he will be most welcome. I am delighted that Ross Finnie will be visiting Shetland next week to take the soundings of the industry. I pay tribute to the way in which Mr. Finnie, my colleague, has taken the time and trouble to engage with, to listen to and to advance the case of Scotland's fishermen.

The proposal to which we have not given sufficient attention is that of days at sea. As I understand it, the proposal of the Commission, in the round, is a reduction from 108 days to 104. That in itself will be highly problematic for the white fish fleet in my constituency. The situation is even worse than it might at first have appeared. I am told that in the past year, fishermen in my constituency on white fish boats were able to take advantage of an extra 12 days that was made available to them. That was one day a month, as a result of the elective measures on administrative penalties. We still have the administrative penalties as part of the regime, but there is no question about the days that go with them.

When the Minister replies, will he tell me that he will give some priority to ensuring that the carrot-and-stick approach is still on offer and that he will not return home from Brussels without the extra 12 days? If he fails to do so, the white fish industry in my constituency will be left 16 days a year down from an already exceptionally low base. That threatens the viability of the more marginal boats in my constituency.

May I strengthen the resolve of the Minister on the haddock quota? It is proposed that there should be a 13 per cent. cut, which will cause severe hardship. I accept that some progress has already been made, but a 13 per cent. cut—an improved position though it may be—will cause exceptional difficulty. There are the difficulties of science, and the haddock supply highlights that better than almost anything else. Last year, on the basis of the data available to ICES, the spawning stock biomass for haddock was calculated at about 400,000 tonnes. At the EU-Norway talks earlier in the year, that same data was remodelled to give a spawning stock biomass of 280,000 tonnes. That shows the exceptional difficulties that one experiences when assessing the credibility of the science that is available on fisheries stocks. When the remodelled figures were produced, one could hear in Shetland the glee from Norway. There was no doubt that Norway's hand would be significantly strengthened in the EU-Norway negotiations.

My final substantive topic is industrial fishing. Like every other Member, I welcomed enthusiastically the closure of the industrial fishery this year. I note with exceptional pleasure the recommendation that there should be a zero total allowable catch for sand eel and pout. There is no doubt in my mind that industrial fishing of the sort that we have seen for so long is the antithesis of sustainable fishery. If evidence is needed of that, the Minister need not just have regard to fish stocks, where there has been an impact. Along the cliffs of Shetland and Orkney, the sea bird population has been decimated. I recall speaking to constituents on Foula earlier this year, who were broken-hearted given the way in which the breeding stock of the various seabirds has disappeared in recent years. Like fish stocks, breeding stocks for birds, once lost, are difficult to restore.

Hon. Members have suggested that, as president, the UK is in danger of playing too fairly. There has been talk of cricket—a game about which I know little and care less. I acknowledge that there is a balance to be struck when we assume the presidency, but we should not allow our role and fairness as president to damage our own industry and national interests. Instead of taking cricket as his model, may I commend to the Minister a splendid game that is played every year in my

constituency on Christmas day and new year's day called the Ba'? *[Interruption.]* No, it is the Ba', and it is played in Kirkwall in Orkney.

Three hundred grown men—perhaps more—play a traditional ball game in which they take a ball from the market cross in the centre of Kirkwall either up the town or down the town, where the game ends in the harbour. It lasts for hours. When the Ba' went up on new year's day, it was almost dark. It is a tremendously spirited game that is keenly contested. Less generous observers have described it as a rolling breach of the peace. May I suggest to the Minister that, if he wants to train his officials, he could send them to take part in this year's Ba', rather than sending them to play cricket? They would be most welcome—I have no doubt that the fishermen in my constituency who play in the Ba' every year would be most interested and would give them the closest possible attention in the middle of the scrum.

4.7 pm

Mr. Lindsay Hoyle (Chorley) (Lab): This is an important debate. In case people are wondering, I do not represent a fishing port, but my constituency is dependent on good-quality fishing stocks. We have good fish and chip shops in Chorley and good restaurants that serve quality fish. We also have good supermarkets, as well as Chorley market, where the stalls specialise in wet fish. My constituency therefore has a great history of selling quality fish. We must ensure that there are fishing stocks around the UK and successful fishing ports, so that fishermen can go out and secure the catches that my constituents need.

I have tabled early-day motions 945 and 1108, which express concern about illegal fishing and other fishing practices. The cost of illegal fishing is about £680 million. Spanish fishing vessels buy a flag of convenience from a landlocked country—other countries are involved, but Spain is one of the worst offenders—and use it to get round the rules on trawling, which is not acceptable. The country of origin does not take action against such usage, so the problem must be dealt with quickly, as it is a major burden for our fishermen. They are playing cricket—a great game—but while they play by the rules, other countries, especially Spain, abuse them. We must stop that. We expect the Minister to take action against illegal fishing and abolish flags of convenience.

Another problem is Spanish vessels putting out long lines and capturing sharks off the coast of Ireland, Scotland and Norway. That is a tragedy and is having a great effect on the sharks that used to live there quite happily. Spanish vessels put out a long line and, to get best value from it, the line can be out for weeks. Lines have even been known to be out for months. Not only does that devastate the shark stock in the area, but because the vessels do not come round often enough, half the catch is allowed to rot on the line and is eventually discarded. We must deal with that problem too.

I hope the Minister will take action. We know that the fishing vessels in question are Spanish. We know that marine experts in the United Kingdom are concerned, as are their Norwegian and Irish counterparts. We have heard a great deal today and we expect a great deal. Progress can be achieved. I know the Minister takes on board his responsibilities. When we go forward, I want to know that we will have a strong voice, a positive voice and a supportive voice for the fishing industry around the UK. We need to take action against other nations that are operating illegally.

I want the Minister to ensure that the good people of Chorley can expect Chorley market to keep selling a variety of quality fish that has been landed legally by fishermen around the UK, and to ensure that we have long-term fish stocks. That is what it is about—ensuring that we have a fishing industry for the long term. Let us not let other people plunder our stocks. Let us nurture them, and let us look after the fishing industry that has served us well for hundreds of years. Let us not lose that, and let us ensure that quality fish continues to come to Chorley.

4.12 pm

Mr. Alex Salmond (Banff and Buchan) (SNP): I welcome the full-day fishing debate and congratulate the Minister on having secured it with the Whips. It has given us the opportunity to listen to the hon. Member for Great Grimsby (Mr. Mitchell) in full flight, and to the hon. Member for Orkney and Shetland (Mr. Carmichael), whose contributions to such debates are usually truncated, but on this occasion he managed to give us the full range of his extensive knowledge of the industry.

The debate also allowed us to listen for the first time to my hon. Friend the Member for Na h-Eileanan an Iar (Mr. MacNeil)—*[Interruption.]* That is the Western Isles, for the benefit of the hon. Member for Chorley (Mr. Hoyle). Na h-Eileanan an Iar is the parliamentary constituency. It is said that in the run-up to election night, I practised for some time in the expectation that we would win the constituency. Expecting to be challenged on its pronunciation, I am assured by my Gaelic friends that I managed to carry it off with reasonable aplomb, as though I had been doing it all my days.

We welcome my hon. Friend to the proceedings. He is, as far as I know, the only working fisherman in the House. He is also the only working crofter in the House. Some people in the Western Isles would say he was the only worker in the House. It is useful to have in our debates someone who has done the job, done the business—done the fishing that we debate and care about. All of us who represent fishing constituencies care about the industry. There is no prouder boast in politics than to say that one is a fishing MP. It is an industry to which we owe our dedication, not least because of the fatalities and casualties—the real price of fish, as the Minister rightly reminded us as the start of the debate.

I shall make five points of detail before drawing a few broad conclusions to reinforce some of the arguments that other hon. Members have made so expertly in the debate. First, as I have said to the Minister, I am concerned about the aggregation of white fish licences in the pelagic sector. The hon. Member for Chorley has discussed flagged boats, although I am not certain whether flags of convenience are the same in the fishing industry as they are in the merchant marine.

The pelagic fleet in England is very small and consists of only two boats, both of which are flagged and both of which are Dutch owned. Given that we are generally

[Mr. Alex Salmond]

hostile to flagged boats, it is amazing that such interests always seem to come out on the right side of any decisions. I have never understood why that outfit has such lobbying power—perhaps it advances its arguments expertly or perhaps DEFRA officials listen especially acutely—but it has come out on the right side of a change in the pelagic sector.

I accept that there are other winners in the sector, but there are also potential losers. I know that the Minister will treat with great seriousness any change in regulation that might discriminate—no doubt unintentionally—against one fisherman as opposed to another, because the public purse has paid a heavy penalty for perceived discrimination in regulation. I hope that the Minister will examine the matter to see whether a measure can be found to ensure that all boats in the pelagic sector are given equal opportunities in the changes on aggregation.

Secondly, as the Minister has said, at a time of scarce fishing opportunities it is important to maximise any opportunities, so I am therefore puzzled by the western mackerel quota. After a few years of precautionary reductions, advice from the International Council for the Exploration of the Sea suggested that there was scope for a 15 per cent. increase in catch, but the Commission advises a 5 per cent. increase. Will the Minister elaborate on why that apparent opportunity has not been seized in a difficult year?

Thirdly, there is the question of who holds quota in the industry. It is self-evident that at a time of economic pressure on the industry, we must ensure that all available returns from fishing are kept within the fishing sector and, so far as it is possible, that no finance leaks elsewhere. Because of the downturn in the white fish sector, decommissioning and the huge pressure experienced by my constituents and many others around the coastline of Scotland and elsewhere, the banks inherited a substantial part of the quota. Of course, the banks did not fish themselves and rented out the quota to working fisherman, which represents a further leakage of returns from the industry.

Earlier this year, I joined a delegation from the producer organisations to visit the Royal Bank of Scotland, an organisation that has done incredibly well since I ceased to be its economist a number of years ago—I am sure that I helped to build the foundations for its future success. In conversation with the Royal Bank of Scotland, I argued that it is not stable in the medium term for financial sector institutions to own quota and make revenue from renting it to the industry.

I note with pleasure that the Royal Bank of Scotland recently sold its quota to fish-selling offices in Scotland. Personally, I would have preferred the quota to go the producer organisations, but none the less the quota is back within the fisheries sector. Some quota is still held outwith the fisheries sector, and people who are no longer working fisherman also hold a lot of it. Does the Minister have a view on whether it would be better consolidated with people who are pursuing a licence to fish, which would prevent the leakage of revenue out of the sector? Many other financial institutions still hold quota, and I also wonder whether the Minister has a view on that.

My fourth point has already been well made by the hon. Member for Orkney and Shetland (Mr. Carmichael), so I will not go through it again. However, I emphasise the importance of not cutting days at sea—an effort limitation—as a result of quota arrangements with Norway, because such a cut would be extremely prejudicial in the medium term. The Minister did not mention that point in his initial remarks, so perhaps he will let hon. Members know his attitude to potential restrictions on days at sea as a result of the negotiations.

Finally, I turn to fuel costs. At the Fisheries Council earlier this year, before the UK took over the presidency, the vast majority of fishing countries expressed concern about fuel costs, and the Commission was asked to investigate the possibility of fuel price protection for the fishing fleet. Other fishing fleets have some degree of protection; France has been mentioned. After his latest oil tax hike, the Chancellor of the Exchequer expects to have £12 billion in revenue from the North sea. Next year, he may even surpass in cash terms the all-time record for that set by Lord Howe in 1984. I was with a delegation that went to see the Chancellor earlier this year, when we talked about this and other matters. In such circumstances, one might think that the fishing communities—the people who sail round the oil rigs and platforms producing this enormous wealth and largesse for the Chancellor—would be tiny beneficiaries of the enormous funds from the black black oil that are filling Brown's black hole. At the very least, the Minister should give a guarantee that our fishermen will not be at a competitive disadvantage in relation to other European fleets as regards fuel costs.

I move on to some general observations. The hon. Member for Great Grimsby returned to one of his favourite themes in trying to explain the importance of the priority of fishing in negotiations. He does that extremely well. Over the years of the common fisheries policy, some negotiating countries have attached an enormous priority to fishing. One thinks of Spain and, more recently, of the Dutch. The hon. Gentleman mentioned the famous memo written in 1971 by a Scottish Office civil servant, which says:

"In light of Britain's wider European interests they"—

the Scottish fishermen—

"are expendable."

That memo was released under the 30-year rule. It was written in the course of negotiations that took this country into the then Common Market. The fisheries policy emerged from those negotiations at the very last minute. It should be said in defence of that nameless civil servant that he was not saying that the interests of Scottish fishermen should be expendable, but commenting bitterly on the attitude of the Foreign Office in the negotiations. Neither the Scottish Office nor the Ministry of Agriculture, Fisheries and Food, as it was then, could make any impact on the Foreign Office, which was obsessed by getting the agreement signed.

Mr. Hoyle: Obviously some of us are not old enough to remember that. Can the hon. Gentleman remind us who was in power at the time?

Mr. Salmond: Of course. The Conservative party was in power and the late Sir Edward Heath was Prime Minister. It should be said in his defence, as he is no

longer able to defend himself, that he vigorously denied in this Chamber that fishing was given a low priority. Nevertheless, the facts are clear.

Mr. Weir: My hon. Friend observes that when the Conservatives took us into the European Union fishing was considered expendable. When he hears that the new leader of the Conservative party reportedly said that there are other things in Europe more important than fishing, does he fear that he may be thinking along the same lines?

Mr. Salmond: In the immortal words of the new leader of the Conservative party, "I agree". After listening to today's exchanges, I say that we should bring back Punch and Judy, which was infinitely preferable to the love-in between the Prime Minister and the new Leader of the Opposition. I am told that it is the new politics, but I predict that after three weeks there will be a public demand for the return of Punch and Judy.

My hon. Friend the Member for Angus (Mr. Weir) is absolutely right. The Conservatives have been, as it were, caught amidships by the transition of their fisheries policy. I see no anxiety on the face of the hon. Member for North Shropshire (Mr. Paterson). He has obviously received some instruction since his earlier contribution. Of course, we all offer him our best wishes for retaining his post over these next few desperate hours. No hon. Member has travelled further in the interests of the fishing industry than he has over the past few years. Norway should be his next port of call, so that he can see the practices and procedures there.

The hon. Member for Great Grimsby made the important point that priority was all, in regard to how countries deal with their fishing industries. I am not making a personal criticism of this Minister or his predecessor, both of whom, on account of their longevity in post and knowledge of the industry, have been substantially preferable to many of the Ministers who came and went before them. I have always found the present Minister most amenable and co-operative when listening to the concerns of hon. Members. However, it is a reality that fishing will never be an overwhelming priority for this country in the way that it is for other fishing countries within the CFP.

Kelvin Hopkins (Luton, North) (Lab): The hon. Gentleman says that fishing will not be an overwhelming priority for Britain, but the fact is that Britain has one of the largest fisheries—if not the largest—in the European Union. Fishing forms a much more significant part of our economy than it does in other countries of the European Union.

Mr. Salmond: As one would expect. None the less, the priority that it is given here is dwarfed by that given to Spanish fishing interests and those of other nations.

As my hon. Friend the Member for Na h-Eileanan an Iar said earlier, fishing is about 20 times more important to Scotland's economy than it is to that of the UK as a whole, bearing in mind their relative sizes, and sometimes it acquires 20 times the importance within the body politic in Scotland when the subject is debated. I think I am right in saying that the first defeat of the Scottish Executive in the Scottish Parliament was sustained on the fishing issue. It is difficult to imagine fishing severely denting, if not breaking, the Government in this House. None the less, it was the issue that mobilised people to defeat the Government in that first term of the Scottish Parliament. That shows the relative scale of the priorities involved.

The hon. Member for Great Grimsby is the chair of the all-party fisheries group and has long experience of the industry. I am hoping to take part in enough of these fisheries debates to rival his record, but I think that he has made more contributions to them than the rest of us combined. He was absolutely right to make that point about priorities.

I want to talk about the rebate that was agreed at Fontainebleau. There have been stages in the history of the fishing industry at which it has been quite clear that certain countries—Spain, for example, but others as well—were building up their fishing fleets. I must caution the Minister not to give us the impression that the Irish decommissioning scheme will result in the Irish capacity following the pattern of the capacity in the white fish fleet in the United Kingdom. When he publishes the figures, they will show that exactly the opposite is the case. Ireland was another country that managed to exercise a substantial ability to modernise its fleet. In this country, however, our white fish and inshrops fleets have gone from being the most modern in Europe 25 years ago to being among the more elderly fleets over the piece, certainly in those sectors of the fishery.

One of the reasons for certain countries building up their fleets was their ability to access European funding. However, when we, as fishing MPs, argued for parity and comparability, we were told that under the Fontainebleau agreement, such funding would not be cost-effective because 87p in every pound would come off the UK rebate. Fishing was not the only industry that came up against a Treasury blockage as a result of the Fontainebleau agreement; the rebate has been a two-edged sword for many industries in this country. Perhaps now that the agreement is under negotiation, DEFRA will find a way of unlocking the funding that has long been available to other countries.

The Minister might say that this is not the time to build up capacity in the fleet. It might be the time, however, to make available grants for extremely fuel-efficient engines. That would be both environmentally friendly and extremely cost-effective at a time of high fuel prices. Other mechanisms apart from grants and help to build up capacity can therefore be used, and I hope that the Minister will explore them.

Lastly, one of the nubs of the debate has been whether it is tactically inept, as the Minister claimed, or strategically necessary, as my hon. Friend the Member for Na h-Eileanan an Iar explained and argued, to revisit the cod recovery plan. I take the Minister's point that he is in the middle of the current negotiations. Many of us would make the point to him, however, that if we are signed up to the 30 per cent. increase in cod, year on year, and if, as much of the scientific evidence accumulating tends to indicate, that will be extraordinarily difficult to achieve—if it is correct that conditions in the central North sea are by and large no longer amenable to cod as a stock—no amount of instruction from the European Commission will

[Mr. Salmond]

persuade cod to return in large numbers to that ground. That might or might not be the case, but there is a disconnection between the weight of building scientific evidence on this matter, the ICES and the cod recovery plan, which has apparently been set in total isolation, without reference to that body of evidence.

If we cannot meet that 30 per cent. target year on year, every single year, regardless of the state of other stocks, we will find ourselves negotiating from an extremely difficult position. Whether the haddock biomass is 300,000 or 500,000 tonnes, it will not matter in the sense that the quota suggested for haddock will be lower, not as a result of the haddock biomass but because of its attachment to cod in a mixed fishery. Many of us therefore think that revisiting the cod recovery plan—in public not in private, with the weight of accumulated scientific evidence taken into consideration—should be a strategic objective, to consider whether the variety of stocks can be detached from one another. Otherwise, I fear that Ministers will face an uphill battle for the foreseeable future when success is presented as turning a 20 per cent. cut into a 10 per cent. cut as opposed to allowing fishermen to exercise the full fishing opportunities that should be available to them.

If the Conservative party has been caught amidships in the transition of its fisheries policy, that is a great pity. No one, if they were starting from now, would have devised the common fisheries policy that we have at present. It is self-evident that any fishing country will have to embark on national and international agreements. It is also self-evident, however, that those that do so—the Faroes, Iceland and Norway—are a great deal more successful than those that are locked into the common fisheries policy. Whether or not the Conservative party is departing from national control, neither I, nor the hon. Member for Great Grimsby, nor the hon. Member for Orkney and Shetland is doing so. Those of us who care about fishing have a substantial argument in that regard, and we shall continue to pursue it.

4.33 pm

Mr. John Hayes (South Holland and The Deepings) (Con): It is an immense pleasure to speak once again in the annual fisheries debate, particularly as there are so many familiar faces. The debate has the feel of a reprise, with all the charm of familiarity if not the excitement of novelty.

I begin where the hon. Member for Banff and Buchan (Mr. Salmond), who always speaks with great authority on these matters, ended—to say boldly that the common fisheries policy has been a disaster. We would be less than honest if we did not start from that point. It has been a disaster in terms of economics and ecology.

The economics are clear. The common fisheries policy is estimated to cost about 1 billion ecu a year, if we take into account Community and member state funding, to support production of something like 7 billion ecu a year. That does not make economic sense.

As for the effect of the common fisheries policy on our own industry, the story is a sad one. It is extraordinary that an island nation, a country with a seafaring history, can no longer harvest cod from the North sea. In the year of my birth, 1958—I know that it is hard to believe that I have reached the age of 47; Members must be asking "How can this callow youth possibly be 47?"—no one would have imagined that we would be in such a position.

Whatever statistics we consult, and according to almost any criterion, the CFP's performance has been disastrous for the British fishing industry. I plucked some figures from the Library. Not 47 but just 20 years ago, there were 22,224 fishermen in the United Kingdom. In 2004–05, there were 11,559. During those 20 years, the number has halved. As for the size of the fishing fleet, in 1985 there were 7,920 vessels; now there are a little over 6,500. Let us now consider employment in the fishing sector as a whole. A fall of 49.8 per cent., almost 50 per cent., has been disastrous for many east coast fishing ports, a number of which are no longer fishing ports. In many of those proud towns the deep sea fishing industry has all but collapsed, and on the Lincolnshire coast the fishing industry is in a sorry state compared with the position of earlier generations. It really is not good enough for the Minister to do what he will undoubtedly do when he sums up the debate and adopt the position adopted by his predecessors—one of simply managing the decline.

Mr. Bradshaw: If the hon. Gentleman had been courteous enough to be present at the beginning of the debate and had heard the opening speeches, he would have learned that the value of landings and the total value of our fishing industry have risen in the last two years.

Mr. Hayes: I was present for the speech of my hon. Friend the Member for North Shropshire (Mr. Paterson), and I shall refer to it shortly. The Minister was clearly not as observant as he thought. Surely, though, he is not suggesting that the fishing industry is in better shape than it was 20 years ago. Surely he is not making that case.

Mr. Bradshaw: No; I am making a case for better-informed speeches and more courtesy in the House.

Mr. Hayes: It is hardly an example of discourtesy to point out that the fishing industry has declined—in my judgment, tragically and profoundly—over the past 20 years. As I said earlier in an intervention, I do not entirely blame the Minister or his predecessors. I repeat that, too often, they have gone naked into the conference chamber because they have not had the support of the Government as a whole for the prioritisation of the fishing industry. I do not think that the Minister should be so defensive. He is saddled with a job in which he cannot achieve the objectives that he may well wish to achieve because of the prevailing policy, the CFP, and the stance of his party. As his hon. Friend the Member for Great Grimsby (Mr. Mitchell) observed, the fishing industry has never been a priority for the leading members of their party.

The industry's decline has left it, in certain respects, beyond the point of regeneration. Some parts of it have declined to a point at which they will never be able to regain the momentum and scale that they once enjoyed. That would be bad enough but, as I have said, we have also seen an ecological disaster. The latest information

that we have, which has been mentioned already, is that cod stocks in the North sea, the Irish sea and west of Scotland are set to remain well below minimum recommended levels, and the advice is therefore zero catch. We are told that whiting stocks in the Irish sea are also thought to be in poor condition, and the advice is that there should be the lowest possible catch until the stocks have a chance to recover. It is true that haddock stocks are in rather better shape, as the Minister knows, but there is the difficulty of mixed fisheries, to which the hon. Member for Banff and Buchan referred.

No one would deny that the ecology of the North sea and the other seas around our coast have been severely damaged by the CFP, which for the great bulk of its life allowed industrial fishing, a subject that has been raised relentlessly in the House—it is raised every year when we have this debate. I am pleased that the end of industrial fishing seems to be in sight—it has finished temporarily and, we hope, for good—but it may be too late. Some species may have gone beyond the point of recovery. The effects of industrial fishing may have been so profound as permanently to change the ecology of the seas that have been fished so ruthlessly.

I know that there are other factors. Climate change, warmer waters and the movement of fish stocks have to be taken into consideration, but it is undeniable that the scandal of industrial fishing, which was allowed to continue within the framework of the CFP, has done untold damage and that the Minister and previous Ministers have been warned about that by hon. Members on both sides of the House, year on year.

The criticism above all others that I have of the CFP is that it has been crude in the way it has balanced fish stocks and fish take. The principal instruments of control have been restrictions on effort and discards. My hon. Friend the Member for North Shropshire, to whose remarks I was listening attentively, suggested that there were better ways of dealing with the important balance between what we take from the sea and the maintenance of adequate and healthy stocks. He talked about the technical advances that have taken place and that can be applied, and about the need for effective science. We have heard again from the Minister that there is co-operation between the industry and the scientists and that needs to be built on. I would point to the virtues of closed areas, long recommended by some hon. Members. They were examined as long ago as 1998 when I was on the Select Committee on Agriculture, and advocated by me when I was shadow Fisheries Minister, prior to my hon. Friend's tenure. However, they were never pursued with the vigour that they should have been under the CFP. There are many ways in which the balance between fish take and fish stocks can be achieved. We have not got that formula right.

It appears that the best way of achieving that is by having more local control of fishing. I do not think that this has to be a dogmatic issue. We do not have to be myopic in our view of Europe to take that line. I think that most good Europeans now take the view that we need to deconstruct the CFP and examine other ways of dealing with the issue. On the grounds of practical considerations and evidence, we now need to think afresh and more laterally. We need to look at the experiences of countries that have had successful and thriving fishing industries, including the Faroe Islands, Iceland and Norway, and to learn from what they have got right. Our industry, restricted as it has been by the CFP, has, sadly, got it wrong. That is not the fault of the fishing industry or fishermen. It has happened because of what they have been obliged to do, often against their instinct and knowledge. There is nothing that fishermen like less than discarding healthy fish. It is against all that is in their bones and breeding. A more lateral and imaginative approach, which my hon. Friend the Member for North Shropshire articulated so well, is therefore desirable.

I pay tribute to my hon. Friend. Whatever the Minister might think, I was an extremely good shadow Fisheries Minister, but my hon. Friend is better. He is a better shadow Minister than me on this brief. As has already been said, he has toured the country

Mr. Bradshaw: The world.

Mr. Hayes: Indeed, the Minister is right. My hon. Friend's travels have not been limited to the United Kingdom. He has toured the world in his efforts to learn about fishing, listen to those in the industry and help to articulate their concerns and hopes. He has devised a strong Conservative policy based on that knowledge. I therefore pay tribute to his work, which was reflected in his powerful contribution to today's debate.

I do not wish to detain hon. Members longer than necessary. The arguments have been well rehearsed and made. We could discuss the issues that my hon. Friend the Member for North Shropshire and others raised about, for example, investment in the industry. The hon. Member for Banff and Buchan was right to compare the modernity of the Spanish fleet with that of ours. However, those points have already been made.

We look to a new sort of politics and a new era. The political climate is changing. We may be on the cusp of something exciting with the advent of my hon. Friend the Member for Witney (Mr. Cameron) as leader of the Conservative party. In that spirit, we need to be bolder about our vision for the future of fishing and how we can deconstruct the CFP. We need to be more creative and imaginative about reversing the decline over which successive Ministers have presided. I hope that the Minister will accept that suggestion, which is made with the best possible will, and take it seriously as he goes to the Council. I hope that he tells the representatives of the other countries there that enough is enough. We cannot gain by pretending that the current system will work. We must be honest enough to accept that we must start again and return fishing to local and national control.

4.47 pm

Mr. Mike Weir (Angus) (SNP): I am pleased to make a short contribution to this important debate. My constituency has a long history of fishing through the fishing port of Arbroath and the small communities of Auchmithie, Lunan, Usan, Ferryden up to Montrose and across the border into Aberdeenshire. The history of Angus's association with fishing is reflected in the fact that we have two of the oldest lifeboat stations in the country. As the Minister rightly said at the beginning of the debate, fishing is dangerous and many people have lost their lives in the fishing industry.

In Angus, the traditional industry concentrated on white fish, especially haddock, but was also involved with fishing for crabs and in fixed salmon netting.

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especially at the mouth of the River Southesk. Much of that industry has now disappeared. A fishing industry remains, especially in the port of Arbroath, with a smaller industry in Montrose, but the rest of it has largely vanished over the years.

However, my area continues to have a strong fish processing industry, which is building up after many years in the doldrums. My hon. Friend the Member for Banff and Buchan (Mr. Salmond) visited my constituency shortly after the general election to open an extension to the fish factory of R. R. Spink and Sons, one of the manufacturers of the world-famous Arbroath smokie. For many years, the smokie was effectively not made because there was not enough haddock to do so. That has changed in recent years and the industry is expanding and finding new markets. If hon. Members go to Sainsbury's in Victoria, they will find some R. R. Spink products on its shelves. I thoroughly recommend that they do that and enjoy an Arbroath smokie for their tea.

The hon. Member for Scarborough and Whitby (Mr. Goodwill) said that the Czech Republic, Poland and other eastern European nations have no interest in fisheries. Interestingly, in recent years many Czechs, Poles, Slovaks and other eastern Europeans have come to work in fish processing factories in Arbroath, Aberdeen and many other areas. They are making a significant and very welcome contribution to Scotland's fish processing industry. So although the Governments of the Czech Republic, Poland and Slovakia may not have a particular interest in the continuing strength and health of Scotland's fishing and fish processing industries, many of their citizens do.

There are several issues that I should like to draw to the Minister's attention. In an earlier intervention, I raised with him the question—it has been mentioned by several Members—of the scientific evidence issued this year by the International Council for the Exploration of the Sea. As I pointed out, we were told that cod was in danger—no great surprise there—but that haddock stocks were healthy, as our fishermen have been arguing for many years. ICES had previously said for many years that haddock was in as much danger as cod, but our fishermen challenged that advice; they said that it was not true and that there were plenty of haddock in the sea.

When ICES scientists finally accepted that point of view and said for the first time that haddock were plentiful, that was a cause for some joy among Scotland's fishing communities, for whom haddock, not cod, is their main catch. They were very pleased that the scientists seem finally to have seen the light. Imagine their horror, therefore, when the ICES recommendations for quotas for the coming year were released a week later. It recommended a 40 per cent. cut in the haddock quota, which would be absolutely disastrous for the Scottish fishing fleet. I accept that during subsequent negotiations the recommendation was reduced to 13 per cent., but such a cut will still cause a great deal of difficulty for our fishing fleet.

The point is that there is growing cynicism among fishing communities. They feel that a game is being played with this scientific evidence. Scientists know perfectly well that whatever they recommend will be negotiated down by the Fisheries Council. They are deliberately recommending cuts that they know will never happen, and which are much greater than are needed. However, that causes huge anxiety in fishing communities and it is perhaps time for some transparency in this regard. This time of year is a rollercoaster ride for fishing communities. In the run-up to each Christmas—as ICES releases a report and we negotiate with Norway before the Fisheries Council meeting—a cloud of black depression descends on those communities. They do not know what position they will be in by the new year, or whether they will even have an industry by then. The recommendation for a reduction in days at sea will also create many problems for our fishing fleet, which is already working to very tight margins.

The situation is not helped by the fact that there is much misunderstanding of the nature of such scientific evidence. Greenpeace, an organisation that I normally have a great deal of time for, issued a report on fishing and, as a result of it, some Members—led, I believe, by the hon. Member for Lewes (Norman Baker)—tabled an early-day motion calling for fish to be removed from the House of Commons menu. Among the species specifically mentioned was haddock, but as I have pointed out, haddock is plentiful. Such misinformation—the assumption that all species are in danger—is causing a lot of the difficulties. We have to accept that in certain areas there is a problem with some species, particularly cod. As has been pointed out, there is a lot of evidence showing that climate change, rather than overfishing, is responsible, and that the fish have moved to the colder waters of the north. In fact, the Icelanders and the Faroese do not seem to be having the same problem with cod.

Kelvin Hopkins: Is it not pathetic that a Europhile party should suggest that we try to reduce demand for fish by taking it off the menu in the House of Commons, when it will not challenge the problem of the common fisheries policy because it might reflect on their Euro-enthusiasm?

Mr. Weir: That is a fair point. The CFP is part of the problem, but I repeat that not all fish species are in difficulties. We should think about how to deal with that issue. Members will by now be aware that I shop in the Sainsbury's in Victoria—

Mr. Breed: The hon. Gentleman is after some free samples.

Mr. Weir: Well, I am ever hopeful, but I have had none so far.

I am great fan of fish. I love haddock and, indeed, most Scots will eat haddock rather than cod. But if one goes to Sainsbury's and opens the freezer—sadly, one cannot get fresh fish there, but perhaps the manager is listening—it contains plenty of frozen fish, but very little frozen haddock. There is a lot of frozen cod, in all shapes and forms, from nice pieces to fish fingers containing a little cod. However, we must also look at eating habits. If some species are in danger, we should point out that others are not. I appreciate that much of the cod in the freezer may not be sourced from UK waters, but that is still an interesting point.

I mentioned that fishing was once a strong industry in my constituency. I grew up in Arbroath and I remember a teeming port and fish market. It is all gone now. At the last count, only six or so boats operated out of Arbroath. However, as the hon. Member for Hartlepool (Mr. Wright) mentioned earlier—he is no longer in his place—many fishermen have diversified into other areas. In my area, the council has turned part of the port into a marina for yachting, and it is very successful. Many of the smaller fishermen have diversified into pleasure trips or chartering out their boats. However, they have run into another problem. Under the EU rebated fuels directive, there is an issue of how often the boat is used for commercial and other purposes. I took that matter up with the Inland Revenue and the particular problem that my constituents had was solved, but if we are to encourage fishermen to diversify such matters have to be sorted out, so that they do not jump out of the frying pan into the fire.

As the hon. Member for Orkney and Shetland (Mr. Carmichael) mentioned, fishermen are having great difficulty with the cost of fuel. They are working on tight margins and the ever-increasing cost of fuel impinges on those margins. For once, it is not the fuel duty that is the problem because they can use rebated fuel—red diesel. The problem is the cost of the actual fuel. To be fair, most of the recent rise in fuel prices has not been in fuel duty, but the fuel itself, and that has caused great problems. There is a large fish processing industry in my constituency, but the markets are mostly in the large urban areas. The cost of fuel works through the chain. The fishermen have to get their fish to market—very quickly in the case of fresh fish—to ensure that it is still saleable. In areas such as Na h-Eileanan an Iar, the lobsters and crabs that are caught have to reach the market very quickly and the cost of fuel is a huge burden on the industry. It is the same for those who make smokies and other prepared fish in my constituency. They have to get them to Sainsbury's in Victoria, and that adds to the cost. The cost of fuel has a serious impact on fishing and fish-related industries, especially those in rural areas, which is where most of them are situated.

The Minister was criticised for his cricket analogies by my hon. Friend the Member for Na h-Eileanan an Iar (Mr. MacNeil) and the hon. Member for Orkney and Shetland. I do not share that complaint. Cricket is a growing sport in my constituency. A couple of years ago, Arbroath junior cricket club beat clubs from all over England to win the junior championship.

Mr. Salmond: My hon. Friend will note that Scotland's recent triumph in the International Cricket Council trophy means not only entry to the cricket world cup but that we are now 12th in the world.

Mr. Weir *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. Fascinated as I am with cricket, the House will know that I would not necessarily argue that it should be in order in this debate. No doubt Members who want to pursue that interest will find that they can sublimate it through the all-party cricket group.

Mr. Weir: With that advertisement, I shall move back to fishing, Mr. Deputy Speaker.

Fishing is important to my constituents, as it is to the whole of north-east Scotland. We are concerned about the proposals for a reduction in quotas and days at sea. I wish the Minister well in his negotiations in the Fisheries Council and hope that he returns with a good deal, otherwise our fishing communities will yet again face serious problems in the new year.

The hon. Member for South Holland and The Deepings (Mr. Hayes), who I was shocked to discover is even younger than me, mentioned the position of the CFP. The change in Conservative policy is interesting. The hon. Member for North Shropshire (Mr. Paterson) did not deny the remarks attributed to his new leader, who, on the same day as he ditched Conservative policy on the Scottish regiments, also apparently ditched his party's long-standing policy on fishing. That is a shame, as the CFP is at the root of many of the problems. We and many Labour Members are opposed to it, and even the Liberals have concerns about it—I shall put it no higher than that. The CFP has been a disaster for Scottish fishing. It was brought in under a Conservative Government and Scottish fishing has suffered ever since.

5.2 pm

Mr. Douglas Carswell (Harwich) (Con): This is the first time that I have had the privilege and honour to take part in a fisheries debate. I shall use this opportunity briefly to place on record my view that it is time for the United Kingdom to withdraw from the European Union's common fisheries policy.

It is time for an independent British fishing policy made to suit the local interests of our country. I agree with much that has been said in the Chamber this afternoon. Much has been said with more eloquence than I could put it about the failures of the CFP. Members have told us that after decades of the CFP there are fewer fish and fewer fishermen, and that fishing fleets have dwindled. Other Members spoke about the high cost of the CFP to the taxpayer. By almost any measure the policy has been a failure.

In my constituency, there was a thriving fishing industry before the Europeanisation of our fishing policy. Before I was born, many people earned a good living from the sea, but that has almost all gone. The fish, the fishing fleets, the livelihoods have all disappeared. If I am honest, I must say that that happened under Governments of both parties. Something is fundamentally wrong with the way we manage fisheries in this country.

David T.C. Davies (Monmouth) (Con): In response to some of the sedentary comments made by Scottish National party Members, does my hon. Friend agree that any political party that has supported membership of the European Union or its forerunner the European Economic Community must take its share of the blame? That includes almost all the political parties represented in the House.

Mr. Carswell: I agree. I am here not to score points or to make cheap partisan political points, but to talk about what we can do to ensure that we have a proper fishing policy in the interests of the people who live on this island.

As was said very eloquently earlier, fish do not stop at arbitrary boundaries. Fish do not recognise arbitrary divisions on a map. That is certainly true, but by

[Mr. Carswell]

Europeanising member states' fishing policies and by pushing power away from member states and putting it into the hands of unelected, unaccountable quangos in Brussels, the democratic dynamic and the democratic scrutiny of policy have been removed. That is the fundamental reason why the common fisheries policy has failed. We can talk about the detail, the quotas and the changes that can be made; we can tinker and try to improve things, but without that democratic scrutiny, the CFP will always get it wrong.

It is said that that which no one owns, no one will care for, and the member states have lost ownership of their fisheries policy, so the people who are left caring for it are not accountable to the people whose livelihoods depend on the sea—fishermen. We need to push power away from the unelected quangos in Brussels and move it down not simply to the member state but beyond. Again, there is agreement about that. It is no coincidence that countries with successful, thriving fishing industries—Iceland and Norway—have retained their capacity to make their policy independently. They have much to teach us.

Policy should not be simply shifted down to member states as an end in itself, but as a means to the greater end of localising control. In Essex or Scotland, people could have local control over fishing policy in their areas, but the first step, the prerequisite, is to push control down to the nation state.

Mr. Salmond: Scotland is not a county; it is a country. Scotland already has control over its internal fisheries policy. What it does not have is the right to representation in international negotiations. Even if a Cabinet Minister is the Scottish Fisheries Minister, he will still be outranked by the Minister who is sitting by the Dispatch Box.

Mr. Carswell: I am well aware that Scotland is a country, not a county, so I thank the hon. Gentleman for that helpful intervention.

Our aim should be to localise control over fishing policy. I hope that, one day, I will take part in a debate much like this when a majority of hon. Members will agree that it is indeed time to leave the CFP and that we will vote to make that happen. I hope that we do so before it is too late and before we have finally ruined our fish stocks.

5.7 pm

Kelvin Hopkins (Luton, North) (Lab): First, I apologise for arriving late for the debate, but I was unavoidably detained. I did not wish any discourtesy to my hon. Friend the Minister or to the other hon. Members who have spoken. I want to say a few words about the common fisheries policy.

Luton, North is not a port—not too many trawlers ply the North sea from my constituency—but I work on the basis that an injury to one is an injury to all. Damage to colleagues who represent our fishing industry and those who work in it is damage to us as well, and we want to act in solidarity with them. The CFP has undoubtedly damaged the interests not only of the UK, but of all. Establishing a policy that leads to the depletion of fish stocks everywhere can benefit no one in the long run. With perhaps the largest fishing grounds in the EU, the UK has a role in preserving fish stocks and ensuring that they are maintained at proper levels for the benefit of not only the UK but everyone else in the EU and, indeed, elsewhere.

As fish stocks are depleted in EU fisheries, we go further afield and deplete fish stocks off the coast of Africa and elsewhere. That can benefit no one in the long run, so we must work collectively to ensure that fish stocks are preserved. However, that does not mean that opening fisheries to everyone would be the way forward. We should allow individual member states and countries to defend their fisheries so that they can ensure that their fishermen and economies benefit from them. Such an approach would benefit the world's fisheries in the long run.

We have undoubtedly lost jobs, fishing fleets and fish as a result of the common fisheries policy. Joining it was a mistake, so negotiating an opt-out, as we did with the single currency, would have been enormously beneficial to not only Britain and our economy, but the European Union in general.

I agreed strongly with much of what the hon. Member for Harwich (Mr. Carswell) said. Norway has large fisheries that go right up to the far north in the Barents sea and elsewhere. Norway has looked after its fish stocks. Although fish are capable of swimming from one area to another—they do not observe national boundaries—if I were a cod or a herring, I would probably choose to stay in Norwegian waters rather than British waters because I would stand a chance of living longer before being eaten or made into fishmeal. Nevertheless, the Norwegians have defended their fisheries better than we have.

I often say to the minority of Norwegians who want to join the European Union, "Given that you have enormous fish stocks that are being well husbanded and oil as well, why do you want to join because there is no doubt that the European Union would want your oil and fish, and it would not last very long if you did join?" People might challenge my view, but I have not received a good answer to that question during my many discussions with Norwegian colleagues—I am vice-chair of the all-party group on Norway. Perhaps the rest of the North sea benefits from Norway because as fish swim over boundaries, some of the fish that we catch today might have swum out of Norwegian waters, where the fish are well looked after.

Mr. Paterson: It might help the hon. Gentleman's argument if I say that 80 per cent. of Norwegian fish are caught in cross-border areas that are covered by the straddling stocks agreement. That shows that bilateral agreements between sovereign countries to manage stocks work extremely well.

Kelvin Hopkins: The hon. Gentleman's point suggests that there are ways of doing things that are more sensible than the common fisheries policy.

Only this week I was talking to friends from the Norwegian Government and the Norwegian embassy. They have had problems due to Spanish fishermen invading Norwegian waters. They have had to nudge the Spanish fishermen out of the waters to ensure that their

fish stocks are not taken. Those fishermen know that there are good fish stocks in the area and that if they can trespass a little, they can get bigger catches.

The common fisheries policy is not sensible for anyone. We should not have joined it and it is most damaging to us. In the long run, I hope that we can withdraw from it and adopt a more sensible approach. I strongly believe that if individual member states were responsible for looking after their own fisheries and fish stocks, it would benefit not only those member states, but all the European Union and, indeed, all people who depend on having good fisheries. There will always be ups and downs if we carry on in such a way. I am pleased that there have been improvements in fish catches recently, as my hon. Friend the Minister said, but that is an increase from the low base that has arisen due to the common fisheries policy. Despite the increase, I suspect that we catch nowhere near the number of fish that we caught when stocks were plentiful.

I am not trying to put forward a nationalist or chauvinist view, but a sensible view. If we were responsible for our own fish stocks, it would benefit everyone in the European Union, including ourselves, our fishermen and our people who, like me, enjoy eating fish from time to time—regularly, in fact. I hope that my hon. Friend the Minister will bear in mind the general view among hon. Members that the common fisheries policy was a mistake and that we should move towards a world in which we are responsible for our own stocks. A more sensible approach would benefit not only Britain, but the European Union as a whole.

5.15 pm

Mr. Bradshaw: It may help if I remind hon. Members who were not in the Chamber at the beginning of the debate of one or two facts. Those in the Public Gallery and elsewhere who have listened to us might have the impression—the wrong impression, as most hon. Members with a great depth of knowledge of the industry know—that the industry as a whole is on its last legs and everything is a disaster. It is not. As I said, and as one or two hon. Members acknowledged, the nephrops sector, the processing sector, the shellfish sector and the pelagic sector are doing well. There are, of course, difficulties in some of those sectors where stocks have come under pressure, and I shall come on to that.

I start by addressing the comments of the hon. Member for Banff and Buchan (Mr. Salmond), partly in recognition of the special and disproportionate importance of the fishing industry to Scotland. He and other hon. Members asked whether the role of the UK presidency will have a restraining effect on my ability, or that of the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for South Dorset (Jim Knight) and our officials, to negotiate in Brussels.

I think that the cricketing metaphors began before you were in the Chair, Mr. Deputy Speaker. They related to how Ministers and officials negotiate in Brussels when they have the presidency. I can reassure the hon. Member for Orkney and Shetland (Mr. Carmichael), who I gather is no cricket fan, that neither am I. However, I do play tennis and occasionally croquet. Perhaps that is why the hon. Member for Banff and Buchan described me as vigorous and ruthless, qualities that one may well associate with tennis on the one hand and croquet on the other.

Let me reassure the House that the fact that the UK holds the presidency does not prevent us from making strong arguments on the UK's behalf and in the UK's interest. I was grateful for the remarks of those hon. Members who follow such matters closely when they acknowledged that we have got a couple of pretty good deals for the UK in the past two years. As I said to the hon. Member for South Holland and The Deepings (Mr. Hayes), that is part of the reason why, despite problems in some sectors, the economics of the fishing industry have improved slightly.

The hon. Member for Banff and Buchan and others raised the subject of grants and high fuel prices. As long as Labour are in power, the UK will not have short-term fixes for the problems of the fishing industry. We believe that the measures taken in France and Spain are illegal and we expect the Commission to take action against them. I can probably be more unpresidential about that in a month's time.

It will not be in the long-term interests of our fishing industry or the Irish fishing industry—I have spoken to the Irish Minister about this and he shares my concern—to allow some countries to develop what is undoubtedly an unlevel playing field. If we did not have a common fisheries policy, we would need to have lots of bilateral negotiations. One of the advantages of it is that we have a mechanism to enforce a level playing field. If the CFP is to retain its credibility, it is essential that that level playing field is enforced.

We are prepared to consider the suggestion by the hon. Member for Banff and Buchan about modernising and helping the industry to develop engines that are more fuel efficient. There is no doubt that the likely long-term level of fuel price will have an impact on the industry. I am interested in long-term solutions, not short-term solutions that put off implementing more difficult solutions further down the road. I am sure that that is what France and Spain are harbouring up for themselves with the measures that they have taken.

I listened carefully to what the hon. Member for Banff and Buchan and other Members have said about the review of the cod recovery plan. I do not want to add anything to what I said at the beginning of the debate on that issue. At this stage in the presidency, a couple of weeks before negotiation, I would not want to announce that that is a policy that I would favour, but it is something that I am prepared to think about. If we fail to reach any agreement in December, which is always a possibility—the meeting is held in December in order to try to focus minds and to help to reach an agreement—there is always the possibility of a fall-back position, not only for us but for other member states and the Commission.

I hope that no one will think that there will be any simple and easy solutions to the stock of cod in the North sea. My hon. Friend the Member for Hartlepool (Mr. Wright) raised an important point—it has been raised with me by several other hon. Members—in asking whether climatic change may be having an impact. I sense that there is a temptation on the part of one or two Members who have taken part in the debate to believe that climate is playing a major role so that we can make the decision to abandon cod. I am not in the position yet where I am prepared to contemplate what some people have called a "sod the cod" policy—I do not know whether that is unparliamentary language,

[Mr. Bradshaw]

Mr. Deputy Speaker. That would be a disaster for biodiversity in the sea. Some point to what has happened across the Atlantic off the grand banks of Newfoundland, where cod has pretty much disappeared and has been replaced by a valuable prawn fishery. The long-term impact of the big change in the ecosystem is unknown to anyone. All of us who care about sustainability and the marine ecosystem should be concerned to ensure, if it is at all possible, that we maintain that system as far as we can and protect it from harmful human activity.

Mr. Salmond: Ecosystems change. Fishing activity changes as do fishing patterns. I made the point recently during a meeting that we used to have a strong shrimp fishery in the Fladden. It is now a massive prawn fishery. That change has taken place only during the past 10 or 15 years. Not all changes are bad. Can the Minister give us a time scale on his welcome agreement to consider the idea of a grant for fuel-efficient engines, which would be a significant response to the enormous pressure of high fuel costs on the fleet? Is there a time scale, and how will he make the information available to right hon. and hon. Members?

Mr. Bradshaw: I was going to refer later to the issue of the future European fisheries fund, which was raised by my hon. Friend the Member for Hartlepool. However, as the hon. Gentleman has mentioned it, I will deal with it now. The time scale is not in our hands, as we depend on an agreement for a replacement to the financial instrument for fisheries guidance—FIFG—scheme, which runs out next year.

The House should be aware that something that concerns me about enlargement—largely, enlargement has been in the UK's strategic interest—and should concern others who care deeply about sustainable fisheries is that the process has shifted the balance of view within the EU away from the conservationist approach. Substantial pressure is being exerted by the southern European countries, in alliance with the eastern European countries, to reopen some of the issues that we managed to close in the 2002 reform, a reform which I think was welcomed by right hon. and hon. Members on both sides of the House. It phased out, for example, the iniquitous awarding of grants by some countries to build new boats, to which several hon. Members have referred.

It would be a retrograde step if we were to renege on those earlier commitments made as a result of the 2002 reform. One of the possible compromise areas is that we may be able to reach agreement with enough countries to maintain the ban on the use of grants to build new boats, while considering initiatives to improve fuel efficiency and to help the environment. That will not be in our hands. We had hoped to get an agreement on the new European fisheries fund during our presidency because we were worried that any agreement would be a step backwards from the 2002 reform, which we are not prepared to contemplate. We would rather wait until we are liberated from the presidency so that we can advance that argument more clearly.

Mr. Hayes: Before the Minister moves on from white fish—he may be about to—to what does he attribute the decline of cod? Is it the record of industrial fishing and the effect that that has had on the ecosystem, is it environmental change and the changed water temperature, or is it the result of inadequate conservation measures? Have these factors affected cod stocks? Once the Minister has given us the reason, perhaps we shall be able to come up with a proper solution.

Mr. Bradshaw: One of the challenges for Governments around the world who wish to establish good and sustainable fishing policy is that there is uncertainty about the science. The overwhelming bulk of science, with the exception of a small number of mavericks, accepts that the singie biggest impact on cod is over-fishing. There is no doubt about that. A role may be played by climate, and the hon. Gentleman is right that there has been a northward shift in species—it is not just cod that we are talking about—as we are now catching more exotic species off the south-west coast. However, just because climate is impacting on a species, it does not necessarily mean that one can fish it harder and solve the problem. That is not the case—proper controls are needed on over-fishing, otherwise stock will be written off.

Mr. Salmond: If over-fishing is the explanation, how, in a mixed cod and haddock fishery in the same area of the sea, can there be a record low for cod and a record biomass high for haddock? Would over-fishing not affect both species, rather than just one?

Mr. Bradshaw: The hon. Gentleman will be aware that it is not a record high any more. That was the case a year or two ago, and it was dependent on a single year class. Recruitment to such a class can make a huge difference to the biomass. I do not want to go into further technical detail, as I do not wish to detain the House much longer, and I wish to respond to many points made by hon. Members.

Mr. MacNeil: Has the Minister not made the case for environmental effects by highlighting the appearance of species in the south that are not usually seen there? Does that not underline the argument that the cod are migrating north?

Mr. Bradshaw: I was not arguing that there was a lack of evidence that the cod were migrating north. Fisheries scientists would agree that an overwhelming body of evidence suggests that over-fishing has had the biggest single impact on fish stocks. We need to inject some reality into our debate. Hon. Members who have participated today tend to represent fishing communities, but there are other interests that wish to protect the marine environment. While it is important that they talk to their fishermen, they should also talk to environmental organisations and the scientists who wrote the Royal Commission report, which is an important international report on the state of our seas in this country and elsewhere. They will find that there is general global consensus, with the exception, as I said, of one or two mavericks, that the single biggest impact on fish stocks is over-fishing by human beings.

Mr. Hayes: I am grateful for the Minister's measured response to my initial intervention, which led to further interventions. If over-fishing, or what I described more generously as inadequate conservation measures, is responsible, can we conclude that the approach of the CFP, which has largely been about effort management and discard has been ineffective for conservation? Should we not have looked long ago at the proposals advocated by my hon. Friend the Member for North Shropshire (Mr. Paterson), including technical changes, closed areas and a different approach to spawning grounds, as they would have been more effective? According to the Minister, what he calls over-fishing is the problem, but is that not the responsibility of the CFP?

Mr. Bradshaw: I shall come on to that later. The hon. Gentleman is wrong to suggest that the existing system is based on effort control. In fact, that is the system advocated by the hon. Member for North Shropshire (Mr. Paterson). There is some effort control in the current system, but it is mainly based on quotas. There is a debate about whether that is the best system, and we will discuss that later.

The hon. Member for Banff and Buchan asked a number of specific questions. I shall write to him about the aggregation of licences, as I am afraid that I have not been able to obtain the information that he requested. However, to repeat my earlier assurance, this is an issue on which there has been consultation, and the industry has been involved. He asked about the proposed increase in the mackerel TAC, and wondered why there was a difference between the scientific advice and the increases of 15 per cent. and 5 per cent. That TAC was the result of the EU-Norway agreement, so it is now fixed. Some TACs—I shall come on to haddock in a minute—are officially agreed in December, but are effectively dependent on the EU-Norway agreement. That TAC was the result of the negotiating of Norway, which did not want an increase in the TAC at all.

On the question whether quota should be released by banks, we are, as the hon. Gentleman knows, undertaking a major review of our quota management system and we are involving the industry in that. I should be pleased if the hon. Gentleman wishes to bring a delegation of industry representatives to talk to me or my officials to feed in their views as to how that should be taken forward. That will be an important element in putting our fishing industry on a sustainable footing in the long term.

As we have said on numerous occasions, we will resist the proposal for a cut in days for the white fish fleet. However, as I said earlier, other countries have not taken the same amount of pain as we have on cod recovery. They have not even provided the Commission with proper data. There may be scope for further tightening of the cod recovery regime in respect of such countries. Any impact that that may have on the UK fleet will, I hope, be more than offset by the very large TAC increase that we expect to get for prawns. I shall come to the details of that shortly. I know it is of great interest to the hon. Gentleman and other hon. Members.

I mentioned the issue of fuel costs.

Mr. Carmichael: The Minister will recall that in my contribution I mentioned the 12 days at sea that were obtainable as a result of the administrative penalties elective measures. Can he confirm that he will fight to retain those days, which are extremely important?

Mr. Bradshaw: I will check up on that and write to the hon. Gentleman. That relative increase was also connected with the reduction in the effort on cod that we had already made. We persuaded the Commission and that has not changed, so I do not anticipate any problem but I will check with officials after the debate and write back to the hon. Gentleman.

The hon. Member for Orkney and Shetland also raised the subject of the search and rescue helicopter. I addressed that at the beginning of the debate. The Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for South Dorset, had discussions with his ministerial colleagues in the Department for Transport about that today. I am sure he will be happy to update the hon. Gentleman at an early opportunity.

The hon. Member for Orkney and Shetland mentioned frontloading, as did my hon. Friend the Member for Great Grimsby (Mr. Mitchell). Frontloading is a horrible piece of jargon that means trying to do as much work as possible before the December Council so that one does not end up dealing with a lot of detail at the last minute through days and nights and inevitably making mistakes.

Mr. MacNeil: I thank the Minister for his time. If any concerns emerge over the next few days about the change of the helicopters at Stornoway and in Orkney and Shetland, may I count on the Minister to be diligent within the Government in representing the concerns, particularly those of fishermen?

Mr. Bradshaw: It may be more useful for the hon. Gentleman to go through the Scottish Executive, but if he wants to make representations to me about the matter, of course I will pass them on to ministerial colleagues.

I accept the criticism made by my hon. Friend the Member for Great Grimsby and the hon. Member for Orkney and Shetland that there has not been as much frontloading this autumn as we had hoped, but there has been some and it has made a difference. For example, we have managed to secure agreement on technical measures in the Baltic, which will be significant for the long-term sustainability of the fisheries there. We have also had useful policy discussions on principles in advance of the December Council. The timetable for the science reporting, the Commission's proposals being made, and Governments, industry and other bodies being able to make representations about those has improved somewhat.

As was pointed out, we are not in a position this year where we do not have an EU/Norway agreement. We have one, and it is a very good agreement. I congratulate my officials, as I should have done earlier, on their hard work. Still acting as UK fisheries officials under the presidency, they have also had to deal with difficult technical negotiations in Brussels involving all the other 24 member states. Some hon. Members have covered fisheries issues for a long time in the House. It would be a brave hon. Member who described himself as an

[Mr. Bradshaw]

expert in the UK fishing industry, but to become an expert in a few months on the fishing industries of 24 other countries is quite some feat, and my officials have done an excellent job.

Sir Robert Smith: The Minister has pointed out that the negotiations are detailed and technical. Does he therefore feel that there is scope to involve fishermen's representatives on the EU side in those negotiations? The Norwegians directly involve their fishermen in their negotiating team, and bringing the expertise of those who must cope with whatever is agreed with Norway into the negotiations might help to bring fishermen onside and engage them in the process.

Mr. Bradshaw: There is always scope to consider whether we can do a better job involving the industry and other interested parties early in the process, which is one of the rationales behind our putting the matter on the agenda, getting it debated and obtaining a commitment from Commissioner Borg to publish in April an action plan on the review of the fisheries year.

The hon. Member for Argyll and Bute (Mr. Reid) has mentioned including representatives of the fishing industry in the negotiating team, but I am not a great fan of sub-contracting such negotiations to anybody. In September, we failed to reach an agreement on conservation in the Mediterranean, and one of the member states with a strong interest had its industry representatives in the salle d'écoute watching proceedings. Such negotiations are supposed to take place between Ministers and behind closed doors, so that horse-trading can go on. Such negotiations can be reduced to Ministers with no officials, which happened in the sugar negotiations in the week before last. It sometimes takes political will and courage to reach an agreement on a difficult subject, and it is not necessarily sensible to conduct negotiations with people who have a strong interest one way or the other looking over one's shoulder or even watching on television.

It is important that we keep in close touch with our industry, and there has been a sea change in DEFRA's approach. The Scottish Executive Environment and Rural Affairs Department has also improved its act in recent years on involving and informing the industry. It works closely with the industry to establish the industry's priorities and to deal with the Commission's proposals as they are made, so that we can get the best possible deal for the UK industry that is also based on sustainability.

The hon. Member for Orkney and Shetland also raised the issue of industrial fisheries. The current recommendation is for a continued closure, which has been welcomed on both sides of the House, with a monitoring catch of around 25,000 tonnes and a review part of the way through next year—25,000 tonnes might sound like a lot, but last year's TAC was 660,000 tonnes. The new quota is a huge improvement, and it has been a long-term aim of successive UK Governments. It is nice that it has been achieved, although I wish that it had happened a little bit sooner.

The hon. Member for Argyll and Bute also raised a couple of constituency cases and said that he would write to me about them, and I look forward to those letters.

The hon. Member for Na h-Eileanan an Iar—

Mr. MacNeil: Good try.

Mr. Bradshaw: Perhaps he will give me a pronunciation lesson.

Mr. MacNeil: Na h-Eileanan an Iar.

Mr. Bradshaw: That was too fast. If this will not offend his constituents too much, I will call his constituency the Western isles.

Mr. MacNeil: I thank the Minister for attempting the pronunciation.

Mr. Bradshaw: The hon. Gentleman is very gracious.

Like a number of other hon. Members, the hon. Gentleman raised the importance of nephrops and prawns. Twenty years ago, few people would have said that the UK nephrops industry would easily be the most valuable part of our fishing industry in 2005. The health of the nephrops stock, which is being exploited sustainably, is one reason why the fishing industry is doing well. Thanks to some chivvying by the hon. Member for Banff and Buchan, other SNP Members and others, we have established fisheries science partnerships to evaluate the evidence, which the hon. Member for Banff and Buchan always said was there, on an increase in the TAC. My officials have been very successful in doing that this year. The Commission proposes a 39 per cent. increase in the TAC in the west of Scotland and a 31 per cent. increase in the North sea. I am sure that that will be welcomed by fishermen and their parliamentary representatives in all constituencies with an interest in the matter. It will also be of great interest to Northern Ireland Members, who are no longer present, because some Northern Irish fishermen fish in the west of Scotland.

We are also arguing for an increase in the TAC in the Irish sea. As there has not been a similar fisheries science partnership there, the Commission does not propose any increase; indeed, it proposes a decrease. We will argue against that. It does not make sense to argue that the stock in the west of Scotland is doing well enough to allow a 39 per cent. increase but say that there should be no increase at all in the Irish sea. We will also argue for an increase in the plaice TAC in the Irish sea. One of the reasons why the Commission is recommending a reduction, despite the fact that that stock is in extremely good shape at the moment, is that it argues that there is a relationship with cod. We do not accept that. We will argue for a 20 per cent. increase, which will be of great benefit to the industry, not least in places such as Fleetwood, where people feel that they have had a very raw deal in recent years.

The hon. Member for Angus (Mr. Weir) made some sensible remarks about scientific evidence. I have already described some of the ways in which we have been working with the industry. In recent years, we have spent about £5 million on fisheries science partnerships. That has not only helped to improve the quality of the science but enabled us to negotiate better deals for sectors of the industry. I agree with the hon. Gentleman that certification is important. He is right to point out

the error of whoever suggested that haddock should be taken off the House of Commons menu. Anyone who knows anything about fisheries could have told the person who made that decision that haddock is in good shape. Indeed, we should be encouraging people to eat a lot more of it. I sometimes wish that my kith and kin in the south of England had the same taste for haddock as people in the north and in Scotland. It would help cod if we southerners were automatically served haddock with our chips instead of cod—although most of the cod that we eat comes from sustainable fisheries in other parts of the world.

My hon. Friend the Member for Great Grimsby, as well as talking about front-loading and other issues that I have already covered, asked about the grant for safety in his part of the world. Following the meeting that we had, I made it clear to the regional development agency that there were no reasons why that money could not be granted. It is now up to the RDA to decide whether it thinks that it is value for money. As far as we are concerned, it is free to make the grant. The subject was also mentioned by the hon. Member for Scarborough and Whitby (Mr. Goodwill).

The hon. Member for South-East Cornwall (Mr. Breed) was one of the few Members to talk about the importance of enforcement. I welcome that. If I can put it in terms that Members who represent fishing communities will understand, if we are to negotiate good deals in Brussels and elsewhere, we must be able to convince the Commission that our system is solid and sound. It helps us to get good deals if we can produce evidence that we are enforcing the rules.

That leads me to a point that the hon. Member for Scarborough and Whitby made when he talked about a case in his constituency. I hope that he would not expect me to comment on any individual case, but I stress to him and to other hon. Members that the illegal catching of black fish is theft, pure and simple. It is theft of a natural resource and theft from other fishermen. If we do not get a handle on it, we will lose out in negotiating good deals for the hon. Gentleman's constituents and those of other Members. Such catching will also lead to a depletion of stocks, and we all know what that means. It is bad for the fishing industry as a whole, bad for the environment, and bad for the communities that the hon. Gentleman represents. I hope that all hon. Members would stand up for good enforcement and support the very important work done by our enforcement officers, many of whom are former fishermen, in difficult and sometimes very hostile circumstances.

Mr. Carmichael: May I reinforce the point to the Minister that we should make more of the fact that we do enforce the law rigorously, and that the penalties imposed by our courts are among the highest in the European Union? Will he make that point to our European partners?

Mr. Bradshaw: Yes. I do not have them on me, but I would commend to hon. Members the tables showing the relative enforcement and fine levels. The figures are not quite as black and white as the hon. Gentleman suggests; we are about middling in how well we are doing. We are doing a lot better than we did in the past, however. The hon. Member for Scarborough and Whitby said that he doubted whether French fishermen who had committed a similar offence to those committed in his constituency would be similarly fined. I am sure that he is aware, however, that France has recently been fined €20 million for not enforcing fisheries policy correctly, and that the threat of a €56 million fine every six months hangs over that country—this involves the national Government—if it does not get its act together. So the idea that we are the only country that punishes people or follows the rules is not strictly true.

Mr. Carmichael: May I take the Minister back to the Altaire case, which we spoke about earlier? Not only was a substantial fine imposed—just short of £100,000, I think—but about £1 million was recovered under the confiscation procedures set out in the Proceeds of Crime Act 2002. That involved a civil recovery. Will the Minister ensure that such money is taken into account when these so-called league tables are being drawn up? It, too, constitutes a penalty.

Mr. Bradshaw: I will certainly draw that to the attention of the officials in my Department who are responsible for drawing up the league tables.

I associate myself absolutely with the comments made by the hon. Member for South-East Cornwall. The improvements in enforcement that we have made over the past few years have resulted in better compliance, and I hope that Members on both sides of the House will agree that that can only be good for the long-term sustainability of the fishing industry.

The hon. Member for Scarborough and Whitby also said that some parts of the industry, such as the shellfish sector, are doing very well. I have also hinted at that, as have other hon. Members. The hon. Gentleman extended a kind invitation to me to visit his constituency. I have actually been there—I am sorry, it was before his time—but I shall certainly bear his invitation in mind. I happen to love lobster, and I only regret that the best lobster that his fishermen catch go straight to Spain. I believe that we as a nation could do better in adding value to our fisheries' product. Near to my constituency in south Devon, the best crab in the world and very good lobster are caught—I had better not say that it is the best, but I am sure that it is as good as those caught in the hon. Gentleman's constituency. It is a terrible shame that 90 per cent. of them are exported straight away, alive, in saline tanks to France and Spain. I believe that we could add some value to those products in this country, as well as encouraging our own consumers to buy and eat more of them.

My hon. Friend the Member for Hartlepool made an excellent contribution. It is great to have a Member for Hartlepool who is obviously interested in the fishing industry on behalf of his constituents. I hope that he will not be embarrassed by my saying that he asked a number of perceptive and intelligent questions. Widening the scope of fisheries grants is already one of our objectives, and will be as we consider the reform of the European fisheries fund, to which I referred earlier. He also asked about the action plan on the simplification of fisheries rules. As I said in my opening speech, we expect Commissioner Borg to say something about that at the December Council, and the matter can then be taken forward. We have taken that issue very seriously, and it is an area in which we have worked closely and productively with the fishing industry.

[Mr. Bradshaw]

My hon. Friend the Member for Morecambe and Lunesdale (Geraldine Smith) reminded the House of the tragic events in her constituency involving the drowning of a number of Chinese cocklers. I commend her for her excellent hard work on drawing the issue to the attention of my ministerial colleagues and me at the time, and on her persistence in trying to ensure that decisions will be taken and measures put in place to prevent similar accidents from happening in the future. As I made clear to her when she last came to see me, I have said for some time that the Government would support the local sea fisheries committee if it wanted to bring forward a regulating order. I also acknowledge, as she did in her remarks, that the Government's proposed marine Bill will provide a good opportunity to modernise fisheries legislation, including giving powers to manage local fisheries in the way that she describes. I hope that she and other hon. Members who are interested in the marine environment will take an active role in the development of that Bill.

Mr. Paterson: I echo the Minister's comments about the hon. Member for Morecambe and Lunesdale (Geraldine Smith), who, after that terrible incident, did a tremendous job in bringing the problems to the attention of the House and the Minister. She also played an active part in the gangmasters legislation. Conservative Members would certainly support a licensing regime in Morecambe bay and measures to help the sea fisheries committee.

Mr. Bradshaw: That is very helpful.

On the question that my hon. Friend the Member for Morecambe and Lunesdale asked about abandoned vehicles, I am afraid that I do not have a definitive answer yet, but I have sought one. My officials' advice was that we thought that local authorities were responsible, but that there may be an issue as to whether that applies if vehicles are in the middle of the bay.

Geraldine Smith: The answer that was given to my parliamentary question was that local authorities were normally responsible, but that because such vehicles were in the middle of the bay, they were not responsible.

Mr. Bradshaw: Perhaps that is another issue that we can deal with in the marine Bill, if we need to wait that long.

Mr. Carmichael: Wishing to be helpful, it sounds to me as if that responsibility ought to be the Crown Estate Commissioners', and if the sea bed is being littered with such wrecks, I hope that the Minister will take them to task in the strongest possible terms.

Geraldine Smith: I haven't tried them.

Mr. Bradshaw: My hon. Friend says from a sedentary position that she has not tried them. The hon. Member for Orkney and Shetland has given her a constructive idea, which I am sure that she will follow up, and perhaps I can help her on that, too.

The hon. Member for North Shropshire made a number of suggestions based on the experience that he has gleaned on his extensive travels. I hope that his travel has been carbon-offset—there has certainly been a great deal of it. Now that climate change is to be a major priority for the Conservative party, too, I am sure that its travel will be carbon-offset. I am not sure that I would necessarily reach all of his conclusions, however.

It is important that we learn from good practice in other countries, but it is not always easy to make direct comparisons between countries such as New Zealand or Iceland, which basically lie surrounded by large expanses of ocean, and the United Kingdom, which is close to the rest of the continent and has fisheries that we have traditionally shared with other countries, long before the common fisheries policy and the European Union were invented. We have had wars with some of those countries over fisheries, which hon. Members often forget. If there are no rules or means for negotiation and agreement in relation to the exploitation of such a valuable resource, and no institution to apply those rules when some countries do not obey them, to which I referred in relation to the huge fines being levied on France, all sorts of new challenges are faced.

I am still not convinced by the attraction of the hon. Member for North Shropshire to the Faroese system, which relies solely on effort control. I do not want to bore the House again, but were we to introduce effort control in the North sea now to protect cod, no fishing would go on, because the effort would have to be set so low, because cod stocks are so low, that fishermen would not be able to catch any of the other species. In the highly complex, mixed fishery of the United Kingdom, we need to be cannier about our system. As I said, a review is going on, and a mixture of effort control and quota management, perhaps with individual tradeable quotas, might be the answer, although we have not made a firm and fast decision on that yet. We need to be a little more imaginative and canny, as we have a more complex fisheries reality than some of the countries to which he referred.

Mr. Salmond: I know that the Prime Minister's review, for instance, mentioned the background to individual transferable quotas approvingly, but before proceeding along those lines will the Minister consider the concentration of the industry that has resulted in just about every fishery where the system has been introduced? Will he reflect on whether it is compatible with the family-based companies that exist in many areas on the coastline?

Mr. Bradshaw: That is an important point, and we will certainly include it in our discussions with the industry. The hon. Gentleman may wish to talk to officials about it, or bring others to discuss it with them. That need not happen, however. Iceland, for example, has introduced measures to protect small boats. In Iceland there has been consolidation between the big boats and the small boats; it is the boats in between that have tended to go. However, there are mechanisms to prevent the consolidation to which the hon. Gentleman has referred, and to protect fishing in vulnerable communities. We have said repeatedly that those are two of our objectives. We do not want a system that resulted in a few big boats in small fishing ports that then died out.

I take issue, slightly, with the way in which the hon. Gentleman reported what was going on in the Faroes. I am advised by officials that the official view of the Faroese Government is that the cod stock is not in very good shape at present. It is as low as it was before its collapse in 1990, and is considered to be "at risk of reduced reproduction". The official view of the Faroese Government is that effort has remained too high, and will have to be reduced.

I do not think that there are simple solutions to fisheries management. I think that there will always be difficulties and challenges, because there are difficulties and challenges in all systems. One aspect of the debate that I welcome is the fact that, by and large, it has been so informed, and that views have been expressed that can be fed into the Government's review of quota management. I hope that Members on both sides of the House will continue to show an interest.

I now come to the thorny issue of the common fisheries policy, which was raised by members of all parties, including mine. Unlike the hon. Member for Banff and Buchan, I had hoped that a new Leader of the official Opposition committed to fighting the Government on the centre ground and to jettisoning eccentric policies based on dogma—the hon. Member for Witney (Mr. Cameron)—would have taken the opportunity to send his fisheries spokesman to the House to announce a rethink. The hon. Member for North Shropshire did not quite do that. Like some of his hon. Friends, he repeated his party's official commitment to trying to withdraw the UK unilaterally from the CFP, a policy described by the right hon. Member for Skipton and Ripon (Mr. Curry) as "unwise and undeliverable". When the former Conservative party chairman Chris Patten was asked about it, his response was

"Is this the real world?"

However, I thought that the hon. Gentleman repeated his party's commitment in slightly less arduous and categorical terms than usual at the end of his speech. I hope that there is still room for movement.

I have studied the quotation from *The Times* to which the hon. Gentleman referred, and other comments that the new leader of his party has made about the issue. They are slightly different from a commitment to trying to negotiate unilateral withdrawal from the CFP. The hon. Member for Witney told Anatole Kaletsky that his party wanted to

"reverse EU control of fisheries policy."

I suggest that there is a significant difference between the two policies. It could be argued that regional advisory councils represent a partial reversal of control. I hope that that becomes more of a reversal.

Kelvin Hopkins: Will my hon. Friend give way?

Mr. Bradshaw: In a second.

The hon. Member for Witney said that he did not believe that the CFP had worked well. I do not think that any Member believes that it has worked well, but we do believe that it is reformable and should be reformed. As the environment editor of *The Daily Telegraph* wrote recently in an excellent book on fisheries, if the CFP did not exist something rather like it would have to be invented. The hon. Gentleman went on to say

"We can do more to conserve fish stocks through local management and bilateral agreements."

Kelvin Hopkins: In a sense, my hon. Friend has half-answered the question that I was going to put. He elides the two issues—the irrationality of the common fisheries policy, which is undoubted, as it is not a sensible policy, and the difficulty of withdrawing from it. That may be a politically serious problem but one cannot argue that the CFP was and is still a sensible policy.

Mr. Bradshaw: I just said that I did not think that anyone in the House would describe the CFP as having always been successful. It has got better. The reforms of 2002 have been a significant improvement. As I said, in the past two years, they have led to growth in the fishing industry in this country, to increased incomes, and to better landings for most species, but there is always room for improvement.

I do not think that the official Opposition's policy is sensible. I hope, and expect, if the hon. Member for Witney is serious, that they will review it. A policy that is futile is never a sensible policy. As my hon. Friend the Member for Luton, North (Kelvin Hopkins) acknowledged, it would not be possible to withdraw from the common fisheries policy without withdrawing from the European Union. We would have to persuade every other member of the EU to support us—the decision would require unanimity. Repeatedly, when we have asked the Opposition to name a single country—not all of them, but a single one—that would support the UK's withdrawal from the CFP, they have not been able to do so. That indicates the futility of their policy. It is never sensible for a party that has ambitions to govern, as the official Opposition now apparently do, to hang on to futile and ridiculous policie

Mr. MacNeil: Is not Norway a great example of how to deal with the common fisheries policy? I am dismayed to hear the Minister say that the CFP is not ideal but we are stuck, that is it and we are just going to accept it.

Mr. Bradshaw: I did not say that. I said that it is important that we reform the common fisheries policy. It is being reformed and it can be reformed further. I also quoted a gentleman who is not naturally a Labour supporter, who writes for *The Daily Telegraph* and who wrote an important book on fisheries a year or so ago. He went through all those arguments, listened carefully to the views of the official Opposition and concluded that, if the CFP did not exist, we would have to invent something like it and that, if we want to manage our fisheries sustainably off the north-western coast of Europe, with many nations with differing fishing interests in a complex mixed fishery, we have to have some institution where those deals can be made and enforced.

Mr. Hayes: The hon. Gentleman generously, I think, given the position of his Government, has said that the common fisheries policy has not been a success and is in need of reform. How would he measure success? What criteria would he use to judge whether it had become

[Mr. Hayes]

successful? When does he expect it to become successful? Is success the regeneration of the British fishing industry, not to the degree that we have seen in the past couple of years, but to a significant degree? Is success a proper balance in the ecology of the North sea and the other seas around us? What is his measure of success and when does he expect to bring us the good news in a fisheries debate that it is a success?

Mr. Bradshaw: I am reluctant to give the hon. Gentleman a history lesson on the common fisheries policy but, briefly, the biggest mistake that it made was to coincide with the so-called "gadoid outburst". The hon. Gentleman nods, so he knows what I am talking about. That led to a massive expansion of the fishing fleet not just in this country but in all the EU countries, often, as hon. Members have pointed out, funded by the taxpayer. That was a huge strategic error. We have been paying the price for that ever since.

The reform that we agreed in 2002 was significant. It did not go as far as we would have liked. The UK constantly pushes for more reforms, but the ultimate test of whether the CFP is a success is to get our fisheries on to a sustainable level for the long term. That is the objective of this Government, and I do not think that having a futile debate about the legality of withdrawal from the CFP is the way to do it.

Sir Robert Smith: The Minister when he opened the debate recognised that there would be far more efficient management of this complex fishery if only those countries that had a direct interest in fishing in the North sea were involved in the final negotiations. However we reach it, that has to be the goal—that we manage the fishery in the North sea with those countries that have an interest in the North sea and not with countries that no longer have an interest.

Mr. Bradshaw: That is exactly why the UK has supported the regional advisory councils. We want their role to grow. By the end of our presidency, we will have successfully established two or three. However, the hon. Gentleman should not get the impression that landlocked countries such as Hungary play a major role in the Fisheries Council. The other member states would not take it well if Hungary or another landlocked country without any obvious interest in fisheries scuppered a deal. They tend to go with the presidency compromise.

Mr. Salmond: We must have international agreements on fisheries and therefore there will be a common fisheries policy—that does not follow. However, does the Under-Secretary agree that the most telling aspect of our debate was the uncharacteristic silence at key moments of the speech of the hon. Member for North Shropshire (Mr. Paterson)? He is in a difficult position because he has to interpret the mind of the new leader and perhaps he does not know it yet. None the less, the silence spoke volumes.

Mr. Bradshaw: In this case, I welcome the silence because I interpret it as a sign that there may be change afoot.

Let me briefly respond to the points of my hon. Friend the Member for Chorley (Mr. Hoyle) about illegal fishing on the high seas. That is an important issue and the Government take it seriously. He may already know that Britain chairs—indeed, I chair it—the High Seas Task Force, which comprises six nations: New Zealand, Canada, Australia, Namibia, Chile and Britain. It has the specific job of examining the problem. We will publish our report in March with a concrete action plan for further measures, including flagged vessels and problems such as bottom trawling.

Next year will be an important year at the United Nations for international fisheries, because it will review its fisheries agreement. The UK should play a leading role in trying to wake up the world to the seriousness of what is happening on our oceans.

Earlier, I mentioned the impact of human beings on the oceans. There is no doubt about that impact if we examine the international position. Overall, stock levels are about a 10th of what they were 100 or more years ago, because humans are getting much better at catching fish. They are much more efficient, build bigger boats and catch more fish. On the high seas, there is weak governance and little control, little reporting and little, if any, enforcement. We all need to address that.

Sustainable fisheries and the protection of our marine environment go hand in hand. I hope that most hon. Members agree that we have had a useful and constructive debate. If I failed to respond to any specific points, I will write to hon. Members.

Mr. Hoyle: I am sorry that the Under-Secretary believes that it is a bit of a trial to give way now when he has given way throughout his speech to hon. Members of all parties. I asked him about shark fishing and the problem off Ireland and Scotland. Will he look into that in future?

Mr. Bradshaw: I shall happily do that. I looked a little pained when I gave way because my tone of voice made it obvious that I was about to finish, yet my hon. Friend still intervened.

Mr. Hoyle: Some of us had to wait longer than others.

Mr. Bradshaw: I welcome his intervention. That is it. I beg to ask leave to withdraw the motion.

Motion, by leave, withdrawn.

PETITIONS

Mohan Singh

6.8 pm

Keith Vaz (Leicester, East) (Lab): I wish to present a petition on behalf of 10,000 of my constituents in support of action by the British Government and the Indian Government on the murder of a British citizen, Mohan Singh, one of my constituents who recently went to India, where he sought to oversee a house building project. While eating in a café in the Punjab, he was stabbed to death by several people and we still do not know the identity of his murderer. I shall travel to India next week to try to help with the investigation.

The petition states:

The Petitioners therefore request that the House of Commons urge the British Government to work with the Indian Government to help bring the perpetrators of Mohan Singh's death to justice and to ensure that the necessary measures are in place for British citizens to travel safely to India.

The Petitioners further request that the House of Commons urge the Foreign Secretary to take steps and work with his counterpart in India to help with investigations and bring the perpetrators to justice.

And the Petitioners remain, etc.

To lie upon the Table.

Visitors' Visas (Right to Appeal)

6.9 pm

Keith Vaz: I wish to present a petition signed by 2,500 people nationally about the proposals, which have now been shelved—permanently, we hope—for abolishing the right of appeal in visitors' visas cases. Following assurances by the Minister for Immigration, Citizenship and Nationality that the appeal rights will remain, the petition is, to some extent, redundant. However, it has been signed by 2,500 people who were concerned by the proposals.

The petition declares:

That the right of oral appeal and current definition of family members for visitors' visas and the right of appeal for overseas students are very important to Institutions of Higher Education as well as to ethnic minorities throughout the United Kingdom.

The Petitioners therefore request that the House of Commons urge the Government not to abolish the above mentioned rights and definitions.

And the Petitioners remain, etc.

To lie upon the Table.

Council Tax

6.11 pm

Mr. Dominic Grieve (Beaconsfield) (Con): This is a petition of the residents of the villages of Farnham Common, Farnham Royal and Hedgerley, in the Beaconsfield constituency, in respect of the council tax protest campaign.

The petition states:

The residents declare

That the year-on-year inflation-busting increases in council tax are causing hardship to many and take no account of ability to pay; and that the proposed property revaluation and rebanding exercise will make an already flawed system even worse.

The Petitioners therefore request that the House of Commons vote to replace council tax with a fair and equitable tax that, without recourse to any supplementary benefit, takes into account ability to pay from disposable income. Such tax to be based on a system that is free from any geographical or politically motivated discrimination, and that clearly identifies the fiscal and managerial responsibilities of all involved parties.

And the Petitioners remain, etc.

To lie upon the Table.

Supermarket Regulator

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Watts.]*

6.11 pm

Keith Vaz (Leicester, East) (Lab): I am grateful to you, Mr. Deputy Speaker, for giving me the opportunity to discuss the need to introduce a supermarket regulator. I am delighted to see my hon. Friend the Member for Croydon, North (Malcolm Wicks) on the Front Bench tonight.

British food retailing has world-class status, and in the past decade it has become innovative, dynamic and diverse. However, supermarkets have been allowed to expand to such an extent that they are now damaging competition and consumer choice. The campaign to highlight this trend has been ongoing for some time, as we have witnessed the devastating effects of the parallel and aggressive expansion of the four supermarket chains: Tesco, Asda, Sainsbury's and Morrisons. Of these four, one towers above the others.

When Tesco moved into the convenience store sector, record closure rates were reported for independent local shops. Last year, 2,000 small convenience stores closed because it was impossible for them to compete.

David Taylor (North-West Leicestershire) (Lab/Co-op): Does my hon. Friend recall that about two years into our first period in government, the Competition Commission looked at the implications of the concentration in the grocery and supermarket sector to which he refers and produced a rather benign and bland report? Was he surprised at those conclusions and does he think that very different ones would be reached now?

Keith Vaz: I was indeed surprised at those conclusions and, as I will discuss later, I am glad that the Office of Fair Trading has decided to look again at this issue following the representations made by so many interested parties. That is the right way to move.

The future competitiveness of the UK grocery market is becoming completely distorted, and I want to argue tonight for the introduction of an independent regulator that can fill the gap that clearly exists. None of the current watchdogs or interest groups seems to have sufficient power or teeth to regulate the market, and it is clear that something needs to be done.

Mr. Lindsay Hoyle (Chorley) (Lab): I congratulate my hon. Friend on securing this important debate and I agree that it is very important that we have a regulator. We asked the big four supermarkets to sign up to a voluntary buyer's charter to help farmers, but they refused to do even that: no wonder we need this debate.

Keith Vaz: My hon. Friend is right. I find it extraordinary that the supermarkets have not signed up to the buyer's charter, because it would be sensible and fair. My hon. Friend is not alone, because the Forum of Private Business, which represents 25,000 independent retailers in the UK, claims that 20,000 independent

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stores have disappeared from the UK high street since 1997 – a rate of 50 a week. The chief executive of the FPB, Nick Goulding, has said:

"The supermarkets' – and in particular Tesco's – dominance of retail trade is a catastrophe for the high street right here, right now in virtually every town in Britain"

We have to ask whether we want to see the UK retail landscape completely redrawn and the high streets dominated by supermarket Metro convenience stores. No more butcher, baker and candlestick maker, just Metros, Metros and more Metros. The character and integrity of our town and city centres are being disfigured for ever.

Mr. Michael Foster (Worcester) (Lab): Does my hon. Friend agree that one of the problems with the growth of the Tesco Express and Metro convenience stores, which drive out small convenience shops, is that the consultants' reports that the planning committees see before they make their decisions bear no resemblance to reality? The reports make wild assumptions about the low level of spend, but as soon as the Tesco store opens, there is a high level of expenditure and that drives out and closes the small convenience stores. Does my hon. Friend agree that something needs to be done to tighten up those consultants' reports, perhaps through audits after planning decisions?

Keith Vaz: My hon. Friend is right. He highlights an important area that also affected the establishment of the Tesco store in my constituency in Hamilton. Promises were made and experts produced before the planning permission was granted, but as soon as it was granted they all disappeared. Local residents are left to face the inconvenience.

The Office of Fair Trading has been wavering on the dominance of supermarkets in the grocery sector. The OFT's goal is to make markets work well for consumers. Markets work well when there is vigorous competition between fair-dealing businesses. When markets work well, enterprise flourishes. In regard to supermarkets, that is clearly not the case. It has been difficult to make the OFT look into the matter and provide an adequate response and analysis of the situation. Indeed, the OFT has often been dubbed "Only Fair to Tesco".

In August, the OFT came to the conclusion that there was no need for supermarkets to be subject to a full review by the Competition Commission, which conducts in-depth inquiries into mergers, markets and the regulation of the major industries. The evidence presented by, among others, the Association of Convenience Stores was not considered to be compelling enough to warrant a further investigation. It is commonly agreed that there were large holes in the OFT's explanation for why it had decided not to refer the grocery market to competition regulators. However, on 28 October, there was a welcome U-turn. After heavy criticism, the OFT reconsidered its decision and said that it would consider investigating the four giants of the grocery market.

Mr. Colin Breed (South-East Cornwall) (LD): I welcome this debate and the hon. Gentleman's suggestion of a regulator. In 1998, I published a report on the supermarkets and quoted from the BBC's "The Food Programme":

"Three growers voiced their anxiety about what they regard as supermarket dictatorship. One thought that supermarket strength is so great, it's time for the appointment of a regulator."

That programme was on BBC Radio 4 on 8 March 1998. Does the hon. Gentleman agree that matters have got considerably worse in the past eight years?

Keith Vaz: The hon. Gentleman is absolutely right: things have got considerably worse. Evidence has been produced, which is why there is a need for action.

As well as the organisations referred to in the hon. Gentleman's report and the ACS, several other interest groups have growing concerns about supermarket expansion. The ACS is backed by consumer and campaign groups from the women's institute to Friends of the Earth, and even the New Economics Foundation. On 2 August 2005, the ACS launched its formal appeal to the competition appeals tribunal, arguing that the OFT did not give proper consideration to the evidence presented to it, especially on below-cost selling and the effects of buyer power on the grocery market. At the end of this week, the ACS will respond to the OFT with further detailed evidence covering all grounds—enough in my view and that of others to warrant a thorough investigation into the grocery market.

Mr. Philip Hollobone (Kettering) (Con): I congratulate the hon. Gentleman on securing this important debate. I am a modest and humble member of the all-party group on small shops. Is the hon. Gentleman aware that the group is conducting an inquiry entitled, "Britain's high street 2015"? The year 2015 is the 200th anniversary of the battle of Waterloo, and Napoleon said that England was a nation of small shopkeepers. Does the hon. Gentleman share my concern that there will be tens of thousands fewer shopkeepers in 2015 as a result of the behaviour of the supermarkets?

Keith Vaz: The hon. Gentleman is absolutely right. I do not often visit his constituency, but sometimes I pass through Kettering on my way to Leicester when the M1 is blocked, and over the 18 years since I became a Member I have seen the changes there. Unless we take appropriate action the situation will get much worse.

Mr. Alan Reid (Argyll and Bute) (LD): I, too, congratulate the hon. Gentleman on securing such an important debate. He is presenting the case very well, and I support what he has said. To add weight to his argument, not only small shops suffer from the buying power of supermarkets; suppliers often suffer, too. Dairy farmers receive a farm-gate price for milk that is below the cost of production, yet supermarkets benefit from a huge mark-up when the milk is on their shelves. Suppliers as well as shops are suffering.

Keith Vaz: The hon. Gentleman is right of course. A little later I shall discuss the position of suppliers and how supermarkets, due to their power, have been able to exert unnecessary pressure on them.

The ACS response, due this week, is expected to present a number of conclusions and suggestions for remedies for the imbalance in the market. They include

easier confidential complaint mechanisms for businesses; a ban on price flexing; transparency of buying prices; a market share cap; implementation of local competition policies; and initiating an independent proactive retail ombudsman to investigate supermarket dealings with suppliers.

Under UK law, the function of the competition appeals tribunal—CAT—is to hear and decide appeals and other applications or claims involving competition or economic regulatory issues. The CAT is a specialist judicial body, with cross-disciplinary expertise in law, economics, business and accountancy. It is currently investigating the Association of Convenience Stores *v.* Office of Fair Trading, case number 1052/6/1/05. At a case management conference on 1 November 2005, and in the light of the OFT's indication that it wanted to withdraw its decision of 3 August, the OFT decision was formally quashed by the tribunal and referred back to the OFT, with a direction to reconsider the matter and make a new decision.

I turn to the issue of Tesco, which is by far the largest player in the market. Tesco controls more than 30 per cent. of the overall British grocery market, worth £80 billion. One in every eight pounds spent in retail is spent in Tesco. By 2010, the firm's share of the grocery market is predicted to be 45 per cent. Tesco has the largest market share in 67 of the 120 postal districts in the country, while Asda controls 23, Sainsbury's 14 and Morrisons 13. In 14 districts, Tesco has more than 40 per cent. of the market. In five towns, it has more than 45 per cent. of the market. That is a rather substantial domination, and we have not seen the end of it.

It would be wise to examine Tesco's expansion plans in yet more detail, as Tesco has accumulated enough land to develop up to 180 new stores and it plans to expand abroad. Tesco will open 150 stores abroad in the second half of this year. Its overseas operation, from Japan to the Czech Republic, now accounts for 20 per cent. of its turnover.

Of course it is important to note Tesco's contribution to the development of popular retailing in the United Kingdom in the past decade. Sir Terry Leahy, the chief executive of Tesco—a world-class entrepreneur—has led the retailer's extraordinary success. Sir Terry's management method and clarity of thought has created a modern-day company that leads the UK market and ranks No. 3 in the world.

Shopping at Tesco—I declare an interest in that I shop at Tesco—and other supermarkets is a wonderful experience. We all love the convenience of having a wide selection of choice under one roof, but there is a line to be drawn between innovation and dominance and between competition and monopoly. Sir Terry's visit to Bangalore in a bid to launch Tesco into the Indian market is worth noting. I admire his enterprise in seeking to sell basmati rice to the Indian population. I suppose that that is the retail equivalent of selling sand to Saudi Arabia.

It has been suggested that Tesco's expansion abroad is a masterstroke to draw attention from the controversy of the domestic market, so that it can continue to expand. The corporate affairs director of Tesco, Lucy Neville-Rolfe, told MPs last month that her company had grown

"because we have helped really transform the lives of ordinary people. We have helped to bring prices down; we have helped to improve quality and range; it is great service."

Not everyone agrees that that is for the good.

Many manufacturers and distributors have told me that it is complicated and very costly to sell their products on the shelves at Tesco. Rather hefty charges are levied to sell any product that is not its own brand. Other distributors are left with no choice but to pay those fees if they want to sell their products.

Some have argued that the payment of up-front fees amounts to corporate backhanders. If the distributors do not pay for their goods to be sold, they are not sold. If Tesco does not buy them, the distributors are out of business. Having taken on the goods and paid the listing fee and the commissions that Tesco and others demand, the suppliers then have to pay Tesco to promote their own goods. Given the lack of transparency, it is very difficult to issue formal complaints and suppliers are left absolutely powerless.

David Taylor: My hon. Friend rightly pays tribute to the quality, range and price successes that Tesco has enjoyed. He noted that Tesco is the third largest retailer in the world, but does any other retailer in that top 10 have such a dominant position in its home market?

Keith Vaz: That is an easy question: the answer is no, not as far as I am aware. It is a unique form of domination. As hon. Members have noted this evening, the relationship between the dominant supermarket, Tesco, and the suppliers is a source of concern. In today's *Financial Times*, it is reported that supermarkets rely on their suppliers for free finance to fuel their growth. An investigation into the accounts of supermarkets in today's paper shows that the amount owed to Tesco's creditors has risen by £2.2 billion in the past five years, compared with a £700 million increase in stocks, giving Tesco £1.15 billion to help to fund its business. There are no written contracts between supermarkets and suppliers, which means that supermarkets have the power to refuse stock at their convenience. Those in the bakery industry have suffered especially greatly.

Mr. Breed: Will the hon. Gentleman confirm that dominance is unfortunately not illegal? Abuse of dominance is illegal, but it is difficult to prove that there has been abuse under the present system.

Keith Vaz: The hon. Gentleman is absolutely right. Suppliers are terrified about making a complaint. Ministers say to me, "Where is the evidence? Bring it on." However, suppliers do not want to complain because if they do so, they will not be able to sell their goods in the shops, which will create problems for their businesses.

Mr. Hoyle: The dominance of supermarkets keeps the farming industry on edge all the time, so its survival is touch and go. It is the same story for the beef and dairy industries. They are teetering on the edge because they cannot get sustained long-term agreements.

Keith Vaz: My hon. Friend is absolutely right. This is not just a question of the nervousness of the industry and its inability to plan, because as suppliers try to meet

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the margins that Tesco and others demand of them, they will cut costs, pay lower wages and standards will decline, which is unacceptable.

Mr. Michael Foster: I am sure that the Minister fully appreciates that my hon. Friend is being generous with his time. Dairy farmers face a problem because as they try to compete and produce at a cost that is effective for them, the size of their herds is growing at a phenomenal rate. A former chairman of the National Farmers Union from my constituency tells me that a dairy herd of 1,000 cattle is not unheard of. A herd of such a size means that huge environmental problems must be dealt with, including just disposing of the huge quantity of manure that the cattle create.

Keith Vaz: My hon. Friend is right that the knock-on effect on the farming and dairy industries is profound, which is why it is important that the matter is reviewed.

Small shops are the very life blood of our community. They provide opportunities, jobs and vital services to local people. Small businesses are finding it difficult to compete on price to offer the variety of goods that citizens want. I quote Mrs. D. Raj, who owns a business in Rushey Mead in Leicester, which is in my constituency. She said:

"While supermarkets may be creating jobs on the one hand, they cause businesses to lose their livelihoods so that they can make profits. We have to make sure that Leicester offers variety"

of choice to consumers.

Consumers are spending on average 25 per cent. more on identical goods in supermarkets than they would on the street market. The street market is a popular option among my constituents because they enjoy the personal service. The street market allows one to get to know people, enjoy that personal relationship and get to know the traders. One can also get products in the packaging and size that one wants, whereas everything in supermarkets is pre-packaged. Pre-packaging limits choice and is wasteful.

My hon. Friend the Member for North-West Leicestershire (David Taylor) raised the problem of out-of-town shopping centres. I shall cite one example tonight. Tesco and its development at the Hamilton district shopping centre in my constituency. My predecessor as Member of Parliament for Leicester, East, Mr. Peter Bruinvels, and I were united by our concern about the way in which the Hamilton estate was developing. Tesco wanted to build a superstore. As soon as it received planning permission, it dug in its heels and delayed other shops from being established. It wanted to dominate; it did not want a partnership. A review of the planning laws, which my hon. Friend the Member for Worcester (Mr. Foster) mentioned, would prevent people and businesses from operating in such a way and disrupting the process for others.

David Taylor: Until this evening, I thought that my hon. Friend had nothing in common with his predecessor. However, in relation to town-fringe stores, is not it the case, as my hon. Friend the Member for Worcester (Mr. Foster) said, that the picture painted in the planning application especially in economic terms is often seriously adrift a year down the line? The jobs that the supermarket said it would create may well be in place, but jobs will be lost, not just in the small shops that might otherwise have sold the goods concerned, but in other shops in the town centre, because people are less likely to go there to buy their newspaper, have their shoes repaired and so on. Let us have a post-planning permission audit in economic terms as well.

Keith Vaz: My hon. Friend is right. That would be most helpful and welcome, and perhaps one of the things that the independent regulator could do.

What would the independent regulator do? He or she would be able to take independent confidential evidence, which Ministers cannot do because every day they have to deal with both sides of industry. It is important that we have a figure and a body that is seen to act with integrity when dealing with such situations. The supermarket regulator could consider loyalty payments, slotting fees, which are charged to buy shelf space, fees charged for artwork and the repackaging of products, and the way in which supermarkets like to manage the public statements of their suppliers.

A supermarket regulator could consider the concept of "reasonableness" in the contract terms that are agreed if any are between the suppliers and the supermarkets. The renegotiation of those contracts should be determined absolutely by price and quality of service. The president of the National Farmers Union Scotland, John Kinnaird, said:

"The public silence amongst supermarket's suppliers speaks volumes. It is of absolutely no surprise that the OFT has received virtually no evidence of breaches of the Supermarkets Code of Practice. Many of the companies that we contacted required repeated assurances from us that any comments they made would never be attributed to them. That kind of fear within the food supply chain is totally unacceptable. An independent regulator is required to police the trading environment. It needs power to act".

This morning I met the Under-Secretary of State for Trade and Industry, my hon. Friend the Member for Bradford, South (Mr. Sutcliffe), who is responsible for consumer affairs. He would have responded to the debate but, as the House knows, he is in Brussels because we hold the presidency of the EU and he has business there. My hon. Friend said to me on a personal basis, not a ministerial basis, that he supported establishing an independent regulator, but that it is not the Government's policy to do so. He also said that he saw what was happening from his experience in Bradford and that his Department had been dealing with the issue for 25 years. That honesty and openness is refreshing among Ministers. I believe that, after 25 years, it is time to act. I had a good meeting with my hon. Friend, and he was prepared to listen. That is half the battle.

With a turnover of £37 billion, Tesco ranks about 53rd in the World Bank's listing of 184 national economies, putting it ahead of Bolivia, Belarus and Bulgaria combined. In the very near future, we will discuss scrapping our Sunday trading laws, which Tesco and others already breach. When people go to the Tesco Express near me on a Sunday night, it is not just to buy petrol and to pick up a bag of sweets, as in the old days, but, in many cases, to do their weekly shopping because

the main supermarkets closed at 5 o'clock. Opening hours become yet another obstacle for smaller independent retailers and another aspect of competition difficulty.

Having one or a few dominant players in a market goes against all theories of healthy competition and will, in the end, affect consumers and the supply of goods. I believe I speak on behalf of many when I argue that the British people want a diverse market, with a variety of choice—something that will not happen if we only have one option, which is Tesco.

I hope that the Government heed the call from hon. Members on both sides of the House for the appointment of a supermarket regulator. It is vital that something is done before it is too late.

6.39 pm

The Minister for Energy (Malcolm Wicks): May I congratulate my hon. Friend the Member for Leicester, East (Keith Vaz) on securing parliamentary time—probably more than he anticipated—for this important debate. I am glad to have an opportunity to discuss the issues that he raised. As he acknowledged, the Under-Secretary of State for Trade and Industry, my hon. Friend the Member for Bradford, South (Mr. Sutcliffe), who has ministerial responsibility for these matters, has duties in Brussels, so I have been asked to respond to the debate. My hon. Friend apologises for the fact that he cannot be here, but he discussed these matters with my hon. Friend the Member for Leicester, East this morning, and I am sure that he will look at the record very carefully to see what the hon. Gentleman and other hon. Members have said.

The UK competition framework established the Office of Fair Trading and the Competition Commission as independent statutory bodies. The Government wished to remove politics from competition decisions, allowing expert independent competition bodies to make decisions on mergers and markets. Hon. Members on both sides of the House will recognise the benefits of that revised structure. The supermarket code of practice is part of the statutory undertakings given to the Secretary of State for Trade and Industry under section 88(2) of the Fair Trading Act 1973 after a Competition Commission report on the matter was published in October 2000. The monitoring and enforcement of the code is the responsibility of the OFT. In addition to the code of practice, supermarkets are subject to other regulations monitored and enforced by, among others, the Health and Safety Executive, the Food Standards Agency, Her Majesty's Revenue and Customs and local authorities. Any anti-competitive practices fall under the remit of the OFT.

David Taylor: The Minister referred to the range of powers given to the Competition Commission. What social and environmental considerations can the commission take into account when deciding whether or not certain market practices are in the interests of the British consumer?

Malcolm Wicks: I hope to say a more about the Competition Commission a little later. If my hon. Friend does not think that I have addressed those issues, I am sure that my hon. Friend the Under-Secretary will write to him.

We need to see this debate partly in the context of the Government's determination to achieve better regulation in Britain. There is always a tension between understandable demands from hon. Members for more regulation and a more generic concern that British business should not be over-regulated. Given that supermarkets are already subject to independent regulators in a number of areas, and given the importance, which I have just highlighted, of not over-regulating any sector of the economy, the Government do not think that there is any case for the creation of a supermarket ombudsman or regulator. I accept, however, that discussion will continue. I have been warned not to make a quip, but as Minister for Energy I deal with Ofgem, so it would be fun to establish "Off-trolley". Perhaps that will have to wait for another occasion, as I am arguing that the Government do not think that there is any case for an off-the-trolley regulator.

We do not accept that a new supermarket regulator would add any value without duplicating regulatory processes and imposing increased burdens, not only on supermarkets but on the companies that supply them. It would wrong to regulate in that way, and the Government would set a dangerous precedent if we created a regulator to oversee contracts between businesses. Unless unfair, anti-competitive or illegal practices are taking place there is no place for interference from regulatory bodies. British businesses would lose any competitive advantage over their competitors and the country as a whole would be poorer for it. I will deal later with the current state of play.

Mr. Breed: I recognise that better regulation is the way forward. Does the Minister accept that the OFT regulations do not take a wide enough purview of all the issues that have been raised this evening and of the fact that competition must act in the best interests of present and future consumers?

Malcolm Wicks: I am sure that OFT officials will read the record of the debate very carefully.

The major concern with the current code is that suppliers will not make complaints to the OFT for fear that such action would limit their ability to secure contracts with other supermarkets. I have listened carefully to that concern. Farmers and suppliers have indicated that they would be more likely to make formal complaints to the OFT if the OFT could guarantee anonymity for complainants. However, any complaint system will require the supermarkets to be made aware of the details of the complaint. An ombudsman or independent regulator would normally need to share complaints with operators, so that the circumstances and legitimacy of the allegations could be verified and the complaint addressed. Clearly, there are some difficulties here.

The code has a disputes process which incorporates the recognised ombudsman model. Introducing anonymity to the complaints process under the code would run counter to one of the code's main objectives—to put relations between supermarkets and their suppliers on a clearer and more predictable basis. In pursuit of that objective, the OFT has encouraged supermarkets to put more of their dealings with suppliers in writing. Of course, suppliers have a right

[Malcolm Wicks]

under the code to seek terms of business offered by supermarkets to suppliers in writing. That should help suppliers to be more assertive in their dealings with supermarkets. We welcome the OFT's commitment to continue to monitor the operation of the code proactively. That is to be achieved through a number of measures, including encouraging greater use of written terms between suppliers and supermarkets.

Keith Vaz: That is an example showing how debates such as this can get the Government to make a statement on these matters. Does the Minister agree that the OFT has been weak in dealing with that aspect? We welcome the change of heart. Will he address suppliers' fear of coming out with the information and the evidence? There is anecdotal evidence, but nobody wants to come up front because of the fear that they will lose business.

Malcolm Wicks: That has been a powerful theme of my hon. Friend's remarks. Notwithstanding what I have said about that and about the difficulty of considering complaints in a transparent way and the consequent need to know more about the complaint and the complainant, I know that my hon. Friend the Under-Secretary will reflect on what my hon. Friend the Member for Leicester, East has said.

The Office of Fair Trading is committed to checking the supermarkets regularly for compliance and, most importantly, checking how suppliers who raise code issues are treated by the supermarkets afterwards. By monitoring in that way, the OFT can ensure that they are not be subject to any discrimination or sanctions. We are aware of the concerns of some sectors of the supermarket supply chain. The Government agree that supermarkets should deal fairly with suppliers, and we want to see good working relations between them.

My ministerial colleagues and I remain keen to encourage dialogue between supermarkets and suppliers to ensure fair and effective resolutions to disputes. Suppliers are encouraged to approach the OFT at any time to discuss any concerns that they may have in confidence. We may need to publicise that possibility more. The OFT will investigate any complaints that it receives and take appropriate action where necessary. The OFT has not yet received any substantiated claims of breaches. It cannot be expected to take action based on unsubstantiated claims, as such action would seriously undermine the credibility of the code.

I appreciate that another matter of concern to my hon. Friend are the moves by some of the supermarket chains, in particular Tesco and Sainsbury, into the convenience store sector. According to figures from the Institute for Grocery Distribution, published in May this year, Tesco and Sainsbury currently have a small share—11 per cent.—of convenience retailing. We can debate how small or large a share that is. The merger control regime takes into account whether there is a substantial lessening of competition in any merger situation, in which case the OFT has the power to refer the case to the Competition Commission for further analysis. That was not found to be the situation regarding the Tesco-Adminstore or Sainsbury's-Bells acquisitions.

There has been some consolidation in the convenience store sector, but a number of successful independent groups have managed to take on and compete with the multiples. Institute for Grocery Distribution figures predict that symbol groups such as Spar, Costcutter and Londis will increase sales from £8.7 billion in 2006 to £11.6 billion in 2010 and that the number of convenience stores will increase from 12,693 to 13,865. Following an appeal by the Association of Convenience Stores to the competition appeals tribunal—my hon. Friend the Member for Leicester, East mentioned the tribunal—the OFT is reviewing afresh its decision not to refer the grocery market to the Competition Commission. The CAT has asked for that to be done as quickly as possible, and in the circumstances the OFT should be left to complete its work unimpeded.

My Department has received a large amount of correspondence in relation to the so-called "Tescopoly" campaign instigated by Friends of the Earth. I do not want to do any more than note the points made in that campaign, because of the work that the OFT is now undertaking on the grocery market. I expect the OFT to come up with a view on the state of competition in that market and on whether the market is working well for consumers in the context of its new decision whether to make a market investigation reference.

Mr. Michael Foster: Will the Minister have a word with his colleagues in the Office of the Deputy Prime Minister to see whether they will introduce a post-planning permission audit of decisions on Tesco Express versus convenience stores? That would allow us to learn from real data, which would help to inform us on future decisions.

Malcolm Wicks: I will bring that point to the attention of colleagues in the Office of the Deputy Prime Minister. I will also mention the specific story of what allegedly happened in the constituency of my hon. Friend the Member for Leicester, East.

Keith Vaz: Petrol is a subject that is closer to the Minister's heart—he is the Minister for Energy. Has he seen for himself in Croydon the growth of mini-supermarkets situated next to petrol stations? It is no longer the case that people go into petrol stations and buy a few goods. If the Minister passes a Tesco Express attached to an Esso filling station when he returns to his constituency on Friday, he will see people come out with bags and bags of shopping, which even happens after 5 o'clock on a Sunday.

Malcolm Wicks: I have seen that, and I pass through my constituency every night.

Mr. Lindsay Hoyle (Chorley) (Lab): The Minister is lucky.

Malcolm Wicks: I am lucky. I was reflecting on my luck when I was given the opportunity, in addition to my energy responsibilities, to address the House on this important subject. I shall have another word with my ministerial colleague about my good fortune.

Big is not necessarily bad. OFT data indicate that in the five years to 2005, product lines in groceries increased by nearly 40 per cent. on average. According

to the Office for National Statistics, retail food prices fell between December 1999 and May 2005 by 4.1 per cent. in real terms, which is surely good for consumers and the economy. Furthermore, the four biggest supermarket chains—Tesco, Sainsbury, Asda and Morrison—employ more than 675,000 people. Additionally, the Co-op's stores make it a significant player.

We need to get the balance right. Many of my constituents are concerned that Morrison's in Upper Norwood has decided to close down. In all honesty, they do not flood to my advice surgery to say, "What a wonderful opportunity for the small entrepreneur"; they say, "Who else will take over this superstore"? Our constituents like visiting supermarkets, just as they value flourishing and entrepreneurial small shops.

There must be no whiff of hypocrisy in this debate. My hon. Friend was honest enough to come out as a Tesco shopper, which he described as an enjoyable experience. I am bound to say that when I am on my own at a checkout and there is suddenly a rush of goods to put in bags, I find it more of a terrifying than an enjoyable experience. Let us not get into a situation where we use the superstores as well as the small shops—as do our constituents, many of whom are employed by them—yet at the theoretical level see them as the devil incarnate.

Keith Vaz *rose—*

Malcolm Wicks: My hon. Friend is not hypocritical, but for some reason he wants to intervene on the theme of hypocrisy.

Keith Vaz: I just want to set the record straight. I think that it is a wonderful experience being able to walk down Uppingham road, where my constituency office and home are, and meet people who have been trading there for years and years. This is about the integrity and character of our town centres. We do not want them disfigured with huge glass monoliths with the word "Express" written all over them. We want to ensure that the towns and cities of Britain have shops to give people choice. It is a wonderful experience going into supermarkets; it is an equally wonderful experience being able to go to the high street shops. My fear is that there will be no high street shops left.

Malcolm Wicks: Of course, I understand that. We all want that balance in our lives. However, I remember the debate about small post offices, which still rages. I heard a story from an hon. Gentleman who campaigned for a post office to be kept open and was told by the postmaster that some 6,000 people had signed the petition to keep it open. When he asked how many regular customers he had, the answer was 200. We must practise what we preach. There are many excellent small stores selling a range of goods—for example, cheese shops, many of which, unlike the one in the John Cleese sketch, have cheese. We need to get the balance right between the small shops and a sensible approach to the Tesco's, Sainsbury's and Co-op's of this world.

It is not for Government Ministers to decide if action is necessary, given that a well-established, independent and rigorous competition framework is in place to consider the questions raised by my hon. Friends.

David Taylor: The Minister invited me to intervene on him should he not address a concern that I raised. It is all very well having an independent competition regulatory framework, but if it is not working—if it does not have teeth or feels disinclined to act—we need something of the type that my hon. Friend the Member for Leicester, East (Mr. Vaz) suggests.

Malcolm Wicks: I understand that. Obviously colleagues will monitor carefully how the competition authorities consider the question that is before them. My hon. Friend the Under-Secretary will reflect on what my hon. Friends have said.

I am sure that all Members look forward to hearing the results from the competition authorities and that there will be further deliberations in this House and elsewhere on this very important subject, which my hon. Friend introduced so well.

Question put and agreed to.

Adjourned accordingly at one minute to Seven o'clock.

House of Commons

Thursday 8 December 2005

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

LONDON LOCAL AUTHORITIES AND TRANSPORT FOR LONDON BILL

Considered; to be read the Third time.

CONTINGENCIES FUND 2004–05

Resolved,

Contingencies Fund 2004–05: Accounts of the Contingencies Fund, 2004–05 showing:—

(1) a balance sheet,

(2) a cashflow statement; and

(3) notes to the account; together with the Report of the Comptroller and Auditor General thereon.—*[Tom Watson.]*

Oral Answers to Questions

TREASURY

The Chancellor of the Exchequer was asked—

Youth Unemployment

1. **Mrs. Siân C. James** (Swansea, East) (Lab): What recent assessment he has made of the economic effects of reducing long-term youth unemployment. [35531]

The Chancellor of the Exchequer (Mr. Gordon Brown): It is because of measures we have taken and the new deal that youth unemployment has fallen 90 per cent. since 1997, with large falls in almost every constituency. At a cost of £140 million, we will now pioneer new learning agreements for teenagers, with a grant for training in return for undertaking courses. At the same time, we will offer activity agreements to move teenagers from unemployment back into the world of training and then into work.

Mrs. James: I thank my right hon. Friend for his answer. In my constituency we have seen those successes. Some 1,300 young people and 1,080 lone parents have found work as a result of those schemes, benefiting the local economy. Will he ensure that schemes such as the new deal continue to support our local economy and stop young people being put on the unemployment scrapheap?

Mr. Brown: In the mid-1980s, there were nearly 400,000 young people out of work for more than a year. Today, the figure is less than 6,000 throughout the whole country. It is because of the new deal that we have achieved that, and that is why we will not abolish the new deal as the Opposition would do: we will strengthen the new deal with our measures.

David Simpson (Upper Bann) (DUP): What progress is the Chancellor making on funding for the young enterprise programmes across the UK, as the budgets have been cut dramatically?

Mr. Brown: I take a big interest in the enterprise insight programmes. They have been held in England and there are additional programmes in Scotland and Wales, and of course there is a special programme in Northern Ireland, which has been very successful. I am happy to meet the hon. Gentleman to talk about the enterprise programme in Northern Ireland. During enterprise week, only a few weeks ago, hundreds of thousands of young people were involved in the activities and there were 2,000 special events, which ranged from master classes in enterprise to competitions, including one for the young entrepreneur of the year. It is that interest in enterprise and starting businesses among young people that we want to encourage, especially in areas that have seen slow growth in small businesses in previous decades, such as the area that the hon. Gentleman represents. We are determined to do more and I am happy to talk to him about the issue.

Mr. Brian H. Donohoe (Central Ayrshire) (Lab): While I praise my right hon. Friend for the massive drop in youth unemployment in my constituency, I am concerned that statistics are not available for the new constituencies north of the border, as he will know. Can he correct that situation so that we can see just how good the figures are for the new constituencies?

Mr. Brown: I am happy to take up that issue with the Scottish Administration, if necessary, so that we can have the full statistics on the decline in youth unemployment, long-term youth unemployment and unemployment generally that has taken place under our Government. I can give him a rough estimate: the decline in youth unemployment in his constituency is of the order of 90 per cent. since 1997.

David T.C. Davies (Monmouth) (Con): Would the Chancellor agree that the surest way to reduce youth unemployment would be to follow the Irish example and reduce corporation tax, instead of imposing ever more costs, bureaucracy, red tape and taxation on our businesses and stifling their opportunities for growth?

Mr. Brown: I thought that with the new Conservative party we would have heard some concern about the unemployed—*[Interruption.]* We have cut corporation tax by 3p, from 33p to 30p. We have cut small business tax from 23p to 19p. We have cut capital gains tax from 40p to 10p for long-term assets. If the hon. Gentleman is telling me that the solution to long-term youth unemployment is to abolish the new deal, he is living in the world of the 1980s, not 2005.

Mr. Martyn Jones (Clwyd, South) (Lab): Does my right hon. Friend agree that the proposals that he announced on Monday to make banks give up unclaimed money for the benefit of youth and community programmes will also help long-term youth unemployment?

Mr. Brown: I thought that we might have had a strong welcome for our proposals on the new deal and to put more money into youth and community services through the use of unclaimed assets. The banks and the Government have signed an agreement about what will happen once the figure for unclaimed assets has been agreed. The money will go to financial education, but mainly to youth and community services. That gives us a chance to do something in an area in which we have failed to invest for decades—the provision of facilities in all our constituencies, be it internet cafes, youth facilities generally or sports facilities. It is important that we do something so that the good, decent majority of young people have facilities to enjoy. I hope that we will receive all-party support for the development of youth facilities through the use of unclaimed assets.

Job Creation

2. **Mr. Jim Devine** (Livingston) (Lab): How many new jobs have been created since 1997; and what assessment he has made of the effect of these new jobs on the economy. [35532]

The Chancellor of the Exchequer (Mr. Gordon Brown): As a result of the new deal and other measures, 2.3 million jobs have been created since 1997. British unemployment is half that of Germany and France and below that of America. I can also inform the House that, from April, the new deal will pioneer new compulsory interviews and intensive work preparation courses for those unemployed six months or over so that we can get more people back into work.

Mr. Devine: Is my right hon. Friend aware that unemployment in my constituency last week was 2 per cent.? When the Conservative party was in power, it was 26 per cent. We were told that if it was not hurting, it was not working. I worked in primary care psychiatry and watched patients being prescribed anti-depressants and valium. If they could have been prescribed a job, they would not have been near the health centre. Does he agree that there is no such thing as compassionate conservatism?

Mr. Brown: If Conservative Front Benchers had come in on the first question, we might have seen whether their attitude to the new deal had improved since the previous Administration. However, they have appointed a former party leader to run their commission on social action and he is already committed to the abolition of the new deal for young people and the unemployed. My hon. Friend makes a very important point. Conservative Members may have some reason to be grateful to the Government, as unemployment in most of their constituencies has halved as well. We will continue to create more jobs. There are 600,000 vacancies in the economy—and this economy has created 300,000 jobs in the past year. We should be congratulated by the Opposition on our policies, not criticised or condemned.

Peter Bottomley (Worthing, West) (Con): If the Chancellor were to read out the names of the constituencies where unemployment was now higher than it was nine months ago, how many would he name?

Mr. Brown: I do not have a list of 650 constituencies. We have created 330,000 new jobs during the past year. Those, including the Leader of the Opposition, who prophesised that this year we would be unable to create the jobs that we have managed to create will find that we have created 6,000 jobs per week, and that 3,500 new small businesses have been created a week. *[Interruption.]* I am sorry that Conservative Members cannot congratulate us or feel happy that the economy is creating 330,000 jobs. We are not seeing much evidence of a new Conservative party today.

Andrew Gwynne (Denton and Reddish) (Lab): As well as the 2.3 million new jobs in the UK, unemployment in my constituency has fallen by 51 per cent. since 1997. Does my right hon. Friend agree that our resources are best used to continue supporting people in finding work, rather than on the waste of the cost of unemployment that we had when 3 million were unemployed under the Tories?

Mr. Brown: People will see that when we mention unemployment and the creation of jobs, Conservative Members in this new anti-Punch and Judy show that they are trying to operate are laughing. The fact is that we have created 2.3 million jobs since we came to power in 1997, and 330,000 jobs have been created in the past year. Some 6,000 jobs have been created on average every week. This has affected almost every constituency in the country. I believe that we are showing that with low inflation, we can create high employment in a modern economy and that we do not have to pursue the polices of the 1980s where, to get inflation down, unemployment was at 3 million. That is the difference between a Labour philosophy and a Conservative philosophy.

Sir Nicholas Winterton (Macclesfield) (Con): While the Chancellor's figures are encouraging, and I congratulate him, does he accept that the situation facing manufacturing industry is very grim? Many tens of thousands of jobs have been lost in manufacturing, which is the only source of non-inflationary sustainable growth. Is there nothing that he can do to give further encouragement and support by creating the right environment for a growth in manufacturing jobs, which is essential to this country?

Mr. Brown: I am grateful to the hon. Gentleman, who has taken a long-term interest in manufacturing industry. I think that he would agree that the first foundation for industrial strength is low inflation and economic stability. That has been achieved over recent years. What is happening in every advanced industrial country is that the number of manufacturing jobs is declining. America and Japan have each lost 3 million manufacturing jobs. America has lost 1 million manufacturing jobs in the past

two years. That trend is happening right across the world—*[Interruption.]* I am sorry; again, the Conservatives must face up to facts. If America and Japan each lose 3 million manufacturing jobs, all advanced industrial economies are affected. What we are trying to do—I think that the hon. Gentleman will be interested in this—is to provide greater support for research and development in manufacturing, greater support for the development of new skills, new investment allowances for small businesses and support through the Small Business Service and the regional development agencies. We are trying to help our modern, high skill and high-value-added manufacturing become more competitive across the world. We will continue with that policy, and I am sure that the hon. Gentleman will support it even if those on the Conservative Front Bench do not find it at all interesting.

Mrs. Madeleine Moon (Bridgend) (Lab): Will my right hon. Friend confirm that our economic success is a result of his commitment to the TANSTAAFL principle—"there ain't no such thing as a free lunch"—and that economic growth comes from investment in jobs, skills, education and communities, not inflation-busting tax cuts?

Mr. Brown: Our policy is to invest in both jobs and skills in the economy. At some point, the Conservatives must face up to this issue. If we want employment and modern skills, we must invest in the new deal and education. Their policy to cut £12 billion from public expenditure would damage jobs, skills and education.

Mr. Michael Fallon (Sevenoaks) (Con): What proportion of the new jobs since 1997 are public service jobs? Why will the Chancellor not give the House the current estimate of the public service pension liability that arises from those new jobs and must then be paid for by the private sector?

Mr. Brown: The hon. Gentleman knows that two thirds of the new jobs are in the private sector and that almost 1 million jobs have been created in small businesses alone. If he wants to cut public sector jobs, perhaps he should look at his election address, in which he said:

"I want more money to go to the front line for more nurses, doctors and clinical staff."

He than said:

"I want more police."

That is not someone trying to cut the public sector; it is someone trying to increase it.

Angela Eagle (Wallasey) (Lab): Does my right hon. Friend recognise how successful the policy of getting down unemployment has been so far, especially in my constituency? Will he give the House some indication of how he intends to take that success further, particularly with skills, so that we can ensure that the jobs that are created in the future for my constituents will be ones that can support families, that are well paid and that are not bumping along the bottom of the labour market?

Mr. Brown: I am grateful to my hon. Friend. Perhaps there could be all-party support for the extension of the national employer training programme, which was announced on Monday, to all areas of the country, where employers will get help so that they can train their workers and get time off, with some support for the wage costs in doing so. That new partnership between the Government, employers and employees involves some public money—£47 million to help small firms to give time off to their workers. We are prepared to make that public investment. The question is whether the Conservative party is prepared to support the public investment that is necessary for the skills and training that we need in the economy.

Tax Credits

3. **Mr. Philip Hollobone** (Kettering) (Con): What estimate he has made of the number of people entitled to claim tax credit who do not do so. [35533]

The Paymaster General (Dawn Primarolo): Analysis of the number of those entitled but not claiming tax credits is ongoing and will be completed by the end of 2005–06. Initial estimates are that 80 per cent. of those entitled to the child tax credit in the first year claimed it. That compares with a take-up of 57 per cent. for family credit and 62 per cent. for working families tax credit.

Mr. Hollobone: I thank the Minister for her answer. Although it is encouraging that the percentage take-up is improving, does she share my concern that up to a fifth of potential claimants—some of them the most vulnerable members of our society—are not getting to the tax credits to which they are entitled?

Dawn Primarolo: I assure the hon. Gentleman that take-up of tax credit appears to be across the board, particularly focusing on those in the greatest need; for instance, 1.4 million receive an average entitlement of £5,795 a year. In his constituency, about 8,800 families are benefiting from tax credit. Even with take-up of child tax credit as high as it appears to be, it is important that we focus on ensuring that we continue to advertise it and to encourage people who are entitled to apply for it. I hope that he will campaign for that and support tax credit, to ensure that it is welcomed and supported.

Mr. John McFall (West Dunbartonshire) (Lab/Co-op): My right hon. Friend will be aware that at the Treasury Committee meeting yesterday we asked her officials for a paper on the implications of the latest changes in tax credits. Although the disregard on earnings from £2,500 to £25,000 is a huge step forward, will she inform us whether it will be revenue neutral, and before her next appearance before the Committee will she work with her officials to ensure that innovative ways are found to increase that 80 per cent. take-up?

Dawn Primarolo: My right hon. Friend refers to specific issues and discussions about the package of measures announced on Monday for reform of tax credits, ensuring flexibility but also greater certainty for claimants. He will know that the package as a whole was scored in a particular way in the pre-Budget report statement. I will ensure—I think that my officials gave this undertaking to the Treasury Committee—that a detailed answer specifically on costs is not only made

available to the Committee but that it is put in the Library so that all Members can see how the entire package fits together in terms of the total costing.

Mr. David Laws (Yeovil) (LD): When did Ministers first become aware of organised attempts to defraud the tax credit system? How many Department for Work and Pensions staff have been affected by that to date, and can she tell us how much that organised fraud of the tax credit system has cost the taxpayer?

Dawn Primarolo: The hon. Gentleman will be aware, because I have answered him both in parliamentary questions and in letters, that the potential committing of fraud against the tax credit system is taken seriously by officials. He will also be aware that at the end of the first year, 2003–04, specific figures, which are being prepared, will indicate the success of the policy in deterring fraud. Because of the announcement, he will be aware that there are specific investigations into fraud against the tax credit system involving the DWP. A criminal investigation is going on, so it would not be appropriate for me to comment further, but I assure the hon. Gentleman that I shall keep him and the House fully informed of developments.

Helen Goodman (Bishop Auckland) (Lab): Will my right hon. Friend tell the House what her estimate is of the number of children who would fall back into poverty if the tax credit system was abolished?

Dawn Primarolo: The combination of measures through the tax credit system has contributed to about 1.4 million children being lifted out of poverty. That is crucial and a central part of the Government's measures to eradicate child poverty, especially the record level created under the previous Conservative Government. Without the presence of tax credits, should the hon. Member for Tatton (Mr. Osborne) feel tempted to abolish them, as the Conservatives say they will do, we would see a massive rise in child poverty.

Mr. Philip Hammond (Runnymede and Weybridge) (Con): Let me try to help the Paymaster General with the question that the Chairman of the Treasury Select Committee asked. At the same time as the announcement on Monday that the disregard of increased pay would be raised so that people earning more than £90,000 could continue to receive their tax credits in full for up to 12 months, the pre-Budget report showed that the Government intend to spend £200 million less on tax credit in 2007–08. If people whose income increases will be better off, and the Government plan to spend less on the total package, who will be worse off?

Dawn Primarolo: I will send the hon. Gentleman another copy of the statement that was released as part of the pre-Budget report that was announced by my right hon. Friend the Chancellor on Monday. Let me help him by reminding him that there were a series of reforms that were in favour of claimants because they made the system more flexible. One part of that was the increase to the disregard. There were reforms to speed up the reporting of changes in circumstances to ensure that it would be less likely that overpayment would occur. There was a reform to change the period for verification—the renewal period—from six months to five months. Those are but three of the measures. Taken together, they give claimants greater flexibility while reducing the risk of overpayments. That is how the entire package hangs together and how the costings are developed. If the hon. Gentleman wants to read the statement again so that he understands it, I will be happy to clarify any further confusion that he has.

Inflation

4. **Mr. Geoffrey Robinson** (Coventry, North-West) (Lab): If he will make a statement on his policy on inflation. [35534]

The Chancellor of the Exchequer (Mr. Gordon Brown): Inflation, which averaged 8 per cent. for the years 1970 to 1997, has been at or around 2 per cent. in recent years. It is forecast to be 2 per cent. this year and next year. It is because of low inflation that interest rates in Britain have averaged 5.5 per cent. since 1997—half the level of the previous 18 years.

Mr. Robinson: Is my right hon. Friend aware that the Organisation for Economic Co-operation and Development has called the British economy under his stewardship a paragon of stability? Is he further aware that central to that success has been the control of inflation, and that that control of inflation, in turn, has led to the lowest mortgage rate since the late 1950s, which has meant that in my constituency—and, indeed, throughout the country—the average mortgage holder has saved £4,000? Will he tell the House what the effect would be of returning to the Conservative party's policy of 10 per cent. inflation?

Mr. Brown: I am grateful to my hon. Friend. The number of home owners has increased by 1 million since 1997. That has been possible because interest rates have been half what they were under the previous Government and mortgage rates have also been half what they were in the 18 years of the previous Government—*[Interruption.]* I would have thought that there would have been all-party support for the stability that has been achieved. In fact, the shadow Chancellor has been making speeches in support of our macro-economic policy, but unfortunately he has made them not in the House, but outside the House, where he hopes that his party will not hear what he says.

The OECD commented on our economy by saying:

"The United Kingdom is a leader in the quality of its monetary and fiscal policy frameworks among OECD countries".

It also said:

"The stability and resilience of the economy has been impressive and labour and product markets are among the most flexible in the OECD".

We will continue to maintain stability and increase the flexibility and resilience of the economy. Again, I would have hoped that we would have all-party support for that.

Sir Peter Tapsell (Louth and Horncastle) (Con): But does the Chancellor have any meaningful inflation policy having handed over control of interest rates to the

Bank of England, whose Governor's recent public statements have been markedly more pessimistic that his? Is it not clear that the lack of co-ordination between fiscal and monetary policy severely undermined the authority of the Chancellor's pre-Budget report? Does he recall that a distinguished predecessor of his used to criticise punk monetarism, yet he has now become an exponent of punk Keynesianism, boosting expenditure before the election and restraining it—

Mr. Speaker: Order. We are running out of time.

Mr. Brown: There are some members of the Conservative party who remain to be convinced about making the Bank of England independent. I should tell the House that the hon. Gentleman has been consistent in his opposition to Bank of England independence. He said that it would make the efficient macro-economic management of our affairs more difficult and then predicted that it would lead to higher levels of unemployment. Unemployment has gone down by half a million since we came to power and there are 2.3 million more jobs. He should be admitting that he was wrong on the matter and that it was right to make the Bank of England independent.

Mr. Pat McFadden (Wolverhampton, South-East) (Lab): The Chancellor said that low and stable inflation rates have helped 1 million more people to become home owners since 1997—a far cry from memories of 15 per cent. interest rates when the Opposition were in power. However, does he agree that many more people in Britain have the dream and ambition of owning their own home? Will he tell the House how many more people will be helped to do so through the housing measures announced this week in the pre-Budget report?

Mr. Brown: Our aim is that the figure of 1 million extra since 1997 should rise to 2 million by 2010. It is because of the combination of measures that we have introduced to improve the planning system, the use of land, the development of existing land and the improvement of infrastructure, as well as the Government's low interest rate policy that we can aspire to low mortgages and the building of additional houses over the next few years. Opposition Members must face up to the fact that this is a low inflation, low interest rate environment, and that has only happened because there is a Labour Government, not a Conservative Government.

Dr. Vincent Cable (Twickenham) (LD): In his statement on Monday, the Chancellor argued that because the main cause of recent inflation was high oil prices, petrol duties would be frozen and taxes increased on the North sea. If oil prices fall to the level before the recent shock, is it therefore Government policy that petrol duties will be increased and the increase in taxation on the North sea reversed?

Mr. Brown: The policy on fuel prices is as I have set out previously. As for the North sea, I want to give stability to oil companies during this Parliament.

Michael Gove (Surrey Heath) (Con): By increasing taxes?

Mr. Brown: Opposition Members clearly do not want the revenue of £2 billion a year from the increase in North sea oil taxes, so they had better tell us which services they will cut to make possible the loss of that revenue.

Millennium Development Goals

5. **Barbara Follett** (Stevenage) (Lab): What action his Department is taking towards delivery of the millennium development goals. [35535]

The Chancellor of the Exchequer (Mr. Gordon Brown): I can report a major advance that will support progress towards reaching our millennium development goals. Since Britain pioneered the international finance facility for immunisation, I can announce not only the engagement of France, Italy, Spain and Sweden in this project but that Norway has joined the project this week. I believe that other countries are ready to follow and that this initiative alone could save up to 5 million lives between now and 2015. It is one of the most important factors that make possible the achievement of the millennium development goals on infant and maternal mortality.

Barbara Follett: I thank my right hon. Friend for his reply and for everything that he and his Department are doing to try to meet the millennium development goals. However, does he agree that as 140 million children in the developing world, 65 million of them girls, are unable to access education, we have an enormous amount to do if we are to achieve goal 3 and eliminate gender disparity in primary and secondary education by 2015?

Mr. Brown: I am grateful to my hon. Friend, who takes a huge interest in these matters, particularly Africa, where many children are denied the prospect of education. There are 110 million children around the world who will not go to school today. Two thirds of them are girls, who suffer both from discrimination against girls and the lack of resources for education. The world could come together over the next few years with the fast-track action plan for education to speed up the offer of primary places, in particular, to girls as well as boys. The cost of that investment would be about $10 billion a year, which is a small price to pay for probably the most cost-effective investment that the world could ever make. Again, I hope that there will be all-party support for that initiative.

Mr. Mark Field (Cities of London and Westminster) (Con): I want to take the opportunity to state that Her Majesty's Opposition support the Chancellor's broad objectives in this sphere. *[Interruption.]* It could indeed be described as an end to Punch and Judy politics. However, we urge him to provide a full report on further progress on the international finance facility along the lines that he set out, particularly efforts to try to achieve US involvement in this important sphere of work. We recognise that aid alone can never be sufficient. In pursuit of economic development, free trade, especially in agricultural commodities, is of key importance. Will the Chancellor ensure that effective action to reform the EU common agricultural policy, rather than mere words, becomes official Government policy?

Mr. Brown: I am grateful to the hon. Gentleman for his support for our initiative on debt relief and aid and on the international finance facility. We are moving forward with our proposal for the pilot project on immunisation, which will put $4 billion of extra money into vaccinating and immunising children in particular in Africa and Asia. We have won the support of a large number of European countries, and we believe we will have support from Latin America, Africa and Asia over the next few months, so that it will genuinely be a worldwide initiative with dozens of countries supporting the principles underlying the international finance facility. I hope that from the all-party support in the House we can build out to a consensus right round the world.

On trade, the hon. Gentleman knows I agree with the proposition that there needs to be progress. As he probably saw on Saturday at the G7 Finance Ministers meeting, Brazil made a new offer to open up trade in areas where it has been under criticism, and India indicated that it would make a further offer if there were similar and equivalent offers from Europe and America. It is now up to the trade negotiators to look at those new proposals and see whether we can unblock the trade talks. Of course, at the heart of it, as I said on Saturday, is the vexed issue of agricultural protectionism, where I hope we all agree that both Europe and America must make progress and make new offers.

HIV/AIDS

6. **Julie Morgan** (Cardiff, North) (Lab): If he will increase the UK's financial contribution to tackling HIV/AIDS overseas. [35536]

The Chancellor of the Exchequer (Mr. Gordon Brown): Our aim is that by 2010 every HIV/AIDS sufferer will receive treatment. Advance market commitments for vaccines to prevent diseases that primarily affect poor countries were discussed at the G7 meeting of Finance Ministers at the weekend. We agreed a pilot scheme to be developed, which will support research and development and the delivery of vaccines that in the long term may help us in the search for a preventive vaccine for HIV/AIDS. I hope that there will again be all-party support for those initiatives.

Julie Morgan: I congratulate my right hon. Friend and the Government on all the efforts that they have made in this matter. What can my right hon. Friend do to ensure that the aid that is given for HIV/AIDS is spent as intended? On a recent visit to Kenya, I was told by the Ministry for Health, health professionals and non-governmental organisations that the rules of the International Monetary Fund made it extremely difficult for them to increase their public spending on nurses, doctors and other health officials. What can my right hon. Friend do to influence the situation and create the right balance between economic stability and public spending on health in countries such as Kenya?

Mr. Brown: As my hon. Friend may know, the British Government and other European countries in particular are signing agreements with a number of countries, to give long-term support to those Governments so that they can make allocations to health and education, not just on an annual basis, but on a sustainable basis. We believe that that is the best way of ensuring that money goes to health and education, rather than going to corrupt projects or being wasted. As regards the short term, I will take up my hon. Friend's question about Kenya with my hon. Friend the Minister with responsibility for overseas development and write to her on the matter.

Mr. Jeremy Hunt (South-West Surrey) (Con): Does the Chancellor agree that the 2010 access to AIDS treatment target will not have any credibility unless intermediate targets and milestones are set by which we can measure whether progress is being made towards the achievement of such an important target?

Mr. Brown: I accept that when a long-term target is set, the real questions are whether there will be the money to deliver that target, and whether there will be proper development of policy to achieve it, so I agree with the hon. Gentleman that we must put in place both the necessary resources and the policy measures to achieve the target. There have been great advances in antiretroviral drugs and treatments, and great advances also in charitable and other medical projects that are helping AIDS sufferers in various parts of Africa—I visited some of those projects in the course of a visit to Africa—but in the end it will require an agreement about the funding that we can provide, as well as the policy measures to implement it. I am glad that there is all-party agreement on that.

Economic Regeneration Funding

7. **Matthew Taylor** (Truro and St. Austell) (LD): What progress has been made on Government proposals to repatriate economic regeneration funding from the EU. [35537]

The Economic Secretary to the Treasury (Mr. Ivan Lewis): The Government's approach to the reform of structural and cohesion funds for the period 2007–13 has called for greater focus on new member states, more freedom and flexibility for structural fund spending within member states, and a greater focus on the Lisbon agenda for productivity and growth. That approach is set out in the negotiating box tabled by the Foreign Secretary on Monday 5 December, which reflected the views of all member states.

Matthew Taylor: Before the general election, the Chancellor pursued a policy of getting billions back from the European Union to the UK by repatriating regeneration funds. Since the general election, it seems that the Prime Minister has been pursuing a policy of giving away billions of pounds to the EU by giving up part of our rebate. What is the Treasury view on this apparent U-turn in policy?

Mr. Lewis: We do not accept that that analysis is accurate. The negotiations are ongoing, and we cannot make commitments on specific regions. Under the UK proposals, which were tabled this week, receipts would be the same as those under the previous proposals from Luxembourg. It is important to recognise that three

quarters of regional funding is already provided domestically. This year, the South West of England Regional Development Agency has a budget of £153 million to invest in the economic development and regeneration of Cornwall and the wider south-west region.

Mr. Andrew Love (Edmonton) (Lab/Co-op): When my hon. Friend considers the future of structural funding, will he take into account the decision by my Conservative-controlled local authority to turn down £1 million of economic development funding because it does not want to match fund, which will affect the most vulnerable and deprived in my community? Is that not an early example of the hypocrisy and double standards of the Conservative party?

Mr. Lewis: Of course, I agree with my hon. Friend. However the Conservative party tries to rebrand itself, it will always stand for the same ideology and philosophy, which does not involve using resources to help some of our more disadvantaged communities. Any decisions that we make in the future will take account of that local authority's failure to provide the right local leadership.

Adam Price (Carmarthen, East and Dinefwr) (PC): In the proposals set out on Monday, the Government are offering more flexibility on the timing of expenditure and the required level of match funding in return for a 10 per cent. cut in the structural funds compared with the Luxembourg proposals Will the Minister confirm that that new flexibility will be available to convergence fund regions in the UK such as west Wales and the valleys as well as to the EU 10?

Mr. Lewis: As I have said, the most important difference that we make involves the money that we spend in the United Kingdom on regional policy. We will take account of the concern expressed by the hon. Gentleman.

Chris Bryant (Rhondda) (Lab): The Minister knows that because of the extraordinary success of this Government's economic policy, Wales in particular has strode ahead economically, so much so that we may no longer qualify for funds that are available to regions because of poverty. Will he guarantee that whatever happens in the EU negotiations over the next two weeks, he will continue to work with colleagues in the Welsh Assembly to make sure that the economy in the south Wales valleys continues to be regenerated?

Mr. Lewis: I agree with my hon. Friend. A combination of macro-economic stability and labour market intervention through the new deal to create new jobs has been at the centre of the Government's policies on social justice and economic growth. Those policies will continue, and we will continue to work with elected representatives in Wales to ensure that the prosperity that is developing continues to grow into the future.

Mr. Richard Spring (West Suffolk) (Con): In his Mansion house speech, the Chancellor talked about the necessity of EU economic reform, and the Prime Minister has subsequently discussed budgetary reform. Could the Government ever have imagined that issues such as economic regeneration funding would inflame the new member countries and have the French running rings around us over the common agricultural policy? Given that our EU presidency has been marked by isolation, incompetence and lack of preparation, will the Minister take this opportunity to apologise for both the lack of reform and our national humiliation?

Mr. Lewis: That contribution demonstrates why the Conservative party will never be fit to be in government. We are in the middle of the most sensitive negotiations and hold the EU presidency, and Her Majesty's Opposition are seeking to undermine the Government in those negotiations. The only change on abatement occurred because we believe that we should pay our fair share of the costs of enlargement. Does the Conservative party believe that we should pay our fair share of the costs of enlargement?

Keith Vaz (Leicester, East) (Lab): Of course the Minister is right that the first duty of any Government in negotiations is to protect Britain's position but, as he also said, there is a cost to enlargement. The Conservatives supported enlargement, as did the whole European Union. It would be completely unfair to hamper the new member states because they do not have the funds fully to integrate into the European Union. I wish my hon. Friend well in the negotiations and ask him to remember that the future of Europe depends on our ability to treat all nations equally, which means giving the necessary funds to new member states.

Mr. Lewis: I entirely agree with my hon. Friend, who has a lot of expertise in this area. The changes that we have made to the negotiating position so far are about ensuring that this country pays its fair share of the costs of enlargement. I assume that the Conservatives would believe that to be the correct policy. We will be willing to make other significant changes in terms of the rebate only if the French radically change their position on the common agricultural policy. That has remained this country's position throughout the negotiations.

UK Economy

8. **Mr. Tim Boswell** (Daventry) (Con): What assessment he has made of the principal factors affecting the estimated level of growth in the UK economy. [35538]

The Chief Secretary to the Treasury (Mr. Des Browne): The pre-Budget report 2005 set out a comprehensive account of recent economic developments and the Government's assessment of growth prospects for the UK economy. Over the past year, the effects of global and domestic inflationary pressures have tested the UK economy. However, sound macro-economic fundamentals continue to support growth and stability, helping our economy to remain far more resilient to challenges and shocks than it has in the past.

Mr. Boswell: In the new spirit of consensus, and because I suspect that the Chief Secretary would agree that economic growth is the bedrock not only of

individual prosperity but of any social advance, does he share my concern about the very sharp decline in the rate of economic growth in recent months?

Mr. Browne: I do agree. However, the bedrock of economic growth is stability. Through the macro-economic framework, we have provided the stability to engender the growth that is necessary to create the wealth of which the hon. Gentleman speaks. We have a record of economic growth that would have been the envy of any previous Government. We have grown consistently.

Mr. Jim Cunningham (Coventry, South) (Lab): May I suggest to my right hon. Friend that one way to develop growth is by improving skills and research and development? What is he doing about that, particularly in relation to the west midlands, which traditionally has had a manufacturing base?

Mr. Browne: I thank my hon. Friend, who has been a consistent champion of those issues on behalf of his constituents and the west midlands. As my right hon. Friend the Chancellor said earlier, the whole developed world faces the challenge of retaining manufacturing jobs. We need to decide what is the Government's role and what their response should be to those who are challenged in such circumstances. We have set out to respond in a way that allows people to develop the skills that are necessary to face the challenges of the 21st century. Earlier this week, in his pre-Budget report, my right hon. Friend explained how we will further invest in innovation, research and development and the creative industries to develop those opportunities and skills.

Mr. Brooks Newmark (Braintree) (Con): In last year's autumn statement, the Chancellor said that in the previous Budget

> "I forecast growth . . . of between 3 and 3¼ per cent . . . Even after the doubling of oil prices". —[*Official Report*, 2 December 2004; Vol. 428, c. 784.]

We all know that oil prices have doubled and his forecast is halved. Does the Minister agree that the Chancellor's judgment in this matter is flawed, as it is in other matters?

Mr. Browne: The hon. Gentleman's basic facts are wrong. Oil prices were $40 at the beginning of the year and rose to $70. A combination of factors have generated a set of circumstances that have challenged this country's growth, but the resilience of our stable economy has allowed us to continue to grow. Because of that, and because of the stability that is in the economy, we can look forward to increasing growth as forecast in the pre-Budget report.

Ms Sally Keeble (Northampton, North) (Lab): Does my right hon. Friend agree that skills are especially important in areas such as Northamptonshire where growth has been high and the labour market is tight? What is he doing to encourage staying-on rates at school to provide support for families so that people do not leave school without skills and we can thus improve the skills base of our work force?

Mr. Browne: My hon. Friend makes an important point. We introduced the education maintenance allowance to develop the skills that tight labour markets such as that in her constituency need. I do not have the exact figures for education maintenance allowance in her constituency, but I am sure that, as an assiduous Member of Parliament, she knows them already.

Mr. George Osborne (Tatton) (Con): When was the Chief Secretary first told that the Chancellor's hopelessly optimistic pre-election growth forecast was likely to be wrong?

Mr. Browne: The hon. Gentleman knows that those matters change over the course of the year. I cannot specifically remember when I was told and I am sure that that is not the point of his question. However, he knows that the Office for National Statistics, which tries to calculate growth and other matters that affect the economy, often has to revise its figures retrospectively. I am confident that, even for this year, it will have to revise its figures.

Mr. Osborne: The Government fought an election promising a strong economy this year. We simply want to know when the Chancellor and the Chief Secretary knew that they could not keep that promise.

Let us consider another promise that the Chancellor made. He is keen to point out how young he is feeling these days, but when he was young and doing my job, he said:

> "Raising the trend growth rate of the economy will be an objective of the next Labour Government".

Will the Chief Secretary confirm that page 186 of the pre-Budget report contains an admission that the trend growth rate—the long-term growth rate—of the economy will be lower than it was in 1997?

Mr. Browne: The average growth rate—*[Interruption.]* The average trend growth rate for the economy is 2.7 per cent. and has risen from an average 2.2 per cent. when we came to power. We have achieved that. The hon. Gentleman had five opportunities in the first six questions to ask the Chancellor his questions. Why does he have to ask them through me? *[Interruption.]*

Mr. Dennis Skinner (Bolsover) (Lab): Is my right hon. Friend aware that in the 1970s and a lot of the 1980s, we would have thanked our lucky stars in the coalfield areas for growth of 1.75 per cent.? The only thing growing then were the lines of coke in front of boy George and the rest of them.

Mr. Speaker: Order. This seems to be a trend with the hon. Gentleman. He must withdraw that remark.

Mr. Skinner: It was in the *News of the World*.

Mr. Speaker: Order. The hon. Gentleman must withdraw the remark.

Mr. Skinner: No, I will not withdraw it. It is true.

Mr. Speaker: Order. If the hon. Gentleman does not withdraw the remark, he must leave the Chamber—I order the hon. Gentleman to leave the Chamber. I am forced now to name the hon. Gentleman. I name Dennis Skinner. He is withdrawing—he has taken my advice.

Mike Penning (Hemel Hempstead) (Con): You named him.

Mr. Speaker: I know what I have done. The hon. Gentleman has moved and that is the main thing.

British Film Industry

9. **Mr. John Whittingdale** (Maldon and East Chelmsford) (Con): What representations he has received in response to his proposals for tax incentives to support the British film industry. [35539]

The Paymaster General (Dawn Primarolo): The Treasury consulted extensively with the industry on the proposed new film tax between July and October this year. The consultation informed the announcements on film tax in the pre-Budget report. They included allowing films costing up to £20 million a guaranteed minimum benefit worth 20 per cent. of qualifying production costs and a benefit worth 16 per cent. for films costing more than £20 million. The incentives will be even more valuable for profitable films. That can help achieve our goals for greater sustainability for the British film industry. The industry has warmly welcomed the announcements.

Mr. Whittingdale: When I tabled this question, I intended to be critical of the Chancellor, but, in keeping with our new spirit, I warmly welcome the measures that were announced in the pre-Budget report. However, the Minister will be aware that the uncertainty that has surrounded the fiscal arrangements for the industry has already led to some major film productions being made abroad. Will she confirm that the new measures will not be subject to change, so that the industry can now plan ahead with total certainty?

Dawn Primarolo: I welcome the hon. Gentleman's conversion to supporting the Government. In fairness to him, he has taken an interest in assisting the development of the British film industry for a considerable time. I can confirm that the measures will produce a stable regime for the industry, and that they will be effectively targeted to ensure that we support the producers. If the hon. Gentleman has time to look again at the pre-Budget report, he will also see the announcements regarding the transition from the present regime to the new one. Consultations with the industry are still going on, which is important, but there is general agreement that the measures will offer a stable regime to help the development of the industry.

Paul Farrelly (Newcastle-under-Lyme) (Lab): My right hon. Friend will be aware that a good reason to change the tax regime for the film industry was to clamp down on tax avoidance. Following the pre-Budget report, she will know how much we all enjoy blocking gaping tax loopholes, whether they relate to film, fine wines or property speculation. How confident is she that the new film industry regime will be generous enough to help UK film producers while being robust enough to prevent yet another spawning of the so-called tax avoidance industry?

Dawn Primarolo: I can inform my hon. Friend, who also follows these matters with interest, that the incentives will now be more effectively targeted, and therefore less vulnerable to manipulation and avoidance than the current reliefs. It is, however, almost impossible to anticipate the creativity of the avoidance industry. The film industry has welcomed the proposals, saying that they are the best news in five years. They will ensure the security of the regime. I would say to my hon. Friend, however, as I have said to the industry, that if there are any signs of avoidance, we will clamp down on them immediately.

Work Force Skills

11. **Sarah McCarthy-Fry** (Portsmouth, North) (Lab): What assessment he has made of the impact of the level of skills in the work force on the level of employment. [35542]

The Financial Secretary to the Treasury (John Healey): A highly skilled work force is one of the important drivers of economic growth, and people without skills are much less likely to be in employment. The Leitch review of skills, which was published in the interim report on Monday, set out the evidence on the links between work force skills and employment.

Sarah McCarthy-Fry: Does my hon. Friend agree that it is never to late to learn new skills, and that, as well as training our young people, we should also provide retraining opportunities for older people, so that they, too, can take advantage of the employment opportunities in the high-skills sectors?

John Healey: I do indeed. When one in six adults do not have the literacy levels of our 11-year-olds, when 5 million people in the work force today have no qualifications, and when 70 per cent. of our work force of 2020 have already left school, the imperative for greater investment in training, particularly for adults, becomes very clear. We must better direct that training to produce the skills that people need and that employers need, and to help people to become more productive at work.

Adam Afriyie (Windsor) (Con): Does the Minister believe that it is the level of skills in the British economy that has caused the continuous rise in unemployment over the past eight or nine months?

John Healey: No. All the evidence suggests that an increase in the level of skills increases people's employment opportunities. Any Government who were not prepared to invest in the skills of the work force would simply be failing in their duty to equip our companies and our people for the future. Any Government who were prepared to allow spending to grow at a slower rate than the growth in the economy

would have to make huge cuts in public spending, and would not be able to support the skills that our economy needed.

Mr. Siôn Simon (Birmingham, Erdington) (Lab): The Leitch review showed that the total proportion of the work force with skills had risen to 86 per cent. Presumably that has something to do with the fact that the number of jobs in the economy has risen by 330,000 to a record level—and that, presumably, has something to do with the fact that the level of growth remains positive, as it did not under the Tories. As the hon. Member for Tatton (Mr. Osborne) has made it clear that he does not understand what is going on, can we ensure that I do? Is it possible for the Government to build on all those developments by scrapping the new deal?

John Healey: The new deal has helped more than 1 million people into work, but we must make it a new deal for jobs and skills. The employment prospects of people who can now expect to change jobs seven times during their working lives mean that they will have to train and retrain. Unless we have a skills programme to help our people through the changes that our economy faces increasingly in a global context, we shall fail the future of the country and, more important, the people of the country.

Musicians (National Insurance)

12. **Sammy Wilson** (East Antrim) (DUP): If he will make a statement on the recent change in the application of the rules on national insurance contributions to freelance musicians and singers.

[35543]

The Paymaster General (Dawn Primarolo): There have been no recent changes in the application of the rules on national insurance contributions to freelance musicians and singers.

Sammy Wilson: Is the Minister aware that as a result of the change in the rules on class 1 national insurance contributions from freelance musicians, orchestras throughout the United Kingdom will face a bill of £33 million, because the change is backdated to 2001? That will bankrupt many regional orchestras, such as the Ulster orchestra. Given that the development was completely unexpected and orchestras could not budget for it, will the Paymaster General consider either a total or a partial exemption from the backdated liability?

Dawn Primarolo: I repeat that there have been no recent changes in the application of the rules on national insurance contributions to freelance musicians and singers. The last set of changes occurred in 1998. I do know that, as a result of a compliance check, it has been revealed that some employers have not been paying their class 1 national insurance contributions in respect of some musicians and singers. Her Majesty's Revenue and Customs is holding discussions with the Association of British Orchestras, the Musicians Union, the Arts Council and the Department for Culture, Media and Sport to find out exactly how much may be in question, and how to resolve the issue so that our orchestras can continue to provide a fine service for our community.

Business of the House

11.32 am

Chris Grayling (Epsom and Ewell) (Con): May I ask the Leader of the House to give us the business for next week?

The Leader of the House of Commons (Mr. Geoffrey Hoon): The business for next week will be as follows:

MONDAY 12 DECEMBER—Second Reading of the Armed Forces Bill.

TUESDAY 13 DECEMBER—There has been a change from what was originally announced. Second Reading of the Criminal Defence Service Bill *[Lords]*, followed by proceedings on the Consolidated Fund Bill, followed by a motion to approve a money resolution on the Climate Change and Sustainable Energy Bill.

WEDNESDAY 14 DECEMBER—A debate on European Affairs on a motion for the Adjournment of the House.

THURSDAY 15 DECEMBER—Remaining stages of the National Insurance Contributions Bill.

FRIDAY 16 DECEMBER—The House will not be sitting.

The provisional business for the following week is as follows:

MONDAY 19 DECEMBER—A debate on police restructuring on a motion for the Adjournment of the House.

TUESDAY 20 DECEMBER—Motion on the Christmas recess Adjournment.

Chris Grayling: I welcome the Leader of the House back to his place. What with all the reshuffle speculation on both sides of the House this week, I wondered whether he would be here after weekend reports suggesting that he might move to the twilight zone of the Government Chief Whip's Office. Does he agree that, as there is clearly not to be a Government reshuffle this week, it is time to change the session of questions to the Chancellor of the Duchy of Lancaster? It is now five weeks since the resignation of the Secretary of State for Work and Pensions and the reshuffle of the former Chancellor of the Duchy of Lancaster, but there has still been no appointment. Many people will see that as a major downgrading of the importance of the Cabinet Office, but if it is what the Prime Minister does intend, let it at least be reflected in the business of the House.

I am glad that there is to be a debate on the police. The more mischievous of those who were here for last week's business questions unfairly suggested that the purpose of the Leader of the House's important ministerial visit overseas was to avoid the flak that his hapless deputy took over the question of a police debate. Members on both sides of the House will be grateful that the right hon. Gentleman has changed his mind and put the police debate into the business statement, but will he also agree to hold the debate on a substantive motion? He spoke about an Adjournment motion, but the House should have the opportunity formally to express a view about this important issue.

Now that the Leader of the House has accepted the mood of the House over policing, will he do the same with respect to another extremely important issue—energy supply—and fulfil the Government's promise to hold a debate on that important issue in their own time? The right hon. Gentleman and I have already exchanged views on energy issues this winter, but the last few weeks have seen the resurgence of debate over the future of nuclear power. Is it not high time that the House had the chance to debate that extremely important policy area?

Is it not also high time that the Government provided the House with fresh information about the Hong Kong trade talks? Time and again this autumn, I have reminded the right hon. Gentleman about the strong views held on both sides of the House on trade justice issues. Why have we not had a statement ahead of those talks? Why are we not being told by the Ministers who will represent us in those talks what their plans are, what is happening and whether there is any hope for a promising outcome?

Finally, I congratulate the Leader of the House on the interview that he gave to epolitix.com back in September. When asked about his political ambitions, he said:

"The Conservatives need to be revived . . . it is good for our democracy that we have a strong opposition".

I hope that he shares my pleasure that his political ambitions are now being fulfilled.

Mr. Hoon: Of course, I am delighted that the hon. Gentleman is still in his place and still continuing his shadow role. I just hope that he has not been spending too many of the last 24 hours with his telephone.

On the Chancellor of the Duchy of Lancaster, that is a matter for the Prime Minister, who will resolve it in good time. I am sorry that the hon. Gentleman, having whinged about not having a debate on police restructuring, is whingeing again now that we are having one. Clearly, whingeing is the current stance on the Conservative Front Bench, but I suppose that I should not be particularly surprised about that. I am sure that, in due course, we will have time to debate energy supplies and, indeed, trade justice issues. As the hon. Gentleman rightly says, important negotiations on trade justice issues are about to commence.

I stand entirely by what I said in the interview to which the hon. Gentleman referred: I want to see the Conservative party continue as a strong Opposition for a very long time.

Mr. Frank Field (Birkenhead) (Lab): Earlier this week, the Government announced that they were consulting widely outside the House on the Pensions Commission report. On our return after the Christmas recess, may we have an Adjournment debate on the subject so that Members can also offer their views to the Government?

Mr. Hoon: I am grateful to my right hon. Friend for raising an issue that is regarded as important throughout the House and, indeed, throughout the country. I certainly anticipate that we will have opportunities to debate that important issue and I shall certainly try to find time to debate it as soon as possible.

Mr. David Heath (Somerton and Frome) (LD): I welcome the debate on police restructuring, but can we have an urgent debate on the Metropolitan police's use of section 132 of the Serious Organised Crime and Police

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Act 2005? It was sold to us on the basis that it was intended to prevent terrorist acts against the House, but it has now been used to convict a young lady, Maya Evans, for reading out by the cenotaph a list of British soldiers killed in action in Iraq.

May we have an urgent debate on the landmark judgment by the House of Lords today that evidence obtained from torture anywhere in the world is not admissible in legal proceedings of any sort in this country? I note that the noble Lord Brown of Eaton-Under-Heywood said:

"Torture is an unqualified evil. It can never be justified. Rather it must always be punished. So much is not in doubt."

I hope that the House agrees with those sentiments.

That leads me to ask for an urgent debate on what is euphemistically called "extraordinary rendition". The Prime Minister, in an extraordinary response to my right hon. Friend the Member for Ross, Skye and Lochaber (Mr. Kennedy), said:

"In respect of airports, I do not know what the right hon. Gentleman is referring to."—[*Official Report*, 7 December 2005; Vol. 440, c. 863.]

I do not know whether he was surprised or being disingenuous, but the facts have been widely published and come from authoritative sources. May we have a debate in which we can ask how long we have acquiesced in the United States' policy, for what reason there have been so many of these flights and why the Foreign Secretary has been busy writing to the US Administration asking what all this is about, given that it is clear that the Prime Minister has known all along?

Mr. Hoon: First, all hon. Members would expect to see the law of the land upheld. I am sure that that is true of the Liberal Democrats, although sometimes—if I may speak frankly to the House—the hon. Gentleman chooses which laws he believes should be upheld. In this case, legislation that is widely supported in this House requires that an application be made before a demonstration can be organised. That legislation has worked remarkably well. Since it came into force on 1 August, there have been some 63 applications for demonstrations; those have been granted and demonstrations have taken place perfectly properly. In the particular case to which the hon. Gentleman refers—in rather hysterical terms, as ever—such an application was not made. There was no good reason for not making an application, other than simply to challenge the law. There is a strong tradition in western democracy of people seeking to challenge laws with which they disagree, but of course, those people recognise that the consequence of doing so is that they then face criminal penalties. That is precisely what happened in this case.

The Government will have to study this morning's decision by the Law Lords extremely carefully. We do not in any way condone the use of torture, and a complex decision of this kind obviously needs careful analysis. But again, I hope that all hon. Members will support the Government and me in saying that we as a country must use effective measures to deal with the threat of international terrorism. I hope that that applies even to the Liberal Democrats.

The hon. Gentleman will know full well that there is no exact definition of rendition. My right hon. Friend the Foreign Secretary has written to the US Secretary of State on the question and has received a full and detailed response. I hope that both my right hon. Friend's statement—and, indeed, that of the US Secretary of State—is a very full explanation of the position.

Barbara Keeley (Worsley) (Lab): There is great concern about attacks on firefighters; indeed, there have been 185 incidents against fire crews in Greater Manchester so far this year, and it is unfortunate that a high proportion of those have been in Salford. Following this, the Greater Manchester fire and rescue service, the Chief Fire Officers Association and the *Manchester Evening News* have got together and are campaigning with Greater Manchester MPs to bring our legislation into line with that in Scotland. In the light of that, does my right hon. Friend agree that we should have a debate on the safety of fire crews, and will the Government consider supporting the private Member's Bill introduced by my right hon. Friend the Member for Swansea, West (Mr. Williams)?

Mr. Hoon: I am very grateful to my hon. Friend for raising this important subject, which has been raised, for example, by the Trades Union Congress on behalf of a wide range of public servants. The shocking fact has been highlighted that public servants doing their very best to help protect members of the public are being subject to attack in the course of carrying out their duties. This problem is not isolated to firefighters—it is faced by a number of other dedicated and distinguished public servants. I find that deeply shocking and my hon. Friend is right to raise this issue. The Government obviously must have careful regard to it and take action, if we can, to demonstrate ways in which to prevent these appalling acts of violence against dedicated public servants. My hon. Friend, other Members and I will want to pay tribute to the work that firefighters in particular do on behalf of all our communities.

Mr. Mark Harper (Forest of Dean) (Con): I should like to support the earlier comments of my hon. Friend the Member for Epsom and Ewell (Chris Grayling). The Leader of the House and I have been present for business questions in recent times, so he and I both know that the mood of the House was very much for a debate on police restructuring on a substantive motion, thereby allowing the House to express an opinion. Given that he has returned from his overseas visit in a more refreshed mode and has granted that debate, perhaps he might find time to go on another trip, so that he can return next week and tell us that we can have a debate on a substantive motion, allowing the House to express an opinion on a matter that the Home Secretary has said is more important than any other on his current agenda.

Mr. Hoon: I am always extremely grateful for protestations of concern about my health and welfare, especially from Opposition Members. I shall be representing the UK next week at the European Parliament in Strasbourg, and I hope that that will have a suitably refreshing effect. It is sad that, for five years, it did not have that effect on the right hon. Member for

Bromley and Chislehurst (Mr. Forth), but as we approach the Christmas season I hope that all hon. Members will be refreshed at the prospect of a break.

Mr. Ian Austin (Dudley, North) (Lab): May I ask whether it might be possible to have a debate about the way that local authorities close primary schools? In my constituency, Dudley's Conservative-controlled council plans to close two very good schools, Highfields primary and Sycamore Green. The consultation process has been very unsatisfactory, to say the least. The council has failed to consider any alternatives, such as Sure Start schemes, children's centres or other community facilities, and it has not even replied to letters and petitions submitted by parents and governors who, together with councillors Ridney, Finch, Davies, Aston, Mottram and Johnson, have fought such a great campaign.

Mr. Hoon: My hon. Friend raises an important issue. Clearly, it is extremely worrying for parents of children at primary schools if they do not have the opportunity to participate in proper consultation about closure proposals. I am grateful to my hon. Friend for raising the matter in the way that he has.

Grant Shapps (Welwyn Hatfield) (Con): Earlier this year, the Prime Minister told Parliament that special advisers should be made to attend Select Committees on exactly the same basis as civil servants, yet last month he blocked his own special adviser, Lord Birt, from attending the Select Committee on Public Administration. May we have an urgent debate on the matter? To many of us, that seems like a case of the Prime Minister saying one thing in public and doing something completely different in private, when it comes to his own business.

Mr. Hoon: I am sorry that the hon. Gentleman was not present two weeks ago when this matter was raised, as he would have heard my comprehensive answer. Perhaps he could spend his time over the Christmas recess profitably by studying the Osmotherly rules, which set out very precisely the circumstances in which Ministers may give permission for civil servants, special advisers and others to represent them before Select Committees. Those rules have been in place for a long time, and the point is that they have not changed.

David Taylor (North-West Leicestershire) (Lab/Co-op): There is often a degree of scepticism about the value of business questions and early-day motions. My early-day motion 1123 states:

[That this House believes that the proposal to offer tax relief on the purchase of homes under the Self-Invested Personal Pension Scheme rules commencing in April 2006 provides insufficient public benefit, will encourage the purchase of second homes, and will put Her Majesty's Revenue and Customs in a difficult policing position in regard to the pensionholder's use of a property; notes that the investment industry's estimates of the volume of this business far exceeds the Government's and that there may be a higher loss of taxation than expected; and calls upon the Government to apply the tax relief solely to homes made available for social housing, and to ensure that such homes are offered free of rent to the social housing provider managing the property.]

The motion deals with self-invested personal pensions, an issue that I have raised several times. I am pleased that my right hon. Friend the Chancellor of the Exchequer has seen fit to withdraw the second home option from that particular tax incentive.

Will my right hon. Friend the Leader of the House say whether there has been any indication from the Treasury team that the second recommendation in that motion will be taken up? It proposes that such incentives might be allowable if the home concerned were made available for social letting at an affordable rent. Such housing is in very short supply in parts of my constituency.

Mr. Hoon: My hon. Friend is a near neighbour of mine in the east midlands, and I have never doubted his influence, or his ability to change Government policy. My right hon. Friend the Chancellor takes very seriously the expressions of opinion in early-day motions. Clearly, he has responded with alacrity to my hon. Friend's proposal, but whether he will do so in relation to the second limb of the motion remains to be seen.

Mr. Peter Robinson (Belfast, East) (DUP): It is several weeks since the Secretary of State for Northern Ireland was able to sneak into a Belfast hotel and announce to journalists plans for the review of public administration in Northern Ireland. Those plans affect education, health and planning, and completely turn local government on its head. The right hon. Gentleman has yet to come to this House to be answerable to hon. Members for his actions. Will the Leader of the House arrange for Government time to be made available for the Secretary of State to do just that?

Mr. Hoon: The hon. Gentleman and I disagree on only one aspect of this matter. My right hon. Friend the Secretary of State for Northern Ireland spends every day looking for ways to improve public administration and the standard of life for people in what is an important part of the UK, and continues to do so. Obviously, it is important that he discusses and debates those matters with those hon. Members who represent Northern Ireland, and I am sure that he will give the hon. Gentleman every opportunity to raise these matters with him.

Mr. Lindsay Hoyle (Chorley) (Lab): Now that regional government is dead and buried, can my hon. Friend arrange for a Grand Committee to be set up to represent the regions? It is embarrassing that we should have bureaucrats and quangos who are accountable to nobody. Why not make them accountable to a Grand Committee representing regions such as the north-west, which is bigger than Scotland and has more representation in Parliament? We should have a say on how the money is spent or wasted.

Mr. Hoon: My hon. Friend makes an interesting suggestion and I assure him that the Government will consider it carefully. However, he makes an unfortunate observation about the role of civil servants in the regions. They are of course accountable to this Parliament through the Minister who is responsible for their activities, and that has not changed. One of the

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benefits of having civil servants operating in the regional centres is that they are closer to the people whom they affect by their decisions. That is something that I would have thought that my hon. Friend would welcome.

Stephen Hammond (Wimbledon) (Con): Earlier this year the South-West London health authority concluded its consultation, "Better Healthcare Closer to Home". It concluded that Merton and Sutton needed six local care centres and one acute hospital. However, there was some disagreement about that and the hon. Member for Mitcham and Morden (Siobhain McDonagh) objected and referred the consultation to the Secretary of State for Health. She did so in late June. The subsequent delay is harming my constituents' prospects of getting better health care at the Nelson hospital. Will the Leader of the House ask the Secretary of State to make a statement on the delay, give reasons for it and give a date when we might receive the result of her deliberations and the rationale behind them?

Mr. Hoon: I am obviously not familiar with the particular circumstances that the hon. Gentleman sets out, but I assure him that I will bring the matter to the attention of my right hon. Friend the Secretary of State for Health and invite her to write to him directly.

Geraldine Smith (Morecambe and Lunesdale) (Lab): My right hon. Friend and other hon. Members may not be aware of recent changes to the accommodation provided for the Members' post office. The sorting room, rest area, stationery lockers and storage facilities have all been removed and the sorting of Members' mail has to be carried out in a tiny room. Could my right hon. Friend investigate that matter for me and report back to the House? It is not clear who made the decision to change the accommodation facilities.

Mr. Hoon: Again, that is a matter of which I was not aware before today's proceedings, but I will certainly look into it and get back to my hon. Friend in due course.

Paul Rowen (Rochdale) (LD): The Leader of the House may be aware of the inquest into the deaths of 91 victims of the Asian tsunami. However, the inquest is not considering the support given by the Foreign and Commonwealth Office to the UK victims. One statement by the Permanent Secretary has caused great offence and upset. He claimed that the support given "exceeded our expectations". As one who was caught up in the tsunami, I can say that what support was given was at best ineffectual and at worst inept. May we have a debate on that topic?

Mr. Hoon: I am sure that the hon. Gentleman will understand why I do not comment on current proceedings before an inquest. However, there has been a thorough and detailed report on the way in which the FCO dealt with the immediate aftermath of the tsunami. It contains some criticisms, which have been acknowledged by my right hon. Friend the Foreign Secretary, and it is an indication that we must learn lessons and be in a position to anticipate such terrible tragedies in the future. That acknowledgement by my right hon. Friend indicates that we take seriously our responsibilities and that we will learn lessons from that terrible tragedy.

Mr. Jim Cunningham (Coventry, South) (Lab): May we have a statement or a debate on the establishment of a new railway station outside the Ricoh arena in Coventry? This matter has dragged on for far too long and it needs to be pushed. I am sure that I speak for my two Coventry colleagues.

Mr. Hoon: I have driven by that magnificent new stadium and seen the facilities now available for the people of Coventry, so I recognise why my hon. Friend makes his suggestion. I will draw it to the attention of my right hon. Friend the Secretary of State for Transport.

Sir George Young (North-West Hampshire) (Con): Many of my right hon. and hon. Friends have strong views about the Government's proposals for police reform and have pressed the Government for a debate. On reflection, does he agree that it was ungenerous of him to describe such representations on behalf of our constituents as "whingeing"? Will he now answer the question that he has been asked twice by my hon. Friends the Member for Epsom and Ewell (Chris Grayling) and for Forest of Dean (Mr. Harper)? Why can we not have a debate on a substantive motion, or are the Government no longer interested in the expressed view of Parliament?

Mr. Hoon: The right hon. Member will know, given his careful attention to such matters, that the process is a long one. The early stages include the opportunity for voluntary amalgamations by police forces who judge that to be appropriate, followed—in the event that there is no agreement on a way forward—by a longer period of consultation. In the spirit in which the issue has been raised in recent weeks, it is right that right hon. and hon. Members should have the opportunity to express their views in anticipation of that second stage, but obviously before any specific conclusions are reached, it would not be appropriate to have a debate on a substantive motion.

Mr. Fraser Kemp (Houghton and Washington, East) (Lab): In this new era of bipartisanship, will the Leader of the House join me and the Conservative Opposition in endorsing the views expressed by the hon. Member for Epsom and Ewell (Chris Grayling) on 15 November? He outlined the view that Opposition Front Benchers should divest themselves of any outside interests that conflict with their position. Will my right hon. Friend endorse that view, especially bearing in mind the concerns expressed by the Committee on Standards in Public Life?

Mr. Hoon: My hon. Friend makes an interesting suggestion and the issue will certainly be a test of bipartisanship. The hon. Member for Epsom and Ewell (Chris Grayling) has recently talked regularly of observing not only the spirit but the letter of the ministerial code, but does he believe that the spirit of the

ministerial code should also apply to Opposition Front Benchers? If he wishes to encourage Ministers to observe the spirit of the code, it should apply equally to Opposition Front Benchers.

Mr. Andrew Mackay (Bracknell) (Con): Following the question asked by the hon. Member for Rochdale (Paul Rowen), may I press the Leader of the House for a ministerial statement once the coroner's inquest on those who died in the tsunami disaster is over? The report that has been published has shown significant failings in Thailand in particular, in contrast to Sri Lanka and Indonesia, where the FCO behaved well and did a great job. It is important for the victims, and so that the lessons can be learned, that we have a statement—if not a debate—immediately after the coroner's report.

Mr. Hoon: The right hon. Gentleman raises the issue in a fair and proper way. He will know from his own previous ministerial experience that Governments always look carefully at any recommendations made by coroners arising out of the inquests that they conduct. I assure him that if the coroner does make specific recommendations, they will be considered in the same way as the recommendations of the recent report have been considered by the Government.

Mr. Tom Harris (Glasgow, South) (Lab): Will my right hon. Friend allow an early debate on the importance to our national life of the print media? That would give the House an opportunity to express our concerns about the atrocious mismanagement of the *Daily Record* and *Sunday Mail* newspapers by their owners, Trinity Mirror Management, and the plans to downgrade the former from an excellent national newspaper to a regional newspaper by closing its Aberdeen and Dundee editorial offices.

Mr. Hoon: My hon. Friend has raised an important issue for his constituents and the country that he serves so well in this Parliament. I am sure that the message will be received by those whom he wants to hear it.

Pete Wishart (Perth and North Perthshire) (SNP): Surely this House is entitled to at least a statement on the whole issue of rendition flights, so that hon. Members can question Ministers on what they know about such flights. Today we learn that airport staff may be subject to prosecution if they service those flights. Significant legal opinion suggests that they may be aiding and abetting an illegal activity by doing so. Surely, given all the public concern, a Minister must come to the Dispatch Box and explain what he knows about the matter.

Mr. Hoon: As I made clear earlier, my right hon. Friend the Foreign Secretary has clearly set out not only the Government's position but that of the EU presidency, following the exchange of correspondence with the United States Secretary of State. There are a number of opportunities to raise those issues, and I am sure that the hon. Gentleman will take full advantage of them.

Ms Diana R. Johnson (Kingston upon Hull, North) (Lab): I have an important issue to raise with the Leader of the House about housekeeping matters. As a great tea drinker, I wonder whether he can explain why, when carrying out their duties during lengthy Standing Committee sittings, hon. Members are allowed to drink only water, not tea and coffee. Can he explain that to me?

Mr. Hoon: I have noticed in recent weeks that the range of my responsibilities has been expanding to include the post office, the bar downstairs and, now, the question of stimulants in Committees. That may well be a matter that I must draw to the attention of Mr. Speaker's distinguished Chairmen's Panel because I suspect that it is more in its province than mine.

Mr. Nigel Evans (Ribble Valley) (Con): That last question took the biscuit. [HON. MEMBERS: "Resign!"] I have nothing to resign from.

May I ask the Leader of the House for an early debate on British representation overseas? As he will know, this year and next year, a number of our high commissions, embassies and consulates will close, including those in Lesotho, Madagascar, Swaziland, Tonga, Vanuatu, Kiribati, Bahamas and a number of consulates in the United States and Germany. He must understand that lowering the British flag also lowers our influence and that the vacuum created will be filled by other countries—including, of course, China.

Mr. Hoon: I am aware of some restructuring of the way in which Britain organises its representation overseas. The hon. Gentleman is perhaps only telling the House half the story in the sense that, clearly, that representation is being extended in other parts of the world. At all stages, my right hon. Friend the Foreign Secretary, who is responsible for such matters, has sought to maintain the United Kingdom's considerable influence around the world. I am grateful to the hon. Gentleman for giving me the opportunity to pay tribute to those diplomats and civil servants who serve us so well overseas.

Julie Morgan (Cardiff, North) (Lab): My right hon. Friend is aware that the Government of Wales Bill will be presented to the House this afternoon. I welcome the Bill, particularly as the Welsh Assembly will be given increased legislative powers, but it is disappointing that we do not yet have a date for the Second Reading. Can he give an indication of when the debate on Second Reading is likely to take place? Can he confirm whether the Bill's consideration in Committee will take place on the Floor of the House?

Mr. Hoon: I certainly hope that my hon. Friend will not have to wait too long for details of the Second Reading of that particularly important Bill for Wales. We will look at the appropriate rules to see how such major constitutional legislation should be dealt with properly.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): May I support the call by the hon. Member for Somerton and Frome (Mr. Heath) for an early debate, or at least a statement, on extraordinary rendition? It is a matter of very great concern if the United States is flying people across the world to be interrogated in

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private places beyond the reach of the law, whether local or international. That is a sort of mobile Guantanamo bay. It cannot be right. We need to know what is going on, and we need the opportunity to express our views.

Mr. Hoon: The right hon. and learned Gentleman is a distinguished Member. He knows full well that the United States Secretary of State has set out very clearly that what he is claiming is simply not the case: the United States is not involved in transporting people across the world for the purposes of torture. The United States rigorously observes the relevant US law and, indeed, the relevant international treaties.

Mr. Nigel Dodds (Belfast, North) (DUP): In Northern Ireland, we have been informed this morning that the prosecution has decided to adduce no evidence in the case against those responsible for the Stormont spy ring, which brought down the Northern Ireland Administration in 2002. That has caused great anxiety and consternation among the people of Northern Ireland this morning. May we have a statement or an early debate to indicate what are the reasons behind the public interest in refusing to pursue a case where the IRA and Sinn Fein were exposed as having been at the centre of a major spying operation against Government and security forces in Northern Ireland?

Mr. Hoon: The hon. Gentleman knows full well that those matters are determined by both an independent police force and, indeed, an independent prosecuting authority, and it simply would not be right for a Minister to comment on those independent decisions.

Alistair Burt (North-East Bedfordshire) (Con): Like many colleagues, I have constituents who are in tears of frustration and distress at the workings of the tax credit system—including a woman who broke down when telling my wife that she had to receive bags of groceries because she has been asked to repay an overpayment so quickly. In view of that, would it not have been better for the Paymaster General to have come to the House on Monday to make a statement and listen to those concerns raised by right hon. and hon. Members, instead of placing a written statement in the Library?

Mr. Hoon: The hon. Gentleman is always fair and reasonable in his observations in the House, but my recollection is that the last Minister at the Dispatch Box was my right hon. Friend the Paymaster General. I am sure that he could have used his ingenuity to raise that issue during an hour of Treasury questions.

Alistair Burt: That was not the point.

Mr. Hoon: Nevertheless, before the hon. Gentleman gets too agitated, I recognise that there have been individual cases where the tax credit system has not worked as well as it should have done. That is one of the reasons why my right hon. Friend the Paymaster General has been looking very carefully at finding ways in which to improve the operation of the scheme. However, I emphasise that the overwhelming majority of people and families in receipt of tax credits have received that money successfully and that that has provided a major improvement in their standard of living and allowed many people to return to work, thus allowing families who would otherwise struggle financially to achieve a proper standard of living.

Mr. John Hayes (South Holland and The Deepings) (Con): You, Mr. Speaker, will have been as shocked as I was when David Sherlock, the chief inspector of the adult learning inspectorate, condemned a £2 billion Government drive to improve basic literacy and numeracy levels as a "depressing failure". Ministers have crowed that their skills for life programme was on target. Now we know that half the people included in the target number were 16 and 17-year-old college students who were already enrolled on basic literacy and numeracy courses. Will the Leader of the House arrange for a Minister to come to the House to explain why the scheme failed and why the Government claimed that it was on target when it was clearly far from that? That is a disgrace, and the Leader of the House should acknowledge it and do something about it.

Mr. Hoon: The hon. Gentleman picks on a disputed aspect of reports in relation to adult education. The Government have exceeded the targets that we set in relation to adult basic skills, with more than 1 million adults gaining a first qualification in language, literacy or numeracy. There are inevitably difficulties with all schemes, but I hope that, being fair-minded, he would recognise that, overall, those schemes have been remarkably successful in providing skills, opportunities, training and education to a large number of people who would otherwise not be able to join our work force.

Dr. Julian Lewis (New Forest, East) (Con): May I ask the Leader of the House for an urgent statement on the differing availability of life-saving anti-cancer drugs in different parts of the country? My constituent, Mr. Brian Jago, is dying of cancer. His consultants say that Velcade, a new drug, could save his life and that probably nothing else could. If he lived in Cardiff or Edinburgh, we believe that the word of the consultants would be enough for him to be prescribed the drug. As he lives near Southampton, a district prescribing committee's permission is required, and that has not been given. May we have a statement about whose word should run in these matters—that of a prescribing committee, or that of the consultants concerned with the welfare of the patients?

Mr. Hoon: If the hon. Gentleman will forgive me, I do not intend to be drawn into the circumstances of that particular patient—obviously we are all concerned about his position—nor indeed of the particular drug. I accept that consistency across the country is necessary, and my right hon. Friend the Secretary of State for Health has had regard to that in relation to a number of high-profile cases. I hope that the hon. Gentleman will accept that that consistency must be determined by national standards, not least in relation to new drugs, as it is important for those who are likely to use them that the drugs are tested and satisfy stringent standards before being employed. I assure him that the Government are working hard to eliminate the type of discrepancy that he appears to be describing.

Mr. Crispin Blunt (Reigate) (Con): The Leader of the House has described police restructuring as a long process. I have to tell him that it certainly does not look like that to the police forces and police authorities being restructured, because the decisions that they are being invited to take by 23 December do not include the status quo. May I reinforce calls for a debate on a substantive motion on 19 December, where the Government at least attempt to make the case for change in the House and to review the options presented to police authorities and forces up and down the country?

Mr. Hoon: I will not set out again the process points that I raised earlier, but the hon. Gentleman will know that the deadline of 23 December was set so as to allow voluntary amalgamation where police forces thought that it was in their interests to save costs, for example, by amalgamating backroom office functions and ensuring that there was a range of extra equipment across larger police organisations. That is all set out in the inspector's report, which I am sure that he has read in detail, and which is about a recommendation from senior police officers that there is a necessity—an absolute requirement—to improve the equipment and facilities available to our police forces across the country, and that must after all be in the interests of our constituents. I hope that the hon. Gentleman will look at the report and contribute to the debate on 19 December, when I shall take careful note of whether all the colleagues who called for the debate are in the Chamber to participate, as it is important that Members have the opportunity to set out their views. This process is in the interests of our constituents and to their benefit. That is why leading police officers have put it forward.

Mike Penning (Hemel Hempstead) (Con): Will the Leader of the House urgently find Government time to address the problems of identity fraud that are occurring throughout the country? Last year, it is estimated that 135,000 people had their identity stolen and had to pay up to £8,000 to have it legally returned. Will the right hon. Gentleman consider the matter urgently as it appears to threaten more than 1 million people?

Mr. Hoon: The Government share entirely the hon. Gentleman's concern about identity fraud. It is a problem for both the public sector and, crucially, the private sector, which is one of the reasons why the Government are bringing forward proposals for a system of identity cards. So on the next occasion that we debate the matter in the House, I look forward to the hon. Gentleman's support, otherwise he is simply raising issues with no intention of doing anything about them.

Mr. Eric Forth (Bromley and Chislehurst) (Con): Given that the Leader of the House expects us to be grovellingly grateful that he has finally consented to give us a debate on police restructuring, albeit in the last day or two before the Christmas recess, why is he afraid of having a substantive vote? Is it because he realises that it will expose yet again that a large number, if not a majority, of his Back Benchers are almost certainly against that absurd and dangerous proposal? Will he use his limited ingenuity to find some way even now of giving us a substantive vote on the issue on the Floor of the House, so that the Government can know, in numbers, how wrong they have got it?

Mr. Hoon: I am enormously relieved that the right hon. Gentleman has not succumbed to the charm offensive emanating from the Conservative Front Bench, although I am sure that all Members will join me in rejecting the suggestion made by the hon. Member for Buckingham (John Bercow) the other day, that the right hon. Gentleman is a Victor Meldrew figure. That was clearly an outrageous assertion that no one could possibly want to agree with, apart perhaps from the hon. Member for Buckingham, who no doubt thought better of it as soon as he had made it.

I have set out the Government's decisions. We are having a debate on the matter before Christmas, which I thought Opposition Members were keen to do, and that will give all Members the opportunity to set out their strong views.

Mr. Greg Hands (Hammersmith and Fulham) (Con): Will the Leader of the House urgently investigate, or allow a debate on, the guidance and procedures for ministerial travel? The reason for that is that I have twice asked the Prime Minister when he last travelled on the London underground; like me, the Leader of the House will be aware that the matter is of great public interest. The 1997 code, item e, "Public Accountability", states:

"Individual Ministers are responsible for justifying their actions and decisions to Parliament"—

on the use of transport. It continued:

"They will wish to be satisfied that their arrangements could be defended in public."

It is most interesting that that was written by the Prime Minister, so when will he come to the House to answer my written and oral questions about when he last used the tube? That is a matter of great public interest.

Mr. Hoon: I am sure that it is a matter of great interest to the hon. Gentleman. My right hon. Friend the Prime Minister scrupulously observes the terms of the ministerial code and has always done so.

Mr. Philip Hollobone (Kettering) (Con): Will the Leader of the House arrange for the Home Secretary to come to the House to make a statement on the Government's policy on illegal drugs and the reclassification of cannabis? Does he agree with the Home Secretary that having 4 oz of cannabis resin or 18 oz of cannabis leaf is an appropriate threshold between personal use and supply?

Mr. Hoon: The hon. Gentleman is referring to guidance issued for judgments made by individual prosecutors in individual cases as to how particular types of offence should be prosecuted. That is always a matter for the discretion of prosecutors and police officers. As I said in answer to an earlier question, it is not right that Ministers should make observations about that type of individual discretion. It is an essential part of our criminal justice process that such discretion lies in the hands of those who exercise it.

John Bercow (Buckingham) (Con): As my hon. Friend the shadow Leader of the House asked earlier,

[John Bercow]

and as I have repeatedly requested, may we have an urgent debate in Government time on trade justice and freer trade? Given that meeting the millennium development goals on reducing maternal mortality and child mortality will cost $6 billion a year and that the richest nations on earth subsidise their agriculture to the tune of $6 billion a week, does the Leader of the House agree that a debate in the House would allow colleagues to argue passionately—as I certainly would, if I caught your eye, Mr. Speaker—that reforming wholesale the socialist subsidy system in international trade is not only fiscally desirable but morally imperative?

Mr. Hoon: The hon. Gentleman regularly raises those issues with considerable effect, and in a way with which, generally, Ministers agree. The Government have taken precisely the type of action he describes. We negotiate vigorously in all international organisations to promote freer trade and justice. Indeed, we have to do so partly because of the failure of the previous Conservative Government to engage in that very process.

Hugh Robertson (Faversham and Mid-Kent) (Con): The Leader of the House will be aware of the excitement engendered by the prospect of the 2012 Olympics and the stated aim of the British Olympic Association to move the UK from 10th to fourth in the medal table, so will he arrange an early debate on the funding of elite athletes? The BOA was expecting the announcement of an extra £25 million of funding in the Chancellor's pre-Budget report but that announcement was not forthcoming. Any delay will undoubtedly harm our chances at both the 2008 and the 2012 Olympics and the BOA described the decision as

"devastating news for British sport".

Mr. Hoon: It is important that we continue to support our elite athletes. The Government have put much financial backing behind them and, as a result, there were significant improvements in our results at the recent Olympics. The matter is obviously something for my right hon. Friend the Secretary of State for Culture, Media and Sport and I will ensure that it is drawn to her attention.

Mr. Peter Bone (Wellingborough) (Con): I have a constituent who is seriously ill and has to undergo chemotherapy. She is also a witness in a court case. On three occasions, she has been required to attend court, and her relatives have come down from the north of England, and on three occasions the Prison Service has not delivered the prisoner to court. Will the Leader of the House arrange an urgent debate on Her Majesty's Prison Service?

Mr. Hoon: I will not comment on the specific case, but from my experiences and those of my constituents over the years, I know that there is a problem from time to time in ensuring that not only prisoners, but witnesses and all people involved in court cases, are brought to court on the right date. Nothing is worse, especially for victims, than cases that do not go ahead as scheduled. The Government have devoted an enormous amount of effort and energy to improving the procedures so that we can ensure that the experience suffered by the hon. Gentleman's constituent is not repeated.

Mr. Henry Bellingham (North-West Norfolk) (Con): Has the Leader of the House had a chance to have a look at the Honours (Prevention of Abuses) Act 1925 and the Public Bodies Corrupt Practices Act 1889? Will he confirm that both those Acts are still on the statute book and have not been superseded by other legislation? If it were shown that a senior Government Minister in the Lords had fallen foul of those pieces of legislation, would the Leader of the House support calls for his dismissal from public office?

Mr. Hoon: I have not studied either of those pieces of legislation recently. Since I used to be paid for giving legal advice—*[Interruption.]* Rather better paid than I am today, it is true. I do not know whether those Acts of Parliament are in force in their entirety or in part, but I assure the hon. Gentleman, as I assure the House, that Government Ministers observe all relevant legislation at all times.

Hercules Crash (Board of Inquiry)

12.21 pm

The Secretary of State for Defence (John Reid): I am able to inform the House today of the findings of the Royal Air Force board of inquiry into the tragic crash of the RAF Hercules XV179 in Iraq on 30 January 2005. May I say at the beginning that I very much regret that some of the details appeared in two newspapers this morning? Some information was accurate, some was inaccurate and some was speculative. I apologise to you for that, Mr. Speaker. The only consolation is that the families had already been met and briefed before the reports appeared this morning.

I first pay tribute to the 10 service personnel who tragically lost their lives aboard the Hercules while carrying out their duties: Flight Lieutenant David Stead, Flight Lieutenant Paul Pardoel, Flight Lieutenant Andrew Smith, Master Air Engineer Gary Nicholson, Flight Sergeant Mark Gibson, Chief Technician Richard Brown, Sergeant Robert O'Connor, Corporal David Williams, Lance Corporal Steven Jones and Squadron Leader Patrick Marshall. I am immensely proud of our armed forces and the work that they undertake on our behalf, as I am sure the whole House is. This was the biggest single loss of life in a single incident to enemy action in Iraq. Those 10 brave men lost their lives while working in support of the coalition operation in Iraq. We owe them, and all the other personnel who daily confront danger, our respect and gratitude.

We must not forget the families and friends of those men. I am sure that the House will join me in offering our sympathy and deepest condolences. The Ministry of Defence, the Royal Air Force and RAF Lyneham, especially, continue to provide those families and friends with support while they come to terms with the tragedy. I recognise that the board of inquiry report will be painful reading for them, but I hope that they will take some comfort in finding answers to the many questions that arise after such an incident. I felt it important that the families were given time to prepare for the inevitable media interest, so they were briefed by an RAF team yesterday on the conclusions of the board of inquiry. Notwithstanding the prerogative of the House to be informed about such an event, I hope that everyone understands and supports the steps that were taken to inform the families first. They will be able to rely on the support of their friends and colleagues in the Army and the RAF, both formally and informally, for as long as they need it. I also pay tribute to RAF Lyneham. Its close community was hit very hard indeed by the tragedy, yet it managed to maintain its magnificent support for our deployed forces, both at the time of the crash and subsequently.

Turning now to the report itself, I remind hon. Members that the purpose of a board of inquiry is to establish the circumstances of a crash and to learn lessons. It does not seek to apportion blame. The board of inquiry was convened the day after the event, on 31 January, and has considered a mass of evidence. The board established that, on 30 January 2005, an RAF Hercules C-130K took off from Baghdad at 13:24 Greenwich mean time en route to Balad, which is to the north of Baghdad, on a routine operational passenger and freight flight. Six minutes later, at 13:30 GMT, a radio message was received from the crew stating that the aircraft was on fire. At 13:55, the Hercules was confirmed as missing—that was the time of its expected arrival at Balad. At 14:15, the crash site was found by a US helicopter formation.

On our behalf, US forces established a cordon around the crash scene and maintained it for as long as it was considered safe to do so. They did that at risk to themselves, and I am very grateful to them. The board of inquiry was convened and took on the task of recovering the bodies of the deceased and examining the aircraft wreckage for evidence. I commend the professionalism and dedication of all those involved in that difficult and harrowing work. The task had to be completed as swiftly as possible because of the ever-present threat of hostile attack. Much of the wreckage could not be retrieved in the time available before the cordon was lifted.

Despite the loss of physical evidence, the lack of credible witnesses close to the crash site and the absence of an accident data recorder, the board of inquiry has nevertheless conducted a thorough and comprehensive investigation. The board examined all possible causes, eliminated those not supported by the available evidence and then thoroughly analysed the remainder until the most likely cause was identified. Throughout the process, the board was assisted by other agencies, including a senior air accident investigator from the air accidents investigation branch—the AAIB—of the Department for Transport. The experienced investigator independently investigated the crash in parallel with the board and his findings fully support those of the board. Furthermore, the AAIB investigator has stated that he was impressed by the approach adopted by the RAF team given the exceptionally difficult circumstances of the investigation.

On 7 March, my predecessor—now the Leader of the House—made a written statement to the House about the inquiry's interim findings. The interim statement ruled out a number of possible causes for the crash. After exhaustive analysis, the board of inquiry has concluded that the aircraft crashed because it became uncontrollable after hostile ground-to-air fire caused the outboard right-hand wing to explode and separate from the aircraft. The crash was not survivable. The board identified three contributory factors: flying at low level in daylight made the aircraft vulnerable to some types of ground-to-air fire; the lack of a fuel tank inerting system in the wing fuel tank meant that it was possible for an explosive fuel-air mixture to develop; and the flow of intelligence information regarding ground-to-air fire was not as robust as it might have been.

I remind the House that the purpose of the inquiry in identifying those factors is to learn for the future, rather than to apportion any blame. The board made a number of recommendations that we will study closely. We have, indeed, acted on many of them already. During the course of the inquiry, as the findings were emerging, the commander-in-chief of RAF Strike Command instigated a number of steps. C-130 tactics have been reviewed and low-level flying in daylight is now avoided wherever possible. However, it has not been prohibited as it can sometimes be the safest way of achieving an operational objective. We need to allow operational commanders in theatre the flexibility to choose the safest effective tactics to achieve their mission. The fitting of a

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fuel tank inerting system is being investigated as a matter of urgency and we have made changes to our ground-to-air fire reporting and dissemination system.

Now that the board of inquiry has concluded, the full contents of the report will be thoroughly considered and acted on as appropriate. While we have to accept that any deployment of UK troops involves a degree of risk—sometimes considerable risk—the security of British servicemen and women deployed to Iraq and elsewhere remains our highest priority. We owe it to our personnel to do everything we can to ensure their safety.

This is a very comprehensive report. A military aircraft accident summary will be placed in the Library of the House and on the internet site of the Ministry of Defence. In addition, a redacted version of the main body of the board of inquiry report will be available on our internet site. As the House will appreciate, the safety of our people is a principal consideration and we have rightly removed from the report any information that might endanger the security or capability of UK and coalition personnel or that might be of use to an enemy. That is the purpose of the redaction. For example, we have, for operational reasons, removed the detail of the exact weapon type used against the Hercules. To divulge that information might give the insurgents what they need to replicate the attack. It would be unhelpful to our forces and our coalition partners for the media to speculate on the weapon deployed. That is not a theoretical risk; it is very real. We have, however, tried to be as open as possible under all the circumstances.

Our forces have made a significant contribution to the creation of the right conditions for wider peace and stability in Iraq. They have done, and continue to do, an excellent job in difficult conditions. Our deepest sympathies go out to those who have lost loved ones or who have been injured in operations. I can only speak in the highest terms of the qualities of all personnel who serve, and have served, there—qualities that I know from my own visits and discussions with them.

In conclusion, therefore, the board of inquiry into the crash of Hercules XV179 is now complete. I repeat my gratitude to the president of the board and his team for their painstaking work. I am sure that the House will join me once again in expressing deepest sympathies to the families and friends of the victims of this tragic incident. We must never forget, nor will we ever forget or underestimate the courage and professionalism of our service personnel in carrying out the tasks required of them.

Dr. Liam Fox (Woodspring) (Con): I thank the Secretary of State for his statement. We welcome the results of the inquiry and its thorough nature. We will study its conclusions in great detail. On behalf of the Opposition, may I again send our sympathy and condolences to the family and friends of those who were killed in this tragic incident?

It is true that such tragedies are unavoidable in warfare, so we pay tribute to the bravery and professionalism of all our armed forces involved in the Iraq conflict. It is worth reiterating and remembering why they are there, and why they are making those sacrifices. They are doing so to help the people of Iraq achieve freedom, escape tyranny, develop the rule of law and live in a country that respects human rights. Those are noble ideals to fight or die for.

I agree that it is not appropriate for the House to ask detailed operational questions that could compromise the safety of our troops, but the families of the crew, Hercules passengers and the British public more widely will have concerns with which the Secretary of State may wish to deal.

There are four specific areas of concern. How many similar incidents were identified before this particular one involving British or American forces in Iraq or Afghanistan, and what changes were implemented as a result? On alterations to aircraft, the Secretary of State said that the fitting of a fuel tank inerting system was being looked at as a matter of urgency. What time scale does that involve? I entirely understand and agree that it would be inappropriate—in fact, dangerous—to speculate on the type of weaponry involved but, without giving details that might compromise the safety of our forces, can he tell us how widespread is the availability of such weaponry and what is its origin?

Finally, the Secretary of State said that the flow of intelligence information on ground-to-air fire was not as robust as it could be. Does that mean that, on that occasion, intelligence about the specific threat in the area was available but not passed to the flight crew? That would indeed be a tragedy. Fatalities are inevitable in armed conflict, but the House looks to the Government to minimise the risk to our brave and professional armed forces.

John Reid: I thank the hon. Gentleman for his comments, and congratulate him on his new post. This is not the first time that we have shared views across the Dispatch Box, but I know of his commitment to his country and I am sure that that will be reflected in his commitment to the armed forces. I only regret that his first appearance at the Dispatch Box is marked by such a sombre subject. I thank him for the way in which he phrased his questions and for his recognition that we cannot be as open about everything as we are required to be on other subjects. I thank him, too, for the tributes that he paid to the armed forces and for his reminder of the purpose that brings us to Iraq, Afghanistan and other areas, as well as the high ideals that motivate that purpose.

The hon. Gentleman asked several legitimate and important questions, including how many similar incidents had taken place. Ground-to-air fire incidents are quite frequent. In the previous 18 months or so in Iraq, there were over 800 such incidents, none of which resulted in a tragedy of these proportions. In a sense, therefore, there was an element of chance or bad luck on this occasion. That casts light on other questions, such as why an inerting system was not fitted to the C-130K. Until relatively recently, the Hercules was not routinely deployed to areas of such danger. It has been used on specific occasions, but it has not been routinely deployed as a transport plane, although that has become more frequent after 11 September and the events in Afghanistan and Iraq. There has been a wide range of incidents in which Hercules and other planes have been fired on, but never with this result until now. That is one of the reasons that we carry out such investigations. I will comment on two local incidents in the context of the hon. Gentleman's important last question.

On the time scale for reviewing whether we should have a new system that would have assisted, that will be done as urgently as is possible. I discussed matters this morning with the Chief of the Air Staff and I know that some recommendations about the tactics have already been put in place and that urgent consideration will be given to whether measures should be fitted to the wings and fuel tanks to suppress the possibility of such an incident happening again.

The RAF goes to great lengths to fit defensive suites of arrangements. The C-130K is the older version of the Hercules, but I can tell the hon. Gentleman that it has been updated already with such defensive suites as directional infrared counter-measures, missile approach warning systems, radar warning receivers, counter-measures dispensing systems, flight deck armour and a series of other modifications. I would not want anyone to believe that sufficient attention was not paid to these matters. A considerable range of defensive suites have been added, but this is the first example of such an incident happening. The RAF will therefore consider the matter urgently.

The hon. Gentleman asked whether I could give any indication of the ground-to-air weaponry, without being specific. The indications are that a range of weaponry may have been used against the aircraft. That is precisely why I do not want to be specific about which one might have caused the explosion. Given that a range of weaponry was apparently used, the answer to his question about how widely available such weapons are in Iraq is that they are pretty widely available—the types of weapon that were used, though not necessarily the type of weapon, which I do not want to indicate, that may perchance have been successful.

The hon. Gentleman asked about the flow of information. What appears to have happened is that there were two attacks in roughly the same area that day against United States helicopters. They occurred within 1 km and 3 km of where the attack on the Hercules took place. This information—which was collated within about three hours of the flight, so there was not a great deal of time in any case to pass such information to the pilots and crew of the Hercules—nevertheless did not reach them because the route of the Hercules was not known to the Americans. There was a compartmentalisation of information as regards the Hercules precisely for security reasons. On a need-to-know basis, there was no need for the multinational forces outside our own preparations for the deployment of the Hercules to know of that.

That was done for security reasons. With the benefit of hindsight, it would have been better in terms of risk had that compartmentalisation not taken place on that occasion. However, the House should understand why it was done at the time. Even if the information had been available to the crew and pilots before they took off, it may not have changed their decision to proceed. It may or may not have affected the route that they took, but in any case the balance of risk involved was such that, in general terms, the fewer people who know about a particular route, the smaller the risk is considered to be.

It is obvious that the compartmentalisation meant to reduce the risk involves a risk. That is why one of the recommendations has already been acted upon. We have inserted extra British armed forces personnel into the flow of information in order to try to ensure that in future, while any such information is compartmentalised to the British, there will be a structure to convey it in circumstances similar to those in question.

Finally, the hon. Gentleman referred to the tactic of low flying. As I said in my statement, that is being reviewed. Daylight low flying is not being prohibited, because there is a balance of risk. On a short journey, if the normal trajectory rising to a given height and then coming down constitutes almost all the activity, the exposure to certain types of ground-to-air fire becomes greater and far riskier than if the aircraft were flying at a low level, which is why on that occasion that method of travel—low level covering flat ground—was chosen. Nevertheless, that can open up another risk, as we have seen. It re-emphasises the singular point that in an operational theatre such as Iraq, there is no risk-free flying, which is a testimony to the courage of our soldiers.

Bob Russell (Colchester) (LD): I thank the Secretary of State for the advance copy of his statement. We on the Liberal Democrat Benches join him in his expressions of sympathy and condolence to the families of those who lost their lives in this tragic incident. The loss of any life in conflict is to be regretted, but he will know, as I do from my constituents' interests, that when several people from one military base die in a single incident the impact is much greater. I also join him in paying tribute to the military authorities in the UK for all the support they are giving to the families of those who lost their lives, and also to the American personnel in Iraq for all their support and bravery at the scene of the crash.

The Secretary of State drew attention to the fact that the board of inquiry undertook an exhaustive analysis and produced a comprehensive report containing a number of recommendations. He mentioned that some of those had already been acted upon. It would not be appropriate to press any of those issues too strongly today—there should be other ways of doing that away from the full glare of publicity—but can he give an assurance that, bearing in mind how exhaustive the analysis has been and how comprehensive the report is, all those recommendations will be implemented as soon as possible?

John Reid: Yes, I think that I can give the hon. Gentleman that assurance, with one little caveat. The people who are best placed to make the final decision about prioritisation of the recommendations are the Royal Air Force. I discussed the matter this morning with the Chief of the Air Staff, who will be handling all press inquiries today, as is appropriate on such a subject, rather than a politician. I know that he will give the matter the urgency that is required.

I thank the hon. Gentleman for his tribute. We all recognise the effect of such an event on a local community, particularly RAF Lyneham. I had some experience of that when I went to the remembrance service, along with the hon. Member for North Wiltshire (Mr. Gray), who represents the area, and met some of the families there.

Finally, I join the hon. Member for Colchester (Bob Russell) in thanking our United States allies and the servicemen and women who, despite the risk to

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themselves, not only discovered but protected the site of the wreckage for sufficient time to allow us to collect at least sufficient to make judgments on these matters. The hostility of the area, which is in what is known as the Sunni triangle, was such that we could not stay as long as we would like to have done, and there was some looting afterwards, but we recovered what needed to be recovered for the respect of the families and for the purposes of the inquiry.

Mr. James Gray (North Wiltshire) (Con): I had the privilege of standing on the windswept tarmac at RAF Lyneham as the 10 flag-draped coffins were brought off the Hercules. I spent the afternoon with the families and remain scarred by that experience. However, I know that the families will be glad that this announcement has been made before Christmas, which will be difficult for them, and I am sure that they will welcome the fact that the Secretary of State chose to brief them before today's statement, which was sensible and proper.

I am particularly grateful that the report entirely exonerates the crew. In particular, the family of Flight Lieutenant "Steady-Eddie", who was one of my constituents, will be glad that no blame has been attached to him. I am sure that the Secretary of State will join me in paying tribute not only to the bravery and professionalism of those who died, but the bravery and professionalism of all those at RAF Lyneham in my constituency – the first in and last out of every conflict.

John Reid: The hon. Gentleman's words are apposite. I know that he has provided assistance and support to families both in this specific case and over many years. I regret the fact that the board of inquiry had to report in the run-up to Christmas, which I know caused a great deal of pain. However, I also know that the families would not have had the board of inquiry unduly delayed and wanted their questions answered as openly and honestly as possible.

Finally, I thank the hon. Gentleman for reinforcing the point that the crew – the pilots, the co-pilots and the one passenger were courageous, skilled, highly committed, highly dedicated professional people and that no scintilla of blame has been apportioned to them. Once the incident occurred, the aeroplane became uncontrollable – it could not have been controlled once it was hit, and the wing was severed after the explosion. I thank the hon. Gentleman for reinforcing that point. I am more than happy to repeat the central point that we have lost grievously from the service of the nation the skill, determination and courage of those who died.

Peter Bottomley (Worthing, West) (Con): It is wise that the RAF and the MOD have not prohibited this kind of flying. It is important that the response is measured and we should not introduce so much protection that people cannot do what is required. Will the Secretary of State ensure that the flow of intelligence continues to go upwards towards those in the air? Although one can understand why a particular flight path is not given to those on the ground, the flow of information should be faster when incidents occur.

In reviewing the consequences of the change to some of the responsibilities of ground defence from the RAF to the Army, will the Secretary of State consider the importance of "thinking air"? I hope that that is not a cliché. People on the ground who are linking in with the RAF and other air forces must understand what people in the air need to know. Whether or not the change is a good idea, people on the ground need to understand the air environment.

I think that the way in which the Secretary of State manages these announcements, which are difficult, is appreciated by the families and the House.

John Reid: I thank the hon. Gentleman for that comment and for both of his points. Although we are now aware of a nuance in the balance of risk, it does not mean that there is a risk-free route for such operations, which is why we have not reacted by immediately banning tactical low flying, even during the day. We are aware of the risk and will try to avoid low flying, but it is up to the commanders in theatre and the pilots themselves to decide whether they want to use that tactic. As I have said, there are risks in taking the normal trajectory on a short flight, which exposes people to greater risk for a greater part of such journeys.

I agree with the hon. Gentleman's point about intelligence flow and the appreciation of aspects of intelligence by those who fly. While maintaining a degree of security of information to protect the operations of those who fly, we are trying to bridge the gap between the collection and dissemination of information to people who will appreciate what it means for their flying and for the risks attached to their flying. We are trying to improve the bridge between the collection of information, whether by ourselves or by others, and its dissemination to those who can judge it appropriately. Those skilled and trained professionals had a pre-deployment briefing and considered all the aspects of the information that was at their disposal. For reasons that I have already explained, the aspect about incidents in the area was not at their disposal.

Mike Penning (Hemel Hempstead) (Con): I thank the Secretary of State for today's statement. I pay tribute to our armed forces who are serving in Iraq and around the rest of the world for the fantastic professional work that they do on our behalf. Our love, best wishes, thoughts and prayers go to the families of the 10 servicemen whom we have sadly lost.

I had honour of flying into Baghdad and Basra with the RAF shortly after the crash. The professionalism shown by the RAF was unbelievable and the Americans stood back in amazement at how the RAF had taken such a disaster on the chin and got on with their work, although the personnel were clearly very upset.

I understand that we cannot discuss lots of details today for operational reasons and because of the sensitivities. Does the rest of the Hercules fleet, and particularly the C-130H and J aircraft, have fuel tank inerting systems, which would make our servicemen around the world safer? The Secretary of State may be considering fitting the C-130K with such a system.

John Reid: The hon. Gentleman's remarks to the families will be much appreciated, as will his recognition of the dangers of flying, which he has experienced personally. Some of us have had the privilege of flying with the RAF in what is for them a day-to-day, risk-

filled theatre, such as Basra or Baghdad. Those of us who have put on body armour, put out the lights and flown at night at an angle of descent that is calculated to terrify most people outside the RAF while swerving, understand the risks inherent in such operations. We often forget that such flights are daily occurrences. That particular crew had already flown perhaps four times between Balad and Baghdad before the tragic incident occurred, and they had flown day-in, day-out since their deployment two or three weeks before the incident. Most of the crew were very experienced: between them, they had 19 operational deployments, so they were people who got on with the job as a matter of course and took those risks.

The hon. Gentleman asked why a fire suppressant system was not fitted to the C-130 and what the position is on the other aircraft. As he knows, the K variant was first developed and built in the 1960s, when that technology was not available. Systems to upgrade the aircraft are now available and we are examining as a matter of urgency whether the technology can be successfully fitted to our aircraft. I must repeat my earlier point that, before the incident, the C-130 Hercules was not thought to be particularly vulnerable to that form of attack. We now know that it in certain circumstances it can be very vulnerable.

We shall examine this as a matter of urgency. I merely point out that it is not always an easy thing to do. A data recorder, for instance, can be fitted relatively easily into a modern digitised cockpit, but the C-130K was built in the 1960s. Although we can put in a lot of defensive aids, it is not that easy to put in a data recorder where there are multi-faceted, sometimes clockwork, indicators and no central terminal from which to draw the information. There may be difficulties, but we are considering it as a matter of urgency.

Mr. Philip Hollobone (Kettering) (Con): I should like to join in the tributes paid to those tragically killed in this incident. I am sure that the whole House appreciates the manner in which the Secretary of State has delivered this difficult statement. As a humble former paratrooper, I have every reason to appreciate the flying skills of all our Hercules aircrew, especially as most of them are at RAF Lyneham.

My question concerns the search and rescue capability of our forces in theatre. I note from the statement that the last radio message was at 13.30 and that the crash site was not discovered until 45 minutes later. Is it the procedure that search and rescue missions are launched before aircraft are formally reported missing; and do British armed forces have their own independent search and rescue capability in theatre?

John Reid: Let me go through the chronology for the hon. Gentleman, and then I shall answer his question.

The Hercules took off at 13:24 GMT. Iraqi local time was about three hours in advance, but I shall use GMT. Six minutes after taking off, the crew relayed the information that there was a fire on the plane. Some of this morning's press reports said that the plane had been enveloped in flames. That is not accurate, but, as we now know, there was a fire on board on the right-hand wing. That information was picked up not by an air traffic controller, but by other British forces. There was no communication subsequently. At 13:55 GMT, which was the expected arrival time at Balad, the aircraft was officially declared missing. There were a number of eyewitnesses, but they were a fair distance some kilometres away. In addition, there were United States forces in the area, who, after looking for the site, discovered it 20 minutes later at 14:15 GMT.

I understand that that is the precise chronology. It has been explained to me that the message at 13:30 was not picked up by an air traffic controller, so there may have been a slight delay. I emphasise, however, that it is the strong and unanimous view of the board of inquiry, under Wing Commander John Reid, that following the incident the aeroplane was uncontrollable. Whatever happened after the time at which it was hit, the explosion separated the wing.

Whatever had happened as regards search and rescue, assistance or aid would not have averted what ultimately, tragically, transpired. After that, there was nothing that the crew could do, highly skilled and highly trained though they were. They were put in a position whereby nothing would have prevented the plane crashing in the way that it did.

Points of Order

1.4 pm

Dr. Liam Fox (Woodspring) (Con): On a point of order, Mr Deputy Speaker. Today's ruling by the Law Lords that information obtained by foreign countries through torture cannot be used in evidence in British courts is of enormous importance. Have Ministers made any requests to make a statement on this important issue? If not, will you use your good offices to impress upon the Government the importance of having it discussed in the House of Commons?

Mr. Deputy Speaker (Sir Michael Lord): I have no knowledge of such a statement being made, but the points that the right hon. Gentleman makes are now on the record, and no doubt everybody concerned will have noted them.

Mr. Nigel Dodds (Belfast, North) (DUP): On a point of order, Mr. Deputy Speaker. I wish to raise the issue of the increasing tendency of Northern Ireland Ministers to avoid coming to the House to make important policy announcements. I refer in particular to the written ministerial statement issued on Wednesday of this week by the Under-Secretary of State for Northern Ireland, the hon. Member for Basildon (Angela E. Smith), who is responsible for education in Northern Ireland. The announcement had already been made to the press and the public in Northern Ireland on the previous day, and it was reported at length in all the media, including the newspapers, on Wednesday morning. Is it not a grave discourtesy to Members of this House that a statement was not made on the day on which the announcement was made to the media and the public?

Mr. Deputy Speaker: The hon. Gentleman will know that Mr. Speaker takes a very strong line on these matters. Again, the points that he has made will be on the record, and I have no doubt that Mr. Speaker will note them and take them into account.

Mr. Peter Bone (Wellingborough) (Con): On a point of order, Mr. Deputy Speaker. I should like to raise an issue of some importance. During Prime Minister's questions on 30 November, the Prime Minister indicated, as recorded in column 264 of the *Official Report*, that from the end of November there will be a six-month maximum waiting time for an NHS operation. On 1 December, 437 patients at my local hospital had been waiting for more than six months. This morning, I received a letter from the Secretary of State for Health in which she states that the maximum six-month wait is only a target and in any case does not come in until the end of 2005. Can I have some advice and guidance on how the Prime Minister's statement could be corrected?

Mr. Deputy Speaker: I am extremely grateful that one of the many things for which Deputy Speakers are not responsible is prime ministerial statements. The hon. Gentleman must challenge those in the usual way, and he must do the same with the statistics.

Mike Penning (Hemel Hempstead) (Con): On a point of order, Mr. Deputy Speaker. As I am sure you are aware, in the past few weeks there have been several false fire alarms in Portcullis House. On Tuesday, when three were going off, large numbers of members of staff, members of the public and Members had to leave the building through the front entrance. There are specialised fire doors there, and as a former fireman I know what should happen: the revolving doors should automatically swing open so that we can get people out as safely as possible. Those doors were inoperative on Tuesday. When I approached the excellent security staff, they told me that that has been reported several times but nothing has been done. Do we have to wait for people to be injured getting in and out before those doors are fixed?

Mr. Deputy Speaker: I understand the points that the hon. Gentleman makes, and they are of course serious. Again, they are now on the record and I have no doubt that the Serjeant at Arms will want to look into the matter to ensure that things are working as they should.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): On a point of order, Mr. Deputy Speaker. Has there been any notification from Ministers at the Department for Transport about the award of the Maritime and Coastguard Agency helicopter contracts? Substantial concerns have been expressed about the capabilities and suitability of the proposed replacement helicopters. These are key safety matters that are especially felt in my constituency. Will there be any occasion for a Minister to come to the House to make a statement so that Members may express their concerns?

Mr. Deputy Speaker: I have no knowledge of any proposed statement. In a sense, the hon. Gentleman's point is for business questions. Again, what he has said is on the record of the House.

BILL PRESENTED

Government of Wales Bill

Mr. Secretary Hain, supported by the Prime Minister, Mr. Secretary Prescott, Mr. Chancellor of the Exchequer, Secretary Margaret Beckett, Mr. Secretary Darling, Ms Secretary Hewitt, Mr. Secretary Clarke, Secretary Alan Johnson, Ms Harriet Harman and Nick Ainger, presented a Bill to make provision about the government of Wales: And the same was read the First time; and ordered to be read a Second time on Monday 12 December, and to be printed. Explanatory notes to be printed. [Bill 100].

ESTIMATES DAY

[1ST ALLOTTED DAY]

VOTE ON ACCOUNT, 2006–07

Department of Health

[Relevant documents: The Fourth Report from the Health Committee, Session 2004–05, HC 42-I, on The Influence of the Pharmaceutical Industry: and the Government's response thereto, Cm 6655; and the Department of Health Departmental Report 2005, Cm 6524.]

Motion made, and Question proposed,

That, for the year ending with 31st March 2007, for expenditure by the Department of Health—

(1) resources, not exceeding £27,595,662,000, be authorised, on account, for use as set out in HC 465, and

(2) a sum, not exceeding £26,808,818,000, be granted to Her Majesty out of the Consolidated Fund, on account, to meet the costs as so set out.—*[Claire Ward.]*

1.9 pm

Mr. Kevin Barron (Rother Valley) (Lab): First, I declare an interest in that I am currently a lay member of the General Medical Council and it is mentioned with other regulatory bodies and related associate bodies once in the report. I should put that on the record. This is my maiden speech as Chair of the Health Committee and the attendance resembles that for my maiden speech in 1983.

The Committee's report on the influence of the pharmaceutical industry raised questions about how it is regulated and how it regulates itself. As hon. Members know, the pharmaceutical industry is the third most important United Kingdom industry economically after tourism and finance. The report acknowledged its valuable contribution to patient health and the economy. Although I shall mention some problems and some hon. Members might view the industry negatively, I shall put the debate in context by reminding hon. Members of the Health Committee's first conclusion in its report. Paragraph 336 states:

"The UK-based pharmaceutical industry is large, profitable and highly competitive; it has understandably been described as 'world class and a jewel in the crown of the UK economy'. The industry has an outstanding record in developing new medicines, and is a major source of funding of medical research. The industry's products include many life-saving and important drugs which greatly benefit many people and contribute substantially to national health."

That is absolutely right. Although I am about to say, "however", that paragraph places the industry in the context in which we should all view it: its contribution to the nation.

However, the Committee had several concerns about medical research, the conduct of clinical trials, medicines marketing, the information provided to patients and prescribers and the independence of the regulatory system. Overriding themes of the report included the lack of transparency in medicines research and regulation, and the potential effect of that on patient safety.

Mr. Philip Hollobone (Kettering) (Con): I congratulate the right hon. Gentleman on his introductory remarks. He is absolutely right to place the debate in the context of the world-wide demand for pharmaceutical produces. Is not it the case that Britain can hold its head up and be proud of its contribution to improving people's health around the world?

Mr. Barron: That is correct—and in doing so, the amount of money that the industry makes in exporting around the world substantially enhances our economy. That is good for all.

Patient safety is paramount in the use of drugs in this country and it goes to the heart of the Committee's report. If a patient is prescribed one drug rather than another, similar drug, the negative effect on the patient is likely to be minimal. If, however, a patient is prescribed a drug that is linked with negative physical effects of which the doctor is not aware, the results may be far more serious. The regulators, industry and health care professionals have a role to play in ensuring that potential side effects are picked up early in drug testing, made known to doctors and monitored after licensing.

The Committee highlighted the need for better reporting of adverse drug reactions or ADRs. I am pleased that the Department is addressing that. The yellow card system of reporting ADRs is now being rolled out to include patients and all health care professionals, such as nurses, pharmacists, health visitors etc. Previously, only doctors could report suspected drug side effects. Pilot schemes were already running at the time the report was published and final systems will be in place by 2006. A new IT system will improve the detection of signals of a problem with a particular medicine.

Drug-induced illness was recognised by the Government as a serious issue in human and economic terms. The Department of Health and the Medicines and Healthcare products Regulatory Agency have commissioned research to determine the "frequency of medical errors". According to a recent National Audit Office study, medication errors are the second most common patient incident in the national health service.

Mr. Peter Bone (Wellingborough) (Con): It has come to light that one of the problems is repeat prescription provision, especially in the care of the elderly, particularly those with dementia. Although they initially get the right drugs, the repeat prescriptions do not necessarily help them and, indeed, have a negative effect. There is no proper procedure for reviewing those prescriptions at least every six months.

Mr. Barron: Repeat prescriptions are sometimes numerically limited so that one has one, four or five out of six. After that, it is doctors' clinical responsibility to ensure that they see the patient before any further prescribing of the drug. However, what happens in the real world is not always consistent with that. Occasionally, that is at great cost to the individual concerned, but it is always at great cost to everyone because safety incidents cost the NHS approximately £2 billion a year in bed days in our acute sector. They are problems for clinicians and everyone.

Paul Flynn (Newport, West) (Lab): The university of Liverpool recently reported that there are at least 10,000 fatal adverse reactions to drugs in this country. Is not it therefore extraordinary that the Government's response to the report does not mention Vioxx—the most recent scandal—or Seroxat?

Mr. Barron: I am not aware of the Liverpool report, but my hon. Friend is right about what the Government mention. However, they have been examining the mechanisms around the issues, and I shall consider that later.

The Committee recommended improved post-marketing surveillance beyond ADR reporting. It suggested that more trials of licensed drugs be conducted in real-life situations, but that is not mentioned in the Government's response.

Post-marketing surveillance by the MHRA will be strengthened under a planned reorganisation of the agency. The Government reject the recommendation that drug surveillance be carried out independently of the agency. They say that such a system would

"impede the continuous examination of the risk: benefit balance"

of the marketed drug. I am sure that the Under-Secretary of State for Health, my hon. Friend the Member for Birmingham, Hodge Hill (Mr. Byrne), knows that members of the Health Committee will be watching what takes place.

I should like to consider transparency.

Dr. Brian Iddon (Bolton, South-East) (Lab): Does my right hon. Friend agree that counterfeit drugs are an increasing problem and that many counterfeit drugs are introduced into our country via parallel trading? Does he also agree that legislation is needed to combat the introduction of counterfeit drugs into the market? Unfortunately the drugs that are being counterfeited are those that are most commonly used—obviously, they are the best sellers, which give the most profit to the counterfeiter.

Mr. Barron: I agree with my hon. Friend. Although the report did not look into the matter in detail, parallel trade and counterfeiting is a problem, not only for the market but for safety and efficacy. It is important that those issues are considered.

Mr. Andrew Lansley (South Cambridgeshire) (Con): Does the right hon. Gentleman agree that we should not assume that randomised control trials designed to establish the efficacy of drugs can always provide the same degree of assurance on a drug's safety? Should not particular importance therefore be attached to the capture of data from whole populations after licensing, to establish the safety of the drug? It would be impractical to undertake that kind of evidence gathering from a substantial population before licensing.

Mr. Barron: I agree with the hon. Gentleman. There should be more ongoing studies to establish what happens after a drug enters the marketplace, and to determine which drugs are being used. Over the past two weeks, the Health Committee has been looking into expenditure levels in the national health service. The Secretary of State and various civil servants have given evidence to the Committee, and we discovered that we often do not know which families of drugs are being prescribed. We need that information to determine certain interactions, perhaps with public health promotion or with people getting assistance in the acute sector. We need to determine whether any great changes have taken place in the level of use of certain families of drugs over the years. We need a big national picture of the use of those drugs in society, because this relates to the money that we, as taxpayers, spend—and the taxpayers' money that the Department of Health spends—to try to improve the nation's health. I do not know whether there are any simple correlations in this regard, but when we were taking evidence the other week, we felt that we ought to be able to get an answer to that question.

Mr. Lansley: This is an interesting point, and I hope that the Minister will tell us more about electronic prescribing and about the conversion of the Prescription Pricing Authority on to an electronic basis. That should, in theory, allow us to extract much more of the data that the right hon. Gentleman describes. However, although the transfer to electronic prescribing has increased, we are still achieving only a tiny fraction of the amount that was intended. By this stage, we were expecting to have pretty much an entirely electronic system, from the doctor's screen right through to reimbursement through the PPA.

Mr. Barron: I do not disagree with the hon. Gentleman, but I shall not be tempted to discuss information technology in any part of the public sector—or the private sector, for that matter—because it has its own history. We have debated the issue in the past, and we will no doubt do so again.

Paul Flynn: A serious situation has just been revealed in a report by the university of Sussex, which shows that we have been much too ready to license drugs in this country, compared with the United States. Between 1971 and 1992, nine drugs were withdrawn in the United States because they had serious adverse effects, whereas the figure in this country was 24. In our rush to put drugs on to the market for the benefit of the pharmaceutical companies, we are conducting experiments with those drugs and using the public as guinea pigs, and those guinea pigs often do not survive the experiments.

Mr. Barron: My hon. Friend will have to forgive me, because I disagree with parts of what he has just said. I know that he has taken a great interest in the pharmaceutical industry for many years, but I do not agree with him on this issue. Proper licensing arrangements are in place. Yes, it is true that issues such as the withdrawal of Vioxx come around now and again, but patient safety was one of the first subjects emanating from the report that I raised in this debate. The House must understand that I was not on the Health Committee when the investigation took place or when the report was published, although I did play a role in trying to get the Government's response a bit earlier, in view of their delay in providing it.

Paul Flynn: I want to give the House a clear example of the disastrous failure of our regulatory system.

The Food and Drug Administration in America has claimed that there were 144,000 cases of heart attacks and strokes due to the use of Vioxx. However, in answer to a parliamentary question asking how many bad reactions had been discovered here under the yellow card system, I was told that there were never more than half a dozen a year, and that they amounted to no more than 12. There is evidence of 4 million prescriptions for medicines of this type being prescribed, and if America had not discovered the terrible, fatal side-effects of Vioxx, we would still be using it, and British patients would still be being killed by it.

Mr. Barron: Vioxx is an issue for everyone here, and the Health Committee asked for a public inquiry into the matter, saying that when a drug is withdrawn in the way that Vioxx was, there should be a public inquiry. The Government did not agree, and I have to say that I have some sympathy with the Government on that. However, the public should have more information on the way in which the drug was licensed and came into use, so that they can be satisfied that we understand the issues surrounding it. My hon. Friend mentioned half a dozen cases. He will be aware that there is the potential for litigation on this matter either in this country or the United States. Reports in *The Lancet* have put the number of cases in this country of people who have been affected long-term in relation to taking Vioxx at far higher than half a dozen. Perhaps my hon. Friend the Minister will comment on this when he speaks later in the debate.

The lack of transparency in the MHRA and the industry means that health care professionals do not always have all the information that they need to make appropriate prescribing decisions. The report welcomed the introduction of a register for clinical trials, which will allow professionals and the general public to access information about the development of drugs. The Committee's proposal for maintenance of the register by an entirely independent body was rejected, as was the recommendation that information regarding clinical trials be available at drug launch, so that prescribers could access information during the period when the promotion of a new medicine was at its most concentrated. The Government believe that the publication of such trials within one year of launch is appropriate.

The Government's response reiterates the importance of a close relationship between the Government and the pharmaceutical industry, citing as a reason the need to ensure transparency in the way in which medicines are brought to the public. The response stresses the role of the ministerial industry strategy group—the MISG—in this respect. Importantly, the response agrees that

"there is a need to look at whether there is a safer way of introducing new drugs",

and this is one of the aspects that will be considered by the MISG. I hope that, in doing so, it will consider the issues around Vioxx that my hon. Friend mentioned.

Corrective statements will not be issued in every case of a breach of legislation, as was recommended by the Committee. However, the MHRA is considering publishing the correspondence with companies relating to the promotion of medicines. The agency will also publish an annual advertising regulations outcome report. Contrary to the Committee's recommendation, information received by the MHRA will remain confidential until a licensing decision has been made. However, upcoming legislation will require a public assessment report of a medicine's licensing history to be published shortly after a licence is granted. The MHRA has undertaken to publish assessment reports for licence renewals and safety update reports. Such safety reports will also be issued more frequently.

One of the Committee's main recommendations was for a large-scale, independent review of the MHRA to be conducted. The suggested governing principles included the agency's need for independence from the Government and the industry, greater transparency, greater proactiveness in post-marketing surveillance, the prioritisation of new marketing applications, and the inclusion of lay members in policy-making decisions.

That recommendation was rejected by the Government, although they stated, on page 18 of their response, that perhaps a four-yearly review of the operations of the MHRA should take place. If that were to happen, the terms of reference would remain to be decided. I remind the House that the terms of reference should consider methodology, timing and other issues. If the Government adopt that approach, as I think they should, it would be useful if there were a parliamentary input into exactly what the terms of reference should be, either on the Floor of the House or at least from the Health Committee. I am sure that members of the Committee would be more than happy to consider the issue.

Both the report and the response stressed the importance of research and development for patients and the economy, and the need to maintain levels of investment by drug companies in the United Kingdom. However, the Government agreed with the Committee that there were occasional deficiencies in the design and conduct of clinical trials. Poorly designed trials have significant consequences for patient safety, as is shown by the tragic consequences of widespread prescription of the anti-arthritis drug Vioxx, mentioned by my hon. Friend the Member for Newport, West (Paul Flynn).

Adam Afriyie (Windsor) (Con): I thank the right hon. Gentleman for being so generous in giving way.

It seems that the National Institute for Health and Clinical Excellence must rely on published evidence. In many cases, evidence of a faulty trial or certain sets of data are not published. Does that cause the right hon. Gentleman as much concern as it causes me?

Mr. Barron: Yes, it does. It should concern us all, and it should concern the pharmaceutical industry more than any of us, because it is directly responsible for ensuring that we have as much information as is necessary.

The Committee recommended closer working between the MHRA and the industry to ensure that trial design benefits patients. No changes or additional work by the MHRA to improve the design of trials to reflect clinical improvements is suggested in the report, which I think is a shame. Guidance on

"the type of clinical trial required for marketing authorisation"

is said to be already in place, but that does not apply to guidance on the types of trial likely to prove therapeutic gain. That is one of the issues raised by the hon. Member

[Mr. Barron]

for Windsor (Adam Afriyie). No additional funding for NICE to address the issue has been agreed, and the report does not mention changes in the way in which research ethics committees review and approve clinical trials. I think that that is wrong. As I have said, the issues should concern us all. On the few occasions that such matters do come into the public domain and drugs are removed from the market, we should establish why that has happened. When drugs come on to the market, we should do our best to ensure that that is dealt with as safely as possible.

The report highlights the problem of "me-too" drugs—medicines that add little to the clinical effects of chemically similar drugs that are already on the market. The Government recognise the problem, and the response states that additional work by the National Prescribing Centre may be considered to address it. The Government agree with the Committee that impediments to generic drugs entering the market should be prevented, and will consider an initiative to investigate the problem.

Mr. Lansley: Does the right hon. Gentleman agree that we must be careful about criticising what are described as "me-too" drugs? They may allow incremental improvements in terms of efficacy or dosage. In the industrial context, even where branded drugs have a degree of intellectual property protection, they can disclose further evidence of the benefits of competition, and give us a handle on what would be happening in a more competitive market.

We need not rely on the National Prescribing Centre as a mechanism. We can help NICE to advance the point at which it undertakes multi-technology appraisals, and examine the cost-effectiveness for the NHS of classes of drugs taken together.

Mr. Barron: I do not disagree with that, and I do not think that anyone else would either, although obviously there is the issue of drugs coming on to the market and being patented. I am sure that the issue is considered, but not in the detail that the Committee would have liked. I am pleased that some agreement has been established.

The report also raised the issue of ghost-writing, which relates to cases in which well-known doctors or academics put their names to research articles that they did not write. They may not even have seen the data referred to. The practice was criticised in the report, and has recently received media coverage as well. The evidence taken by the Committee was led in part by the Royal College of Psychiatrists, which submitted written evidence of its concern. Last week I received a letter from its president, Professor Sheila Hollins, who wrote:

"I know that the Health Select Committee, in its report on the influence of the pharmaceutical industry, was very concerned about the failure of drug companies to publish all their findings regarding the efficacy and safety of drugs. This was also the most important issue raised in our submission to the Committee. I am aware that this situation is unlikely to have significantly changed; and many members of this college have grave concerns about the impact of selective publishing upon the trust placed in the pharmaceutical industry by patients and professionals alike."

I have a great deal of trust in the pharmaceutical industry, but I hope that my hon. Friend the Minister will address the issue—highlighted by a recent case—at some stage, if not this afternoon.

The Government's response makes no mention of ghost-writing, and does not respond to the Committee's recommendation that the industry adhere to guidance set out to ensure that publications are produced in a "responsible and ethical manner". Ghost-writing is widely thought to be standard practice in the pharmaceutical industry, as the Committee was told. As I have said, I was not a member at that time. However, witnesses from the industry denied that that was the case.

In the past few months, the media have reported a number of cases of so-called ghost-writing. In the past few days, *The Times Higher Education Supplement* and *The Observer* have reported a case in which researchers from Sheffield university, collaborating with a drug company, published findings without full access to the trial data. I do not know all the details, but I have seen the media coverage and I have received e-mails from one of the parties. I should like my hon. Friend to examine the position.

Paragraph 199 of the report states:

"Sir Ian Chalmers recommended that the industry adhere to guidelines set out in *Good Publication Practice for Pharmaceutical Companies*"

—that was published in 2003, in *Current Medical Research and Opinion*—

"that aim to ensure that publications are produced in a responsible and ethical manner. They include the need to publish results of all clinical trials of marketed products, and to report them in a balanced and objective manner. Authors should all have access to the statistical reports and data supplementing each publication. These guidelines are clear on the subject of authorship and the role of professional medical writers".

The guidelines are then listed.

I hope that the whole industry, all academics and all clinicians adhere strictly to those guidelines. It does not matter to me at this stage whether they are statutory, but I suspect that if they are not adhered to at some time in the future they may become statutory. We cannot require our clinicians, who work so hard both in hospitals and in primary care, to read everything, or cross-question on everything, that enters their domain. They need information about new drugs coming on to the market and about what they should and should not prescribe. Academics' reports, wherever they are published, should reflect accurately what has happened when a drug has come on to the market.

I would like to move on to another aspect of the report—its coverage of NICE, which the hon. Member for Windsor mentioned a few moments ago. The Select Committee recommended that NICE receive additional funding in order to issue guidance more quickly. Indeed, it recommended increased funding in order to allow NICE to evaluate more medicines more quickly and argued that the consequent improvement in prescribing standards should make NICE cost-effective.

NICE was criticised during the inquiry not for the actual work that it does—I do not think that anyone can criticise NICE for the brilliant work that it does—but in respect of the speed at which it issues guidance. Doctors, patients and the industry agreed that the wait for

guidance to be issued was unacceptable. We have all heard the comment about the phenomenon known as NICE blight, whereby the NHS will not provide a treatment until it has been approved by the institute. Several witnesses who gave evidence to the Committee referred to it. The more thorough an appraisal, of course, the longer the delay. I spoke earlier about getting the balance right between safety and efficacy, and it is important to recognise that in certain circumstances there can be delays. It is a delicate area, as we must all accept.

The Government have recently looked into the new fast-track system of assessment. Fortuitously, I received a letter from the Department this morning. I had written on behalf of a constituent who had contacted me on 15 November about a life-saving drug called Velcade. I received a reply from the Minister of State, Department of Health, my right hon. Friend the Member for Liverpool, Wavertree (Jane Kennedy), which says:

"A new, rapid process for assessing drugs and other treatments will be launched by NICE to sit alongside its standard process. The process will not be used for all appraisals but will be used initially to produce faster guidance on certain life-saving drugs used in a single disease or condition. NICE's new shorter appraisal process is designed to retain the integrity of its existing methodology but there is scope for NICE appraisals to take a longer track if the complexity of the topic warrants it. Publication of NICE guidance on specific drugs will be brought forward by between 6–15 months from the time originally planned. Work is starting immediately on five products, including Velcade"—

as my constituent will be pleased to hear. It continues:

"The first guidance developed using the new process is expected to appear as early as June 2006."

I am very pleased about that, as it appears that the Government have seized on the issue. It is difficult on occasions to achieve the right balance, but hon. Members will know that the coverage of drug promotion in the media brings a great deal of pressure on NICE, on clinicians and, indeed, on Ministers. We have seen clear examples of that in recent weeks.

It is a difficult area to balance, but there is an issue about the funding of NICE that the Government did not properly address. It is important to consider how much research it is reasonable for NICE to conduct annually. Somewhere between 200 and 300 medicines and drugs receive a licence every year in this country, and I believe that NICE looks into between 30 and 40 of them. The new process may allow NICE to investigate more. No one would expect all licensed drugs to go through the NICE process, but it would be good if we could get rid of the NICE blight. If that is the intention of the new appraisal process, I am pleased to support it.

The report also suggested that NICE extend its role to give advice to industry on the design of clinical trials likely to yield clear results and to be useful in the production of NICE guidance. That issue was not covered in the Government's response, but I believe that it is a very good idea. On a daily basis in clinical trials, consultants and doctors throughout the country, working alongside the pharmaceutical industry, give advice about what is happening within the NHS. We do not know much about it, as it is not often discussed, but most drugs are developed in situ in our hospitals and sometimes in the primary sector. The more collaborative we can make the process, the better. We want people to have confidence in NICE and what it does, so advice from NICE about what is going on in respect of guidelines for treatment, drugs and care is also important. Clearly, the Government and the pharmaceutical industry should look further into that in future.

I have brought up many issues in my speech and I am sure that hon. Members who were Select Committee members at the time will have further issues to debate. The investigation into the pharmaceutical industry—the first since 1914—was wide ranging. I am pleased that the Government responded well in certain respects, but they could have made a fuller response in other respects. My final comment—to the Minister, hon. Members or anyone else who is listening to or reading the debate—is that the Health Committee will be looking into the developments emerging from this report and response for many years to come.

1.46 pm

Julia Goldsworthy (Falmouth and Camborne) (LD): I should like to declare an interest in that I have a slight cold at the moment, so I am probably benefiting from some pharmaceutical products.

Today's debate comes off the back of a report from the Health Committee that was released in 2005—just ahead of the general election, but before the right hon. Member for Rother Valley (Mr. Barron) became Chairman of the Select Committee and before my time in Parliament. Although the report listed a series of concerns and made a series of recommendations, it carefully highlighted the importance of the pharmaceutical industry to our economy. That importance is well understood by Members, because, in some cases, literally thousands of their constituents are employed by that industry. We know that the pharmaceutical industry's contribution to the nation's economy is ranked third only to tourism and finance. We also know that investment made by UK pharmaceutical companies represents 65 per cent. of health-related research and development in the UK, and 10 per cent. of global research and development expenditure.

The industry makes such a marked contribution to the economy because the development and production of drugs has truly revolutionised our lives. The discovery, development and use of drugs has had a revolutionary effect on our lifestyle, life expectancy and our ability to cure and to cope with illness. About 650 million prescriptions are issued each year at a cost of £7 billion to the NHS. Today, it is increasingly believed—I share that belief—that for every ill we suffer, there is a pill that we can pop to cure it.

Despite recognising the important and revolutionary contribution of the pharmaceutical industry, the report highlighted a series of concerns that ultimately stem from the fact that certain issues have been ignored for nearly 100 years and from the imbalanced approach that the Government have adopted to the pharmaceutical industry on the one side and the patient on the other.

As we have already heard, allegations were made about badly designed and biased clinical trials—trials biased towards showing drugs in the best possible light. There is evidence of selective publication of evidence relating to those trials, in which the negative evidence was not made public or full data sets were not published. Allegations were also made about ghost-writing, with

[Julia Goldsworthy]

the names of third-party so-called "independent" academics being added to papers not authored by them. Sometimes their names were added, but they did not have full access to the full data sets on which the reports were based.

Finally, the report highlighted the ever-increasing intensity of the promotion of new drugs that provides incentives for prescribers that are totally unrelated to health outcomes. Press coverage referred to incentives that ranged from winning an iPod if a drug is prescribed to entertaining nurses and doctors at very nice hotels or restaurants. There were justifiable concerns that such practices could end up having a negative impact on patient outcomes.

One problem is the fact that NICE licensing relies on published evidence, but we have already seen that the full data sets are not always published. If negative evidence is not made available, surely NICE is being constrained in its ability to make evidence-based decisions. There are concerns that the lack of an evidence base could lead to the unsafe use of drugs, and that the level of brand awareness has resulted in extension beyond appropriate prescription because of pressures from patients and prescribers.

In response to these concerns, the Select Committee recommendations centred around the need for transparency in the licensing process, for greater independence of assessment, and for greater research into the potentially adverse effects of prescribed drugs, given that up to 5 per cent. of hospital admissions are the result of adverse reaction to drugs. Its final recommendation was as follows:

"In view of the failings of the MHRA, we recommend a fundamental review of the organisation in order to ensure that safe and effective medicines, with necessary prescribing constraints, are licensed."

So the Committee felt that there needs to be much greater balance between promoting the interests of the pharmaceutical industry, and promoting the health of the public and the effectiveness of the NHS. It was felt that those recommendations would help to redress that imbalance.

Unfortunately, in many respects the Government's response, published in September this year, reflects the perpetuation of this imbalance. Many of the recommendations were not acted on, and in many cases the justification given was that the Government did not recognise or acknowledge the problem identified by the Health Committee report. They said that current guidelines and measures are already, or are about to be put, in place to deal with these problems. The result is that the fundamental balance between the patient and the industry has not shifted, although some welcome concessions have been made to improve the MRHA's marketing material.

The industry itself has also sought to improve its practices. The Association of the British Pharmaceutical Industry recently issued new guidelines to help encourage best practice. These are voluntary guidelines that represent a gold standard; they are not backed up by the law. While the ultimate sanction for breaking the code is expulsion from the ABPI, that has never happened. The board has never required a company to publish a corrective statement for a breach of those guidelines.

Some of these guidelines are rather vague. For example, although delegates sponsored by companies to attend meetings can travel there and back only on economy flights and must not stay in "lavish" accommodation, it is not clear what is meant by that or what the extent of their stay will be. Of course, many companies will follow these guidelines for reasons of reputation, but the fact is that if they are voluntary, they ultimately lack teeth.

Recent evidence in the press indicates that such problems are still arising. However, they are being dealt with by the MRHA on a case-by-case basis, without any significant strategic or systemic changes being made. A piece in last Sunday's edition of *The Observer* refers to allegations of ghost-writing; the academic concerned apparently did not have full access to the data sets that the report put his name to. As I have said before, evidence emerged last month of perks for prescribers. They could win an iPod if they prescribed gum disease medication, and some doctors and nurses were entertained at the Groucho club.

Mr. Charles Walker (Broxbourne) (Con): Am I not right in thinking that the new ABPI code of conduct specifically limits the maximum value of these awards and gifts to £6 excluding VAT?

Julia Goldsworthy: I was not aware of that. I am not sure how the ABPI could provide flights to and from seminars at that low value, even given the existence of some very low-cost carriers. There may still be some devil in the detail and of course this code remains voluntary.

Paul Flynn: The new code of practice is entirely cosmetic and has been described by the British Medical Association as lacking teeth. The *Drug and Therapeutics Bulletin* describes it as fundamentally weak in all respects. It is purely window-dressing to hide the drugs industry's continuing close collaboration with the MHRA, which has been so detrimental to patients.

Julia Goldsworthy: I recognise the hon. Gentleman's concerns, but of course, although the problems associated with patient safety and access to drugs can in some respects be dealt with through improved regulation of the pharmaceutical industry, that is not the sole determinant. It is clear that the Government's behaviour has had a significant impact, and stories in the media have a fundamental impact on the public's awareness of drugs. Moreover, the Government have a major influence on the ability to get new drugs to patients quickly.

We have heard much this afternoon about NICE blight and the delays in the licensing programme, but to what extent are those delays due to NICE? My hon. Friend the Member for Sutton and Cheam (Mr. Burstow) recently tabled written parliamentary questions on this issue, and the answers show that it takes the Government nine to 10 months to produce the list of drugs that is subsequently sent to NICE for licensing approval. That is another part

of the delay in getting drugs to patients who may need them as quickly as possible. I should be grateful if the Minister explained the reasons for this delay and what measures his Department are implementing to speed up the process.

There is also the apparently contradictory position whereby drugs need to be licensed by NICE before they become widely available, yet in some cases—such as the recent and well-known one involving Herceptin—statements have been made implying that there should be widespread uptake before the licensing process has been completed. What assessment has the Minister's Department made of the immediate and long-term financial implications of making such drugs available? On Herceptin, we know that it is not a question simply of the cost of the drug; there are also costs associated with echocardiograms and ongoing monitoring. Herceptin will of course make a huge difference to some women with early-stage breast cancer, but how do the Government envisage that these costs should be met, given the existing pressures on many budgets? The cost of such drugs is only rising, so what is the long-term sustainability of their prescription? There is a real concern that post-2008, when the increase in NHS funding tails off, funding for many such drugs will experience a hard landing.

Finally, in contrast to moves to increase the transparency of the data—

Mr. Lansley: We have not heard the hon. Lady's proposal on Herceptin. On the face of it, Herceptin has significant beneficial effects as disclosed in clinical trials, but a licence application has yet to be made in respect of it. In France, there is explicit recognition that in certain circumstances, certain drugs can provisionally be made available for use, pending licensing and approval. Is that not the right mechanism? If not, what does the hon. Lady propose?

Julia Goldsworthy: It is of course important to make such drugs available as quickly as possible, but certain systemic problems have been highlighted, such as NICE blight. We need to take steps to prevent such exceptions from having to be made.

Finally, given moves to increase the transparency of data relating to clinical trials, why do negotiations with the Treasury on the pharmaceutical price regulation scheme take place in such deep secrecy? Do the Department plan to make this process more open?

I turn finally to other potential dangers and difficulties for patients—

Adam Afriyie: I thank the hon. Lady for giving way before she moves to her final, final point. She focused on costs, but does she agree that although the work that NICE does is very important, it is also important that it be done quickly? In many cases, it is a matter of life and death as to whether or not a particular drug gets to the patient quickly. Does she also share my concern at the fact that, rather than the budget increasing, it has just been reduced by £3.5 million? That will surely cause more problems than even the difficulties relating to Herceptin.

Julia Goldsworthy: I think that the hon. Gentleman is right. What will happen once the funding structure changes and what the impact will be on the availability of certain drugs are important issues to consider.

Reference has already been made to the shift to cheaper generic drugs and the practice of drugs bought in other EU countries being repackaged and relabelled through parallel trading. In both cases, I understand that while the medication itself remains the same—I have discussed the matter with an hon. Friend who is a pharmacist—excipients such as additives for colour might change or vary in the medication. That can cause unfortunate side effects, particularly in the case of epilepsy drugs.

Dr. Iddon: I must challenge that statement. Evidence was given at a meeting in the House last night that packages of parallel traded products contained drugs that were not the same as the drugs made by the professional company that had discovered them. Such products contained impurities that could cause serious side effects and in some cases death in the patient.

Julia Goldsworthy: I thank the hon. Gentleman for his point. I was just coming to that. The issue is not simply a question of different additives that might be used in different countries, but the possibility that such trade might be a soft underbelly for the counterfeit trade. There have been examples of counterfeits, such as those for Viagra, Cialis and Reductil, entering the legitimate supply chain, as the hon. Gentleman said. That is a significant cause of concern, and action to counteract it is outside the strict regulation of the industry.

The extent to which the Government truly appreciate the scale of this problem is also an issue. Recent answers to questions asked by my hon. Friend the Member for Sutton and Cheam reveal that the Government have made no estimates of the level of counterfeit medicines circulating in the legitimate supply chain and available on the internet. If they have made no estimate of the scale of the problem, how can they deal with it properly?

Further problems include the possible misprescribing of medication due to lack of training. Not all the problems lie at the foot of the pharmaceutical industry, but we have heard plenty of evidence this afternoon that more effective regulation of the industry will help to establish a clear balance—

Adam Afriyie: I apologise to the hon. Lady for pressing her in her ill health, but can she be clear about what solutions she is suggesting?

Julia Goldsworthy: I thank the hon. Gentleman for his intervention. We support many of the recommendations outlined in the report, which seem to be sensible proposals to redress the balance between maintaining a successful pharmaceutical industry that continues to develop life-changing and potentially world-changing drugs, and maintaining and representing the best interests of the patient and the NHS. Regulation will help to ensure a more equitable balance.

I am concerned however, that the Government have not even recognised adequately that that imbalance exists. They also seem to display a similar attitude to other, greater potential threats to public health and the available, appropriate and effective medication to deal with them. Let us hope that today's debate will help the Government to take the first steps towards recognising those problems and addressing them, so that the public can be confident that their health will remain at the heart of the issue of when and why they are prescribed drugs.

2.3 pm

Paul Flynn (Newport, West) (Lab): I believe that this report is among the three best that I have seen in my 20 years in Parliament. I believe that it required a response from the Government that reflected the courage and thoroughness of David Hinchliffe and the other members of the Committee. Sadly, the Government's response is lamentable. Not only did they not respond to the Committee's clear and important calls, but they ignored many of them altogether.

I will go along with what has been said about the enormous, miraculous progress in pharmaceuticals in the past 100 years or so. Tens of thousands of people would be dead today were it not for drugs, particularly the recent advances in cancer drugs. I make no criticism of the science involved or of that part of the work of the industry whatever. We and the Committee, however, should be very critical of the dark side of the industry—the disease-mongering, the medicalisation of society, and the way that it abuses all the dark arts to encourage all of society to believe that we are ill and need a pill every day. Recently, the greatest increase has been in the incidence of depression, for which prescriptions have risen by more than 400 per cent. in a decade. In the great majority of cases people are suffering from mild depression, but we are taught to believe that if we are sadder today than we were yesterday, we are ill, and we need medication. That is useful for the pharmaceutical industry.

The worst aspect of that was contained in report that came out of America less than a week ago, which suggested that many two to five-year-olds need Ritalin or anti-psychotic drugs. As a consequence of this view, in America one in seven children are on Ritalin—similar to amphetamines in some ways—and worse drugs. The ambition of the pharmaceutical industry is to get us all taking those drugs, which are of questionable value.

I want to consider in particular the effect of the pharmaceutical industry's strategy on us as MPs. About an hour and a half ago in this Chamber, a Member called for the acceleration of the supply of Velcade, I think, which my constituents can get, but many other Members' constituents cannot, because it can be obtained in Wales but not here. There was warm support and almost universal approval for accelerating NICE's processes. I briefly pointed out the results of that in an intervention.

Let me give one story as an example. Yesterday, I received an e-mail from somebody trying to persuade me to raise with the Minister the health problems of obesity, which are well known and a serious matter. I noticed that the e-mail came from a well known lobbying company. I therefore got in touch with it and I asked it who was paying its wages. It turned out to be a group of people called the obesity council. Who pays the obesity council? It is the drug industry—the people who sell slimming aids.

A few weeks ago, I received a letter that interested me greatly, as I had a constituent suffering from pancreatic cancer. The letter was about a new wonder drug called Tarceva, of which I had never heard. I got in touch with the letter's writer, and I felt that I must investigate the matter if such a drug would help my constituents. On investigation, however, it turns out that the cost of prescribing this drug will be £16,000 a year. Its effect was to increase the life expectancy of pancreatic cancer patients by 12 days, and it had adverse side effects including death in 10 per cent. of the patients involved. Increasingly, MPs are being approached to use our office here to put forward a case for the drug industry. That is a thorough abuse of our position. From the Health Committee, however, we had a splendid clarion call against the great abuses that have occurred.

The Medicines and Healthcare products Regulatory Agency and the Association of the British Pharmaceutical industry work jointly together, hold joint seminars and campaign together. The MHRA, the regulatory body, is funded 100 per cent. from the pharmaceutical industry. The pharmaceutical industry calls the tune. We could give numerous examples of that. Perhaps the worst was Seroxat, on which I have had two debates in the recent past, before its problems were discovered. The MHRA set up a sub-committee to look into the issue, but it had to disband after some nine months because the majority of the members had a financial interest in the company that produced the drug. The sub-committee had to be re-formed and progress was very slow.

The Health Committee invited me to give evidence and I was able to raise the question of the influence that drug companies have on bodies in this House, such as the all-party groups which have well-intentioned, good hon. Members on them who are trying to reduce the effects of diseases. However, almost all of them are infected by the influence of the pharmaceutical companies. An example that applies to Seroxat and the treatment of mild depression was revealed in a book that I sent to all the members of the Committee before it started its work on the issue. The book is called "Medicines Out of Control?" by Charles Medawar. It asks what would have happened if we had gone to see Sigmund Freud when he practised as a doctor. He gave all his patients and friends, and took himself, a medicine he knew that was believed to improve people's mental health and stability. That medicine was cocaine: it was the popular drug of the time. A later popular drug was bromide, which creates its own form of psychosis, called bromism, which was a scourge of society at the time of the first world war.

For an awful period in the 1960s and 1970s, diazepam—or valium—and other similar drugs were prescribed like smarties. That caused great distress and did very little good. There was also the experimental period of the mental health industry in the 1950s, with the inducement of deep psychosis, lobotomies, leucotomies insulin coma therapy and electroconvulsive therapy. People were used as guinea pigs and suffered greatly. Many of those therapies are rightly no longer used.

More recently, we have had the tricyclics, which were regarded as wonder drugs, but they are now seen as old-fashioned and have been replaced by selective serotonin reuptake inhibitors—SSRIs—of which Seroxat is one. When the campaign against Seroxat was mounted by a few courageous people outside the drug industry, the drug companies mounted a ferocious campaign to ensure that the voices who were protesting about the dangers of Seroxat were muffled. For example, Depression Alliance, a patient group that is virtually a creature of the pharmaceutical industry and gets 80 per

cent. of its funding from it—as it has admitted to me—criticised those people who drew attention to the dreadful effects of Seroxat in turning depressed people into suicidal people.

The organisations that emerge with great credit are those that take not a penny from the pharmaceutical industry, such as MIND, which continues to act in the patients' interests. Many so-called patient organisations still receive instructions from and carry out the work of the pharmaceutical industry, and some otherwise splendid organisations are affected. For example, on the day that Vioxx was banned, I went on to the Arthritis Care website. I greatly respect that organisation and it does fine work in encouraging the use of non-drug interventions such as exercise in the treatment of arthritis. On that day, its website told people not to panic if they were taking Vioxx. That drug has been identified as causing 144,000 heart attacks and strokes in the US. I would have thought that reasonable advice in such circumstances would be to panic, if people were taking such a drug. The website also advised people to visit their doctor and follow their advice about changing to another drug. However, it is significant that the website of that respectable organisation contains a notice saying that the site has been refurbished with help from Merck Sharp and Dohme, the company that makes Vioxx. Even a worthy, conscientious organisation such as Arthritis Care must be influenced in some way by the fact that if it upsets the pharmaceutical companies or fails to do their bidding, it will lose some of its staff or funding. Understandably, the Committee recommended action on those patient groups, which should declare all significant funding. It also recommended that the Government should make changes to charity law to ensure that that happens. Unfortunately, the Government have stated that self-regulation should be the first resort in improving fundraising standards, so no action has been taken, although the Home Secretary maintains reserve powers.

This House is infested with organisations that, on the surface, are perfectly good. I had some influence in one of them—I shall not name it—and I see that it is now organising a relaunch with help from a lobbyist. Who is paying the lobbyist? It is one of the pharmaceutical companies. Their influence is everywhere and their tentacles stretch into the Government, the patient bodies and elsewhere.

The key, and most dramatic, moment in the Health Committee inquiry was the unbelievable evidence about the inducements given to clinicians and others to use particular drugs. One of the questioners asked whether the free trips, the holidays and the chance to take one's wife, husband or girlfriend to the Bahamas or the Alps had any effect. The witness replied that they did not, but that articles in the *British Medical Journal* and *The Lancet* did. The point, made with great force, was that the way to influence public and medical opinion was to get articles written by authoritative figures in those journals.

As someone with scientific training who has always defended double-blind and properly peer-reviewed trials, my greatest shock in the last couple of years was when the BMJ published an article two years ago, giving examples of reports presented in the medical journals—reports that had got past the very suspicious editors—in which the conclusions did not match the data. The data said something and the conclusions said something else. There were examples of how this was done; the pharmaceutical companies write most of the reports and hawk them round for others to sign and approve. They get some figures and they provide some fat fees.

This element of ghost-writing, raised by my right hon. Friend the Member for Rother Valley (Mr. Barron) in opening the debate, is a matter of great concern, and it is continuing. We saw the accounts given by Dr Blumsohn in last week's edition of The *Observer*. I met this gentleman and heard what had happened in his case. People talk about life and death; often, it is death and death. The number of people who have lost their lives from an adverse reaction to drugs is enormous. In America, it is claimed that the fourth-largest cause of death is adverse reactions to drugs.

The Leemon McHenry Hastings centre report pointed out that the companies first select the data that promote the drugs. They file away the results that are unfavourable and buy the right academic credentials to sign a ghost-written article produced by marketing department staff or by public relations agencies employed by the company. What are we to regard as the fundamental science, the authoritative work, to which doctors and physicians look if they want to approve a new drug? We know these articles are being ghost-written and the case of Dr. Blumsohn, published last week, made it clear that the companies refused to give him the data on an article to which his name was attached. They claimed his authority for the article and he had not seen the data.

Adam Afriyie: The hon. Gentleman is making a powerful case. NICE does a good job, but is he confident that it will pick up these erroneous reports, trials and information in its processes?

Paul Flynn: We all hope so. Like many, I thought that having a rational and genuinely independent body to look at these matters was a fine reform. The difficulty is the pressure that we all feel as human beings. If a member of our family or a close constituent wanted a drug, we would go along with it, even if there was only a 1 per cent. chance of success, and would want to hurry NICE along. But if we as politicians take a decision, as we should, we should look at what happens with rushed approvals. The reason that Seroxat caused problems was that it was approved off-label for people under 18 when it had not been trialled.

As I said earlier, a fairly recent report, published since the Health Committee report, said that we withdrew 24 drugs in the long period between 1971 and 1992, while the United States withdrew only nine. We had approved all those 15 other drugs, which did a great deal of damage, when America had refused to approve them. A balance must be made—this is often impossible—when patients who suffer from terminal diseases demand drugs that might have even a very slim chance of postponing the inevitable. They want us to approve those drugs, and we politicians tend to put pressure on NICE to give quick decisions.

The evidence is that that the faster the licensing process works, the more frequent the problems and a greater number of lethal reactions take place. If we continue to accelerate our review times, there will be

[Paul Flynn]

more adverse reactions. That is a difficult case to put across, and it is perhaps almost impossible for us, as politicians, to do so when we see someone sitting in our surgeries telling us that they have a fatal disease and want a drug that might be available in France or Wales, but not elsewhere.

Dr. Blumsohn spent a year requesting to see the full data on which the work that was published under his name was based. He was one of two lead authors. Two years after raising his concern, he was suspended from his university post. In *The Observer* last Sunday, Proctor and Gamble is reported as saying that it is "standard industry practice" not to hand over all data to professionals. That seems extraordinary, and it is regrettable that the Government have failed to respond in any way to that crucial issue in their response to the report. That is the key issue turned up by the Health Committee.

No reforms are proposed for the Medicines and Healthcare products Regulatory Agency, although it has been criticised in debate after debate in the House because of its nature, organisation and funding. That was another main concern that the Government left untouched in their response. The MHRA is still 100 per cent. funded by the industry and the system relies on self-regulation. There is talk of reviews every four years, but a thorough, independent review was not agreed to.

We have seen the pathetically weak response from the ABPI, which was mentioned by the hon. Member for Falmouth and Camborne (Julia Goldsworthy). An early-day motion was tabled last night—it has amassed one signature so far—and I tried generously to amend it to point out that there was presumably some support for the ABPI in praising its new code. As the hon. Lady rightly said, the code of practice has been described as weak by the *BMJ* and by the *Drug and Therapeutics Bulletin*. She rightly made the point that the ABPI has never expelled a member. It has never even forced one of them to publish any corrective statement, although there are dozens of examples of misleading advertising and products that should not have been marketed as they were. We are dealing with a defensive group, lobbying for and defending the industry and putting at the top of its priorities not the concerns and health of the public, but the financial interests of the pharmaceutical industry.

Dr. Iddon: My hon. Friend paints a very black picture indeed of the pharmaceutical industry. I cannot deny that the industry has had some failures, but would he admit that, overall, its benefits far outweigh its deficiencies? Would he admit that the large mental institutions have been emptied by the introduction of modern drugs for the treatment of mental illness? Would he admit that the treatment of cardiovascular disease has been revolutionised by the introduction of beta blockers? Would he admit that the treatment of ulcers has been revolutionised—indeed, no ulcer patient goes into hospital anymore—by the discovery by Smith Kline and French at Welwyn Garden City of H2 inhibitors, of which cimetidine was the first? Would he admit that the pharmaceutical industry does far more good than harm of the kind that he is highlighting?

Paul Flynn: I agree entirely; we could continue to record such successes at great length. Indeed, I think in my opening remarks I used the word "miraculous" when talking about the industry. I am trying to separate the job creation and the benefits to humankind, which have been enormous, as my hon. Friend said, from the marketing side of the industry. That is the whole point of the debate. We want to give the industry the pat on the back that it definitely needs, but we also want to draw attention to the points that the Health Committee legitimately raised.

Dr. Iddon: So will my hon. Friend admit that scientists throughout the pharmaceutical industry are acting purely ethically and that the main trouble lies with the marketing of drugs, and with the salespeople and accountants of those firms?

Paul Flynn: I am not sure whether my hon. Friend was present earlier, but I tried to make that distinction when I said that the integrity of the scientists in the industry and their devotion to their work was not in question.

The Select Committee report called for much greater action from the Government in every way. It is disappointing that so few members of the previous Committee are members of the new one, but I am sure that the new Committee will vigorously take up the report and the deficiency in the Government's response to it. As my hon. Friend the Member for Bolton, South-East (Dr. Iddon) said, enormous strides have been made in the work of the drug industry over the years, but there is still an awful energy in the industry that is used with malign effect—disease-mongering by inventing diseases and then a cure for them. The medicalisation of society has proceeded at a great rate and is looting huge amounts of money from the national health service to the detriment of other services. The drug budget increases constantly. Some of those drugs are essential and life-saving but others are not; in fact, they are life-damaging.

2.27 pm

Mr. David Amess (Southend, West) (Con): The hon. Member for Newport, West (Paul Flynn) has strong views on these issues. He and I have discussed them on various occasions, and we are joint officers of a group that is particularly interested in such matters. I am not sure how widely the hon. Gentleman's views are shared in the House. He may prove to be a Churchillian figure and eventually his views will be shared by a majority of us. As a member of the Select Committee, I am grateful for his support of our views.

The inquiry into the influence of the pharmaceutical industry was the idea of David Hinchliffe, our excellent former Chairman. I am sure that his successor, the right hon. Member for Rother Valley (Mr. Barron), will prove equally excellent. It is a shame that David Hinchliffe, who retired at a relatively early age at the last election, is not with us this afternoon. He was keen to hold the inquiry, a highlight of which was our visit to Australia. I warn the House that I shall shortly be submitting a photograph taken on that trip to the caption competition in *The House Magazine*. I was not in the photograph, which shows a number of my colleagues who look like Snow White and the seven dwarfs. I hope that the winner of the caption competition will invite me to enjoy a glass of whisky.

As the hon. Member for Newport, West said, unfortunately only two members of the Select Committee responsible for the report are in the Chamber today. That is no discourtesy to the House. One of the members who participated in the inquiry, Patsy Calton, tragically died at an early age. As several other such members were regrettably defeated at the last election—I say that genuinely—the membership of the Committee changed.

The report is excellent. Following on from a point made by the hon. Member for Newport, West, may I say to the Minister that we are just a little disappointed that in contrast to many responses to the report, the Government seem to have said no to more of our recommendations than is usual? I would appreciate hearing from the Minister why the Government were so firm.

I now part company with the hon. Member for Newport, West because there is a danger that this is a debate in which we will want to have our cake and eat it at the same time. After hon. Members have heard my speech, they might say, "Hang on, that is exactly what the hon. Member for Southend, West has just done." The United Kingdom owes a great debt of gratitude to the pharmaceutical industry for its funding of significant amounts of medical research and the consequent reductions in cost to the national health service.

There is an argument that the regulatory burden on developing new medicines has increased markedly over the past two decades and that the balance between risk and benefit has been tipped a little too far in favour of the former. The National Institute for Health and Clinical Excellence is an important body, and my hon. Friend the Member for Windsor (Adam Afriyie) has referred to it several times today. However, our report said that the recent cut to its budget might have a significant impact on the speed at which new medicines reach patients. The Government's recent moves to extend the prescribing power of nurses and pharmacists, which many of us welcome, might render it more difficult to restrain the growing influence of the pharmaceutical industry and the increase in the medicalisation of our society.

I hope that I will not regret making this statement, although it will please the hon. Member for Newport, West, but there is a view in certain quarters that we can sometimes be seen as a nation of hypochondriacs. We all know about those who are really ill and perhaps never even go to a GP, while other people always think that they are dying, although they invariably live to be 100 or more. All the new products on the market to make us look more wonderful and feel better pressurise people to think, "It's out there; let's have it." However, as the hon. Member for Bolton, South-East (Dr. Iddon) said, that is perhaps due to accountants and advertisers, rather than scientists, who do such wonderful work.

There was a theme throughout the Health Committee's inquiry that highlighted the increased medicalisation of our society. Every malfunction in the human body can now be diagnosed as a defect and some sort of medication is available to treat it. It is thus no surprise that self-medication is on the increase and that GPs are put under more pressure by their patients. People can now access websites on which they can find out about whatever their problems are. I was interested by what was said about pancreatic cancer because many of us deal with constituents who come along and say, "My loved one is in dire straits. Here's this product; what can you do to try to make it available?" It is difficult to deal with such a situation.

The phenomenon is symptomatic of the pharmaceutical industry. It can be argued that the industry has been left to its own devices for too long. That was the thrust of the Health Committee report. The industry can target not only general practitioners, hospitals, treatment groups, medical journals and professional bodies in distribution campaigns, but individuals as well. The Health Committee thought that that practice put genuinely ill and vulnerable people at risk to some extent. Everyone, including patients and consumers, should be protected from pharmaceutical companies' persuasive product pushing. As a Conservative, I am certainly not in favour of the nanny state, but a balance must be struck and there is a role for Government, which is why we are genuinely disappointed that more of our recommendations were not accepted. The powers of the statutory regulator—the Medicines and Healthcare products Regulatory Agency—should be strengthened to ensure that the evidence produced by pharmaceutical companies truly reflects the findings of their clinical trials. That research should be undertaken in a professional manner, and the disadvantages as well as the benefits of licensed drugs should be well known to people who prescribe and use them.

I welcome the revised and updated Association of the British Pharmaceutical Industry code of practice, which was announced on 16 November. It will govern the UK-based pharmaceutical industry's relations with health care professionals from January next year. It highlights the key priority of patient safety, and sets guidelines and restrictions on pharmaceutical companies' advertising strategies. It bans promotional competitions, including one cited in the Library briefing. In September 2005, a dentistry magazine featured a promotion for the drug Periostat that included a competition to win an iPod Mini. I have not entered the competition, but I am tempted to encourage my children to do so, as they all want iPods for Christmas.

Responsibility for clinical practices should not lie with the pharmaceutical industry alone. The Health Committee strongly recommended that doctors should be obliged to declare significant sums of money or gifts that they receive as hospitality, and that they should register them with their professional bodies. The profession will say that only a tiny minority is involved but, even so, we believe that those gifts should be registered. Likewise, the ABPI code tightens the rules on hospitality, stating that delegates to company sponsored events, as we have heard, should only be flown economy class. However, it does not go as far as banning provision for five-star hotel accommodation, which is a shame.

The ABPI says:

"There are rigorous guidelines for conducting clinical trials and a code of practice governing all promotional activities."

Despite those assertions, a number of practices have emerged that are clearly against the public interest, including the suppression of negative clinical trial findings resulting in a body of evidence that does not

[Mr. David Amess]

allow a transparent view of a product's risk-benefit ratio. That is especially important, as guidance such as that produced by NICE is based on such published evidence.

Dr. Ian Gibson (Norwich, North) (Lab): Is the hon. Gentleman aware that a Sheffield university lecturer was sacked because, although he was not quite a whistleblower, he queried a decision? He began some work, the results of which were sent to Proctor and Gamble. He queried the company's decision to allow a drug on to the market, and he was sacked. Is that ethical and is it good practice, or is it a one-off event?

Mr. Amess: The House will have heard what the hon. Gentleman said. It is a valuable intervention, which I know the Minister heard. I hope that the case was a one-off, but I suspect not. We should reflect on it, and perhaps the Minister will respond.

It is gratifying that the industry is being forced to look seriously at the concerns that we raised in the report about its professional practices. It should be stressed, however, that the code is voluntary, without the backing of law. The code promises reforms to speed up the complaints procedure, with tougher measures to withdraw products during investigations, but on close examination, the sanctions for companies that break the code are lightweight in relation to the serious implications of such failings, with naming and shaming taking preference over financial penalties.

I shall not attempt to pronounce the name of the editor of the *Drug and Therapeutics Bulletin*. He was quoted in the *British Medical Journal* on 26 November as saying:

"This has been heralded as a new dawn in the promotion of prescription medicines and allied activities. But the problem is that the code is fundamentally weak because the ultimate sanction a company faces for breaking it is very limited."

Indeed, the ultimate sanction that a pharmaceutical company can face for breaking the code is expulsion from the Association of the British Pharmaceutical Industry. As the House has heard, that has never happened. What we should be striving towards instead, as the Select Committee report suggested, is the strengthening of the MHRA, the statutory regulator that exists purely to protect the public interest, independently of the industry.

I am not suggesting that the Department is naive enough to assume that the interests of the health sector and of the pharmaceuticals industry are synonymous. Clearly, although there is an overlap, the former is driven primarily by patient care and the public interest, whereas the latter must also weigh medical need against the returns that it will get from its investment. This is why, quite wisely, the Committee concluded that a key recommendation of its report would be that the sponsorship of the industry be passed from the Department of Health to the Department of Trade and Industry, so as to avoid that conflict of interest. I very much regret that this recommendation was rejected by the Government in their response to our report. I hope the Minister will comment on that.

Overall, the tone of the Government's response was complacent. We have heard from the Chairman of the Select Committee that he was responsible for geeing up the response. Whether it was prepared too quickly I do not know. In reply to a number of the Committee's concluding recommendations, the Department of Health stated that the current guidelines or measures were sufficient to deal with the concerns raised. The Committee does not accept that. For example, the Government did not strongly support the Committee's proposals to subject the MHRA to an independent review that would examine the regulation process with a view to making it more transparent. I much regret that.

The need for more transparency in the industry was another ongoing theme throughout our inquiry, not only so that medical practitioners and the public can make informed judgments about the evidence they are presented with by the pharmaceutical companies, but so that they are more informed about the materials considered by the MHRA in its inquiries. It was disappointing that in their response, the Government committed only to a suitably planned review of the MHRA

"perhaps on a four-yearly cycle",

without giving a start date for the review cycle, which leaves us unclear as to whether the process will go ahead. A four-year cycle is too loose and not realistic enough.

The issue of independent regulation is given added salience when we consider a series of controversial treatments that have hit our headlines in recent months. The hon. Member for Newport, West mentioned that following the death of a patient who had been taking the painkiller Vioxx, which, as he rightly said, has been shown to increase the risk of heart attacks and strokes, a US court found against the responsible company, Merck. During the case, it emerged that Merck had deliberately hidden its reservations about the treatment, which was a worrying discovery.

Here in Britain, the Minister announced at the end of October that primary care trusts should fund the treatment of Herceptin for the early stages of breast cancer, if it is clinically appropriate. He has probably not had time to read his boss's comments to the Health Committee on Tuesday, when the Secretary of State for Health was involved in an interesting exchange with a Labour Member. Herceptin has not yet been licensed for treatment in early cases, and to allow a politician to bypass all the licensing safeguards to demand that a treatment should be made available on the NHS is surely not a precedent that we should set.

Two weeks ago, I asked the chief medical officer about inoculation against tuberculosis. The old product ceased to be used when Parliament broke up for the summer recess, so there was no chance to challenge the decision in Parliament, and the new product is unlicensed. I do not want to start scaremongering among the general public, but I am concerned about the message that is being sent out. The House has probably forgotten that change, although I do not bear the scar of a TB inoculation.

Mr. Lansley: Does my hon. Friend agree that although this matter is not covered in the Health Committee report, the mechanism for the approval of vaccinations and immunisations is still within the hands

of the Department of Health and does not rest with National Institute for Health and Clinical Excellence? On TB testing, there is a very good case for examining the efficacy of the old technology for skin tests compared with new blood-testing technologies, and I have asked questions about that matter. At the moment, the mechanism sits inside the DOH and vaccinations and immunisations are not exposed to an evidence-based appraisal by NICE.

Mr. Amess: I like where my hon. Friend is leading me and am aware of his interest in the matter. The Minister has heard our exchange, and I am sure that the general public will become increasingly interested in what is going on. We certainly need to clarify the matter.

It is vital that new drugs are proven to be of real therapeutic benefit to patients, and clinical trials should therefore aim to produce health outcomes that are relevant to patient care rather than relevant to the profits made by pharmaceutical companies. That is why the Health Committee made the sensible recommendation that better communications should be established between the Medicines and Healthcare products Regulatory Agency and the pharmaceutical companies in the early development stages of a drug. There should be more post-licensing monitoring of medicines, which requires systematic appraisals of drugs on the market. I hope that the Minister will comment on that point in order to reassure the Committee.

There is no doubt that medicines contribute enormously to the health of the nation. The hon. Member for Newport, West is not present, but I was concerned by his remarks about drugs to assist people who are depressed or who have other mental health problems, because I think that he overstated the case against those drugs. For many people, they are the source of a better quality of life, negating the need for surgery or other invasive treatments.

Economically speaking, the production of pharmaceuticals is the third most profitable activity in the United Kingdom after tourism and finance. The UK should be very proud of the many achievements of its domestic pharmaceutical industry, as it has an excellent global reputation for scientific research, accounting for 10 per cent. of global research and development expenditure.

In order to maintain that wonderful reputation, the Government must act to protect the public, especially the elderly and less well-off, who are the biggest users of prescription-only treatments but also the most vulnerable people in society. It would be unrealistic to rely on the pharmaceutical industry to protect the public interest through self-regulation, but neither must we over-regulate through the statutory body. All restrictions on pharmaceutical companies must be targeted, and they must have a clear purpose in the promotion of public safety.

I believe that the United Kingdom's pharmaceutical industry is a respected and highly lucrative business, but I also believe that it is the Government's responsibility to ensure that it remains so.

2.51 pm

Dr. Brian Iddon (Bolton, South-East) (Lab): I have not come prepared to give a speech, but I should like to comment briefly on patient safety. I congratulate the Health Committee on an excellent report and my right hon. Friend the Member for Rother Valley (Mr. Barron) on introducing the debate.

I turn first to internet sales and self-medication, although the report does not cover that particular aspect. We are reaching the point where we have to think about regulating internet sales of medicines. A growing number of people are buying medicines that are available in this country and cheaper on the internet or that are unavailable in this country and have potential risks attached to their use. I am worried that people may be putting themselves at risk by self-medicating in this way. I am told that some of the information associated with these products that is given on the internet can be inaccurate. People should therefore use it with caution. I ask my hon. Friend the Minister to consider that.

Parallel trading is of even greater concern to me. Britain is one of the leading research countries in the discovery of new medicines. We have a very proud record, going back to the early sulphonamides and leading up to some of the most advanced anti-cancer drugs of today. That fine record continues to thrive, for various reasons. We have a good science base. The universities produce excellent scientists and medical people who do the research. We have tremendous hospitals that carry out excellent clinical trials, despite what has been said.

The whole environment in Britain is conducive to the discovery of first-class medicines. The pharmaceutical industry is of course profitable, as we have just heard. The pricing structure for the purchase of drugs by the national health service aids in the discovery of drugs in this country because medicines are sold at a higher price to the NHS than they are in many other countries throughout the world, including in Europe. Products that are available in this country can also be bought in Greece, but a country such as Greece does not contribute to the research and development of drugs to anywhere near the degree that Britain does. A product will be on sale in Greece, and in many other countries, at a much cheaper price than in Britain. The pharmaceutical companies in, for example, America, Germany and Britain export their products to countries such as Greece and Bulgaria with foreign-language packets and foreign-language inserted leaflets, so that the patient knows about all the side effects. An entrepreneur can therefore pick up those products in Greece much more cheaply than he or she can buy them in this country. The entrepreneurs then trade them back to Britain, where many may have been made in the first place.

There is a requirement to repackage the product if the box and the leaflet inside it have been printed in a foreign language. Therein lies the difficulty. The boxes are reopened, the leaflets are removed, new leaflets are put in, sometimes new labels are stuck over the French or Greek on the box and, often, even the boxes are reprinted. The product is then sold through the outlets that are commonly available in this country. That might appear okay, but there are problems.

Earlier this year, the Science and Technology Committee visited the small African country of Malawi. We split up into two teams—an agriculture team and a health team—and I joined the health team. We visited hospitals in Lilongwe and elsewhere in the country. I visited a small district hospital in the centre of Malawi,

[Dr. Brian Iddon]

which orders its drugs for some very sick patients from the central stores in Lilongwe. They are supposed to reach the hospital on the back of a wagon. Unfortunately, corruption is rife in many African countries as in many countries throughout the world. Many drugs do not reach the patients; they fall off the back of a wagon into the hands of a criminal entrepreneur. Consequently, patients die of tuberculosis, AIDS, HIV and all sorts of tropical diseases. They die as a result of parallel trading.

The entrepreneur trades the product that has been exported from a western country to Africa back to the western country because it is available much more cheaply in the African country than it is in, for example, Britain. Those parallel traders cause immense damage. In repackaging the products and sticking in another leaflet, mistakes can be made. For example, the drugs can be mixed up. However, I am even more worried about parallel trading from what I heard recently. As I said earlier, my great worry is counterfeiting.

The trade in counterfeiting drugs is growing at an enormous pace. People are copying drugs all over the world. Last evening, at a joint meeting of the all-party group on the packaging manufacturing industry and the all-party group on pharmacy, I heard that the counterfeiters are professional and are even buying the same packaging material as the professional companies use—for example, Pfizer in Kent. Obviously they do not have the same careful production processes and, in particular, they do not have the same quality control processes.

Last night, we were shown pictures of drugs that had been counterfeited. They had been made chemically, using the same processes, but there are impurities in all chemical processes. Our pharmaceutical companies have good quality control to ensure that there are no dangerous impurities in the drugs on the market in our countries.

So, what happens? A drug is counterfeited, often with impurities in it, and placed in packaging identical to that produced by firms such as Pfizer, GlaxoSmithKline and AstraZeneca. We were shown examples of those packages last night. When they were placed side by side with the real ones, we could hardly tell the difference. Inside the packages, the leaflets and blister packs also looked authentic. When we in the audience were asked which was the authentic drug and which was the counterfeit, or parallel-traded, drug, it was very difficult to tell the difference.

Mr. Walker: Is the hon. Gentleman aware that organised criminals are moving into this field because it is more lucrative than narcotics?

Dr. Iddon: I agree. I am suggesting that criminal entrepreneurs have now entered the parallel trading market. Last night, I was given a figure for the amount of counterfeit, parallel-traded products that are now entering the market in this country. I shall not repeat it because I cannot remember it accurately, but it was a very significant figure indeed. I ask my hon. Friend the Minister to listen to the industry on this issue, because it is now complaining very loudly, not only directly to the Department of Health but through trade organisations such as the Association of the British Pharmaceutical Industry.

Dr. Gibson: Is my hon. Friend saying that pharmacists do not know where the pills have come from? Do they simply make a judgment based on the colour of the box? How do they know whether they are getting the real thing?

Dr. Iddon: Pharmacists often do not know where the box has come from. Last night, we were shown a trick that the pharmaceutical companies have introduced. They have invented a new kind of print that is stuck on to the box. In the example that we were shown, the name "Pfizer" was used. The pharmacist is provided with a device that allows them to match an example of the print with the print on the box. If the print on the box is not authentic, it is possible to see the difference. However, it will not be long before the criminal entrepreneurs are doing the same thing.

Last night, we discussed how we could prevent the counterfeiting of drugs and the use of the parallel trading system. One suggestion was that electronic tags could be placed in the boxes. I suggested to the meeting—and I suggest to the House today—that when a pharmaceutical product leaves the factory, it goes out with a transport audit. For example, if it had been manufactured by Pfizer, it would come out of Kent and the transport audit would follow it through every stage of its journey. Perhaps, however, I have not thought the idea through; criminal entrepreneurs could find a way round that, too.

I must tell the Minister that we urgently—and I do mean urgently—need to have discussions about this matter, otherwise patients in our national health service are going to start dying as a result of taking these contaminated, counterfeit, parallel-traded products.

3.2 pm

Dr. Richard Taylor (Wyre Forest) (Ind): I should like to start by echoing the comments of the hon. Member for Southend, West (Mr. Amess), who paid tribute to the previous Chair of the Health Committee, the former hon. Member for Wakefield. I also pay tribute to the staff of the Committee, particularly the excellent Committee specialists, who assist the Clerks so ably. I also echo the comment that the right hon. Member for Rother Valley (Mr. Barron) has shaped up well in his first few Health Committee meetings.

I agree with the hon. Member for Newport, West (Paul Flynn) that the Government's response to the report was rather slim. It was also incredibly late. We finished our report on 5 April, but the response did not come out until September. I had imagined that the people who wrote these responses would not have much to do during the general election campaign. I do not think that the Minister wrote very much of it. Why was the response released right in the middle of the recess, when no one could really comment on it and we could not get any press coverage?

My other complaint about the response is that it is the most difficult one to follow that I have ever seen. We made 48 recommendations. The Government, in their wisdom, have renumbered them, so anyone who reads them has to

have both copies open in front of them. They would need to work out that our recommendation No. 18 was the Government's recommendation No. 2. Perhaps we made a mistake with the heading "Conclusions and recommendations". The Government may have thought that they were to respond to recommendations and not to conclusions. In any event, they responded to only 32 of our 48 recommendations, although, to be fair, some of their responses to those covered some of the others.

Although much has been said by other Members, regrettably only the hon. Member for Southend, West and I were on the Committee. I think that I can reassure those who were photographed in a remarkable disguise. The hon. Member for Southend, West somehow avoided that. I must take it up with him afterwards: why on earth was he not present? The disguise was like Ku Klux Klan garb, without the pointed hat but with just a narrow slit to look through. As I do not think that many of us will have been recognisable, I am not too worried.

Members have left me a good deal to cover. I shall begin with research. Five recommendations mentioned it, but only one was given the honour of a reply. As is well known, the Department of Health invests about a sixth of the amount invested by the drugs industry in research—about 0.8 per cent. of its budget. That may be why it did not feel willing or able to comment on an activity that is funded so generously by the industry.

Our recommendation 2—I had to struggle to remember what number we gave it—was not mentioned in the response. It states:

"Priorities for research into medicines inevitably reflect the interests of the pharmaceutical companies and are not necessarily well aligned with the medical needs of all patients. The industry will continue to undertake the bulk of research in this area, but there are improvements which could be made. We welcome Lord Warner's recognition of this and look forward to his proposals to align more closely the drug companies' research strategies with the public health aims of the NHS."

I thought that if Lord Warner, a Minister of State at the Department, had said that, there should have been a response, but try as I might, I could not find it.

Dr. Gibson: Did the Committee's study of research reach any conclusion on the merger mania in the pharmaceutical industry? When Glaxo and SmithKline merged, Sir Richard Sykes and Jan Leschly said that research would benefit from the merger because they would be working together. Is there any evidence that mergers lead to better research?

Dr. Taylor: I do not think that there was any hard evidence that that merger had produced an increase in research, but I do not think that we asked the question, so regrettably I cannot help the hon. Gentleman. The one thing I remember only too well about the Glaxo merger with SmithKline is that I had to sell my shares so that I would not have to declare an interest.

Several Members mentioned "me-too" drugs, the duplicates or near-duplicates of existing drugs, which are relatively cheap for companies to produce. We were rather down on them because of the number available. Three or four beta blockers will provide all that is needed in terms of variety, as will a small number of non-steroidal anti-inflammatory drugs. We issued a plea for a wider distribution of really effective local drug and therapeutics committees working over acute and primary care trusts to introduce some control to prescribing of that kind.

Clinical trials have already been mentioned briefly and several recommendations in the report refer to them. We wanted an independent register and records kept of negative trials and of drugs that were terminated due to side effects. We wanted to ensure that comparator drugs were used and that the particular comparator drug was the right one to choose. We wanted drug treatments to be compared, where possible, with non-drug treatments. It is not clear from the Government's response whether they have taken all those details into account; they seem rather to hide behind European rules.

I feel very strongly about the promotion of new drugs. Our recommendation 5, which was not answered, stated:

"The aggressive promotion of medicines shortly after launch, the sheer volume of information that is received in its many forms by prescribers and the 'promotional hospitality masquerading as education', in the absence of effective countervailing forces, all contribute to the inappropriate prescription of medicines."

I thought that that was a powerful recommendation.

I am interested to hear other hon. Members' comments on the Association of the British Pharmaceutical Industry code of conduct. I am slightly less dismissive of it than others. I agree that there may be an element of window dressing, as mentioned by the hon. Member for Newport, West, but I hope that it is at least a first attempt at self-regulation. In other inquiries, such as the one into obesity, the Health Committee has recognised that self-regulation of the food industry was probably a more practicable measure to aim for than strict regulation from outside. I will study the code of practice carefully. I am not sure whether it covers either ghost-writing or fees to experts, which are important matters.

Returning to the intensive promotion of new drugs, I would like to refer to another recommendation. To avoid confusion, it was our recommendation 33, though it appears as recommendation 6 in the Government response. Our recommendation stated:

"The intensive marketing which encourages inappropriate prescribing of drugs must be curbed. Present methods of supplying independent information, as described by Lord Warner, are inadequate."

We went on to recommend that

"the promotional material for a new product"

should be "pre-vetted by the MHRA". I believe that that is going to happen. We further recommended that

"consideration be given to limiting those who can prescribe a new drug in the two years following launch. Drug and Therapeutics Committees would be well-placed to implement this."

That provides another function for such committees.

In their response, the Government agreed that there should be proper controls, but they subsequently lost the plot completely, saying:

"There is no indication that the measures currently in place are not effective. The fact that generic prescribing has risen to nearly 78 per cent. (in 2003) clearly indicates that clinicians are writing prescriptions generically and not by individual company product."

[Dr. Taylor]

One cannot write a prescription generically for a drug that is new and under patent because it effectively does not yet exist. I was not very impressed with that aspect of the Government response.

An example of the rapid uptake of a new drug causing problems is of course Vioxx. It has been referred to by several Members today, but I will go over some of this ground again because it is so important. Vioxx was launched as an answer to all the upper gastrointestinal problems that undoubtedly occur through the use of existing anti-inflammatory drugs for various forms of arthritis. It was introduced in 1999 and withdrawn in September 2004 when work in America showed how dangerous it was from the point of view of causing heart attacks and strokes.

To express a slightly different view, we lost what was thought to be a potentially useful drug due to the unpredictable side effects brought to light by very widespread, very rapid prescribing. I have spoken to drugs firms about this and they claim that in fact, it was a good thing that Vioxx was prescribed so widely, because doing so brought the side effects to light much more quickly. I do not quite follow that argument.

During the inquiry, we visited University College London hospital to hear about its Use of Medicines Committee. We were incredibly impressed with its drug formulary, which is used not only by the hospital trust but by the nearby primary care trusts. Because members of those trusts are on the committee, it is also well accepted by the GPs in the area. Its prescribing levels of Vioxx—surprise, surprise—were lower than the nationwide average because it had careful guidelines. It took the view that this is a new drug and no one knows entirely what is going to happen, so we should be careful with it, please.

Paul Flynn: Does the hon. Gentleman believe that, given the problems with Vioxx, which is just one of the COX-2 inhibitors, there is reason to look carefully at other such inhibitors? Some 1 million prescriptions were issued for Vioxx, but 3 million prescriptions have been issued for other COX-2 inhibitors that are still being prescribed.

Dr. Taylor: I agree absolutely with the hon. Gentleman, and I shall deal with another point relating to COX-2 inhibitors in a moment.

On the explosion of new drugs, several of our report's recommendations pointed out that prescribers must share part of the blame; we cannot put it all on to the pharmaceutical companies. In this respect, local drug formularies are vital. Prescribing should possibly be limited to certain groups of doctors, and they certainly should have better education on these matters. Both the British National Formulary and the *Drug and Therapeutics Bulletin* are absolutely essential in that education process.

I am rather worried by a communication that I received just yesterday from the *Drug and Therapeutics Bulletin*, in which it pointed out that it is in discussions concerning its contract with the Department of Health to supply the bulletin free to 117,000 health professionals. At the moment, the Department of Health takes out a bulk subscription for doctors, nurses and other people who prescribe drugs. This little publication consists of just four pages. It can be folded, fitted into the pocket and read in the lift or on the tube, but it is incredibly important and valuable. A survey has shown that 89 per cent. of its readers find it either "very" or "quite" influential. It is in the top three of the most-read of such publications. The vast majority of respondents—86 per cent.—cited its independence as a very important factor. So I ask the Minister to examine the question of the withdrawal of that bulk subscription very carefully. The bulletin is extremely valuable to the 117,000 people who receive it.

I emphasise that the restricted prescription of new drugs is automatic when advances are made with drugs. Examples of that would include the new treatments for cancer or rheumatoid arthritis, for instance, as such drugs would be prescribed only by consultants. The recommendation mainly applies to the more popular drugs, such as those in the Vioxx group and, as usual, a balance must be struck between the pharmaceutical industry's need to get a return on its huge investment and the requirement to ensure patient safety.

I do not know whether the hon. Member for Newport, West saw last week's *British Medical Journal*, but it contains a most interesting report on a large group of patients who took one of the Vioxx group of drugs. The results throw into doubt suggestions that the drugs in that group are safer than the ordinary non-steroidals used for the gastrointestinal tract. The article is very interesting, and shows that we cannot win in this respect.

I was trained by wise and experienced physicians in the good old Westminster hospital, only about half a mile from here. One of them was practising when cortisone was invented and he had seen patients who were crippled with rheumatoid arthritis be cured absolutely for six weeks—the so-called cortisone honeymoon—but who had to come off the drug as soon as the side effects became evident. I was brought up to be extraordinarily careful with new drugs, because doctors do not, and cannot, know what they do. For example, thalidomide was introduced just after I qualified, and I am ashamed to say that I probably prescribed that drug for some people when I was a houseman at Westminster hospital.

The first duty of a doctor is not to cause harm. With reference to that, I came across the marvellous proverb:

"A merry heart doeth good like a medicine."

Sadly, that needs to be brought up to date so that it says "like a good medicine", as I am sorry to say that some medicines are not good, contrary to initial appearances.

I also came across a quotation from Sir William Osler, as follows:

"The desire to take medicine is perhaps the greatest feature which distinguishes man from animals."

The drug industry therefore has an extraordinarily favourable market right from the beginning: people want to take medicines as they do not believe that other types of treatment work. That brings me to the need for regulation, a matter that has been covered extensively by several hon. Members already.

I am sorry that the Government have not agreed to an independent review. I am hoping against hope that the four-yearly cycle review will be independent, that it will

cover the ground set out by the right hon. Member for Rother Valley and so go some way towards removing concerns about the independence of the MHRA.

Just yesterday, concern was expressed to me that the replacement organisation for the Committee on Safety of Medicines, which was abolished on 31 October, is not yet in place. The Minister will correct me if I am wrong, but I understand that the expert advisory groups that will take the place of the CSM in advising the MHRA have not been set up yet. During that gap, are patients more at risk? I believe that the groups will not be in place until February, and they will not be functional immediately, so for how long will there be a gap during which patients are probably vulnerable?

On post-marketing surveillance, which has also been covered quite well, let me quote recommendation 29, which was our paragraph 45:

"We recommend that the extent, cost and implications of illness resulting from the use of medicines be systematically investigated by the Department of Health in conjunction with the MHRA."

It is known, as the Government's response states, that the burden of adverse drug reactions on the NHS is high, with 6.5 per cent. of hospital admissions due to it.

Why is that still happening? Many statements in the British National Formulary, which many doctors carry, will enable the sort of side effects that lead to illness to be avoided. A classic side effect of SSRIs—selective serotonin reuptake inhibitors—particularly in the very old, is to cause a drop in the sodium level in the blood, which can be extraordinarily dangerous for the elderly. Three people in my area have suffered that side effect, which is mentioned in the British National Formulary. These are matters of education to be considered.

I look forward tremendously to electronic prescribing, which has also been mentioned, as the electronic system, when it is really working, will be able to flag up immediately side effects with other drugs or a contraindication with the age of the patient, and could make a tremendous difference.

When the Committee visited Australia, we were impressed by the production of a series of lovely little pocket books of well-organised therapeutic guidelines across many subjects in the whole of medicine. We are lagging behind on that. The only disappointment was that it did not appear that the Australian authorities had done a trial on hospital admissions due to drug-induced illness, to see whether those guidelines, which were being used widely, were making a difference.

Possibly one of the most controversial recommendations, which has been mentioned, related to the Department of Health's concern to represent the interests of patients, the NHS and the drug industry, which was described by some of our witnesses as "cross-dressing". One of the recommendations, which was responded to but in a negative way, referred to the Department of Health's role, which, because of those wide responsibilities, perhaps does not serve the public as well as it should.

I agree with everybody that we must retain a viable pharmaceutical industry. If we consider rough figures, however, 90 per cent. of the world's research is targeted at illnesses affecting only 10 per cent. of the world's population. We would love to see some guidance given to the major pharmaceutical industries to give some help to those huge numbers of the world's population who are not being thought of. In Australia, we came across one small firm making a microbicidal gel for the prevention of HIV/AIDS. That would be relatively cheap and a huge advance. I would love the Minister to comment on whether the Government can try to influence the industry in that way.

Mr. Lansley: Let us give credit where it is due. The World Health Organisation has instituted the global campaign for microbicides and the British Government have allocated £16 million in support between 2003 and 2006.

Dr. Taylor: I am aware of that and I agree.

The Government somehow have to balance the needs of patient safety and the industry's ability not only to survive, but to survive in a reasonably profitable form. The lesson that we learned in Australia from New Zealand was that the controls were so firm that the pharmaceutical industry had virtually moved out of that country.

3.30 pm

Mr. Charles Walker (Broxbourne) (Con): I am grateful for the opportunity to speak in this important debate. I thought that I would need to have my boxing gloves on, metaphorically speaking, to take on the hon. Member for Newport, West (Paul Flynn), but as I listened to his excellent speech I found that I agreed with much of it.

I must first declare an interest in that Merck Sharp and Dohme is based in my constituency. I am pleased to have that company there, it is a good employer and I hope that it continues to operate out of the UK as well as other countries. The pharmaceutical industry plays an important role in the UK. It employs many hundreds of my constituents and across the country it employs many tens of thousands of people. It spends a vast amount of money on research—it should be remembered that only one or two in 100 drugs on the drawing board reach fruition. Of course, pharmaceutical companies need to make returns on those one or two to fund future research. I have no objection, therefore, to pharmaceutical companies marketing more aggressively than perhaps the hon. Gentleman would like to see them do, or to their making a profit.

Before I became a Member of Parliament, I worked in health care as a PR person. That is why I listened with great interest to the hon. Gentleman. At the tender age of 27, I was responsible for promoting certain diseases, one of which was osteoporosis, and 11 years ago, it probably needed promoting. The system works as follows. Some motivated and passionate charities are connected with certain diseases, and they have very little or no money. In such cases, generous pharmaceutical companies with a treatment for one of those diseases come along and sponsor some of the charities' activities. As I said, we needed to promote osteoporosis because so many people, especially women, were afflicted with it, and politicians—we had a Conservative Government then—did not take it seriously or see it as a priority.

I have to say that I now regret my involvement in promoting some diseases, especially depression. While some people do suffer from serious depression and

[Mr. Charles Walker]

SSRIs are useful drugs for treating it, I am concerned that too many doctors, for whatever reason, prescribe SSRIs without taking the time to understand the causes of their patients' problems. I understand, from talking to many of the same charities to which the hon. Gentleman has talked, that sometimes a patient gets less than five minutes and to get them out of the door they are prescribed SSRIs, which can have serious side effects for some people and cause great discomfort. They can also be very difficult to come off. I hope that as a result of this debate the Minister will take away the concerns about SSRIs. Perhaps we need a process of education for GPs to ensure that they take more time to understand the root causes of people's problems before prescribing a pharmaceutical solution.

I am glad that the ABPI recognises some of the concerns about support for patient groups and paid-for doctors writing in support of drug companies' solutions to an illness. Coming from a PR background, I am aware that there was always a difference between an advertorial and an editorial, and perhaps we have seen editorials that should have been branded as advertorials. There should be greater transparency. Pharmaceutical companies should make it clear which groups they support, be they academic or charities, and when a doctor or professional writing in support of a treatment is in receipt of funding from the company producing that treatment, that should be made clear.

This was intended to be a short speech, so I shall conclude by agreeing with the hon. Member for Bolton, South-East (Dr. Iddon) on the danger of counterfeit medicine and internet pharmacy, 99.99 per cent. of which is unregulated and operated from places such as Tonga in the Pacific. Drugs that are sold back to the UK may be as harmless as sugar but, for example, if a woman were to take Propetia, it could have severe, possibly even life-threatening, implications for her health. I hope that I can join the hon. Gentleman, perhaps in a future debate in Westminster Hall, to explore that problem, which was not covered by the report.

Madam Deputy Speaker, I thank you for allowing me to take part and I thank all Members for listening to me so closely.

3.35 pm

Adam Afriyie (Windsor) (Con): It is a pleasure to participate in this debate. We should be thankful to the pharmaceutical industry, which, over the past couple of hundred years, has introduced cures and treatments for ailments that affect many people. We should be thankful to the Select Committee for its excellent report and recommendations. We should also be thankful to Parliament for establishing the National Institute for Health and Clinical Excellence, which does good work in regulating what comes on to the market as an acceptable treatment.

The Select Committee report and the Government response are concerned with life-and-death issues, particularly with regard to the speed with which treatments reach the market. I should like to raise three brief concerns, the first of which is the funding available to NICE. There was a clear recommendation that its funding should be increased. The Government response was fairly clear: they would look at the matter in the round in the future. It is slightly more urgent than that. If we expect NICE to do its work, the fact that so many drugs are coming on to the market and so many clinical trials are taking place mean that its funding needs to be increased, and soon. The £3.5 million that was withdrawn resulted almost directly in one of the appraisal panels being closed. Perhaps the Minister can say a few words about that in his response.

My second concern relates to the recommendation from the Secretary of State that Herceptin be fast-tracked and that PCTs should begin allowing women with early stage breast cancer to use the treatment. I welcome that decision—by all accounts, the drug is effective—but it raises concerns and questions. On what basis should a Secretary of State for Health intervene in the process? On what basis should the Secretary of State select a drug or treatment for fast-tracking? Surely there should be overt, rational and robust guidelines that are open for everyone to see, so that any decision is not made as a result of public pressure or, dare I suggest, PR pressure from the pharmaceutical industry. Although the decision raises some questions, I was delighted with the recommendation.

My third concern is that medicines reach the market on the basis of robust evidence. I said earlier that if NICE is unable to see all of the evidence, clinical trials and data on a treatment, it is not necessarily in a position to make a sound judgment. If it sees only the published reports of clinical trials, it is not seeing the full picture and it cannot necessarily make a fully informed judgment.

The House and the Government have a duty to protect people from unsafe medicines, and NICE does a good job in the circumstances. However, I urge the Minister to take a good look at, first, the guidelines for NICE to ensure that it can consider all the evidence involved; secondly, the basis on which the Secretary of State for Health can circumvent or intervene in the process of drug prescription; and thirdly, the funding available to NICE, so that, as patients and the pharmaceutical industry make more demands in the future and the evidence becomes clear that certain medicines look useful, those medicines can be processed, examined and reviewed very quickly by an excellent institute.

3.40 pm

Mr. Andrew Lansley (South Cambridgeshire) (Con): This has been a very good debate, and I am delighted to have had the opportunity both to listen and to respond to it. I apologise, Madam Deputy Speaker: I am part of a Standing Committee upstairs, so I had to depart once and was unable to hear all that my hon. Friend the Member for Southend, West (Mr. Amess) had to say.

I join other hon. Members in congratulating the Health Committee on its work. Its report has already proved to be a very important; it has led to action by the Government and the pharmaceutical industry. I am sure that the Health Committee will help to guide and press for action in the future. As the Chairman of the Select Committee said, it will return to the issue and rightly so, and it would be very useful if it did precisely that in one or two instances that I might mention during my remarks.

I want to say a special word of thanks to David Hinchliffe, the former Member for Wakefield, who was Chairman of the Health Committee when I was a member of it in the early part of the 1997 to 2001 Parliament. He did a remarkable job. Many people across the NHS very much valued his work, and the right hon. Member for Rother Valley (Mr. Barron) will be a distinguished and equally competent successor.

The right hon. Gentleman was quite right to point to the importance of safety, which is a central issue. I was surprised, particularly during the discussion of Vioxx, that there was little mention of the subsequent actions by the pharmaceutical industry to promote the publication of all clinical trial data. That is an important matter. The Select Committee considered the origin of the problems with Vioxx, and they were substantially related to the failure of transparency on clinical trial data, as well as, arguably, the company responses. If we are to deal with those problems, we require not only ethical responses on the part of pharmaceutical companies, but the sort of transparency that allows early indications of effectiveness to be challenged by others using the data.

The hon. Member for Newport, West (Paul Flynn) rightly illustrated the fact that it is terribly important to use the data properly. However, if he is right and there have been instances where conclusions reported in medical journals are not consistent with the data—that would be entirely wrong—it is absolutely essential that other researchers have access to the data in a form that allows them to engage in the scientific method and to challenge the conclusion that others have reached. That is what science is about. We applaud scientists for what they are doing, so we should give them the maximum opportunity to use their method in that way.

Paul Flynn: Is the hon. Gentleman aware that Eliot Spitzer in New York took GlaxoSmithKlein to court and the company was fined? That revealed a truly shocking picture of falsified research: negative results were ignored; results showing that new drugs were not as effective as placebos had been buried and not published; and the results of trials during which people had died had been suppressed. That is a dreadful record and although I tried to congratulate the drug companies on having changed their act, the past is one of deception, errors and manipulation on a scale that most of us could not imagine.

Mr. Lansley: I understand the point that the hon. Gentleman has been making and I do not doubt his long history of work on the subject. He does an important job and I do not dispute that. We need people in this place who come at the arguments from many different angles, but his argument seems to be that the bottle is one tenth empty. We must remember that the bottle is nine tenths full; the pharmaceutical industry has made and continues to make a remarkable contribution to the public benefit by improving our health.

One of the Government's central messages is about the reduction in mortality from coronary heart disease, but they know perfectly well that that has occurred throughout the world as a consequence of the introduction of statins. That is but one example. The hon. Member for Bolton, South-East (Dr. Iddon) rightly gave the hon. Member for Newport, West a short lecture on the range of benefits that the drug industry has brought us.

The hon. Member for Bolton, South-East was also right to point out the risks associated with both parallel trade and internet trading, which are not necessarily the same thing. Parallel trade is not illegal. It is a consequence of the fact that we do not have a single market in pharmaceuticals, nor are we likely to. I am certainly not saying that we should leap to that situation. We have to acknowledge that large price disparities, especially in parts of Europe, can have a substantial impact on trade and can dramatically undermine the intentions behind the pharmaceutical price regulation scheme. We need to be aware of that and, if necessary, adapt the PPRS in response. I shall return to the PPRS later.

Counterfeit trade is illegal and extremely harmful. Everything I hear confirms that the scale of internet trade in counterfeit drugs is rising. Whenever there are questions about the preparations for pandemic flu and the availability of Tamiflu, the counterfeiters try to trade on that public concern and satisfy the demand.

We have not talked much about the necessity for public information. There is a range of possibilities for better informing the public about the availability of drugs and about why some medicines should be prescription-only. We need to think hard about the circumstances in which they should become pharmacy medicines. That has been advantageous in the case of statins and the same may be true of antiviral drugs in the future.

We must also consider the public understanding of risk, about which we could talk for a long time. If the public become direct participants in reporting adverse drug reactions and adverse events, as they will under the yellow card scheme, they need to be much more aware of risk and the kind of adverse event that we anticipate. I am sorry that there was not more discussion during the debate of the Government's response to the yellow card scheme, which is important, although we should not get too carried away. The yellow card scheme in the UK did not disclose the problems with Vioxx, nor did the Medwatch scheme in the United States. As the Select Committee pointed out, they were largely disclosed during large-scale, long-term trials, designed to establish the efficacy of non-steroidal anti-inflammatory drugs in the treatment of other conditions. That illustrates that the longer one continues the process, the more trials one does and the more patients who are exposed to a drug, the more likely one is to establish safety data. I am not a scientist, so I cannot explain how the procedure works, but I am confidently assured that although trials that establish efficacy, safety and quality for licensing purposes are immensely expensive, there are many reasons why their scale is not necessarily sufficient to establish safety against a range of untoward events. Such trials disclose immediate safety events in controlled populations, but they do not reveal less common events that could occur in larger populations. That explains why we must think about post-licensing surveillance, which is important, as the Committee and the right hon. Member for Rother Valley rightly pointed out.

[Mr. Lansley]

There are several factors that could help us to achieve that. The national health service could be an important international organisation in the process. It would help the pharmaceutical industry in this country if we could use effectively the connecting for health programme, the electronic patient records and everything that goes with them to create population-wide databases that would give us good information about adverse events. We have the general practice research database, but if that were to expand and migrate into the connecting for health programme, it would help us enormously. Although we have prescription-event monitoring at the moment, I understand that about 30 per cent. of GPs do not participate in it. We need something that will be effective across the board and not likely to be affected by any distortions and biases that might occur due to the self-selection of participants.

The document "Safer Medicines", which was published by the Academy of Medical Sciences only two weeks ago, makes interesting reading. I do it an injustice by picking out only one or two aspects of it, but it addresses useful matters that have not been mentioned. The document refers to conditional approval, which would occur if licensing meant not simply saying that a firm could market a drug without any further conditions, but saying that there were as yet unproven safety considerations that would have to be addressed through the subsequent use of the drug. If a company were able to extend the life of patent protection while it continued to acquire data, it would be in its commercial and economic interests to undertake much of the larger-scale work that would be necessary to acquire data from a wider population who were using a drug that was effective for their needs, rather than only those involved in clinical trials. It would thus be understood whether any contraindications associated with the drug would affect its final licensing approval. The academy did not recommend such a scheme, but as it discussed it, I thought that it would be an interesting matter to put to the Minister for further debate.

Secondly, the academy referred to the importance of using European data. Of course, the sooner one arrives at a point at which a large population is using a drug, the more likely one is to identify adverse events that might occur. The academy refers to the need for an international co-ordinating centre on drug toxicity and the ability to undertake DNA sampling. The beauty of such an approach is shown by the fact that we increasingly find that drugs might be especially effective in circumstances in which people have a genetic predisposition. For example, Herceptin is likely to be effective for the 20 per cent. of women with breast cancer who are HER2-postive. Equally, there may be genetic predispositions towards adverse drug reactions, and we must focus as much on that possibility as on the positive opportunity to find drugs by understanding people's DNA responses. If we can do so, that will provide another positive benefit.

My hon. Friend the Member for Southend, West made a good point about tuberculosis testing and the Mantoux test. If we are to have a NICE mechanism whereby the NHS undertakes evidence-based appraisals of clinical and cost-effectiveness to inform its clinical activity and priority setting, and if vaccines are available as alternatives to drugs and chemical compounds for the treatment of prostrate cancer and other cancers, I can see no reason why those vaccines should not be subject to NICE analysis. Indeed, that would have a positive benefit, as it would be more transparent. I have voiced the persistent complaint that the joint committee on vaccination and immunisation fails to give transparent advice. Its advice is subject to delay, and all the papers submitted to it are effectively invisible, because it is only the minutes of meetings that appear on its website several months after the meetings themselves are held. My constant plea is that we should have more transparency, as vaccines will become increasingly effective treatments.

Another major issue raised in our debate is the take-up of drugs and the extent to which the NHS, through NICE, can access information about new drugs and their cost-effectiveness. My hon. Friend the Member for Windsor (Adam Afriyie) is right that there have been reductions in NICE funding, which has reduced the number of its appraisal committees from three to two at a time when their work load is increasing. For example, 29 new cancer drugs, a proportion of which will be fast-tracked, have to be submitted for appraisal. I shall not even consider the number of clinical guidelines that NICE should use, as it is important to focus on appraisals.

We have urged Ministers to make good the reduction in NICE's resources, and I hope that the Minister will confirm that the Government will do so. The aim of the review of arms-length bodies associated with the Department of Health was not to cut bureaucracy but to try to focus resources on those that would be of the most value to people working on the front line in the NHS. The Health Committee emphasised the need for NICE to gain access to all the data accompanying licence applications to the Medicines and Healthcare products Regulatory Agency. As NICE will increasingly conduct appraisals alongside the MHRA, we may need to consider incentivising the acquisition of the appropriate data for NICE purposes while ensuring that companies are aware that they must produce data for MHRA licensing approval. Very often, those things happen in series, because the data required by each body are not the same. Companies are not sure whether NICE will make an appraisal, so any work that they undertake at an early stage may be costly and abortive. As the hon. Member for Falmouth and Camborne (Julia Goldsworthy) said, they do not know whether Ministers will refer a drug to NICE, or whether there will be a delay.

We need greater independence in the process of choosing what should be referred to NICE and when. For the purposes of appraisal and issuing clinical guidelines, I accept that it is Ministers' responsibility to determine what should be referred to NICE. The structure for the appraisal of new drugs should be straightforward and independent. If they are likely to be a cost-effective response to existing NHS requirements to provide treatment, should that not be communicated to the NHS as soon as possible after independent assessment?

Herceptin was mentioned by the hon. Member for Falmouth and Camborne and others, and it raises significant issues. The hon. Member for Newport, West spoke about the speed with which drugs are taken up. As

it happens, Britain is not a country where drugs are taken up with alacrity. In October the Karolinska institute published a report, with the benefit of financial support from Roche, which I none the less think is true, showing that although Britain has the highest level of direct cancer research, we have one of the slowest rates of take-up of cancer drugs in Europe.

Dr. Iddon: Does the hon. Gentleman agree that the take-up of cancer drugs would be even slower if we did not benefit from translational research, where the clinicians work side by side with the scientists in wonderful institutes such as the Christie hospital and the Paterson laboratories in Manchester?

Mr. Lansley: Indeed. I have had the benefit of visiting the Christie hospital to see how translational research allows the whole range of cancer treatments to be provided in the same place, which is why, earlier this year, it was important to me to support the hospital in its argument that cancer surgery should not be transferred to another institution.

I agree with the hon. Member for Bolton, South-East, not least because in the new year Cancer Research UK will open its largest UK research facility at Addenbrookes hospital on the Cambridge biomedical campus. There will be 600 dedicated cancer researchers in my constituency, who will be operating alongside clinical teams. That will not be just translational research. As time goes on it will be the closest that Europe gets to the National Institutes of Health.

I know that the Government are proposing to create a virtual national institute for health research, but at the Cambridge biomedical campus we have everything from the laboratory of molecular biology doing world-leading blue-skies research at molecular level through to teams doing translational work. Professor Bruce Ponder at Addenbrookes hospital will lead the oncology teams for the Cambridge University Hospitals NHS Trust while also being director of the new Cancer Research UK unit, combining responsibility for clinical work with responsibility for academic work.

We will not debate the availability of clinical academics, but if we do not reverse the recent decline in the number of clinical academics following the recommendations of Mark Walport's committee, it will be difficult for us to sustain the benefits of research. We talk about drug research, but if we are to translate that into benefits in clinical practice, we will need clinical academics, and the more of them we have, the more likely we are to retain the drug companies' commitment to drug development in the UK.

Dr. Iddon: That is the very reason for the controversial move of the National Institute for Medical Research from Mill Hill into central London so that the excellent work on, for example, stem cell research that is done there can be brought closer to the clinics in central London.

Mr. Lansley: The hon. Gentleman keeps touching a raw nerve. I have corresponded with the Medical Research Council for some time on that matter. The working group that decided that the National Institute for Medical Research should be in central London rather than Cambridge because of the institute's international obligations was deluding itself. The work of the National Institute for Medical Research relates to the work of the institute of stem cell biology, which will be in Cambridge, and of the laboratory of molecular biology, which is in Cambridge, and I could go on.

Although Cambridge university was not that fussed—plenty of candidates want to be on the Cambridge biomedical campus—it would have been justified in objecting, and I certainly felt that a peculiarly blinkered view was taken on where medical research can be carried out. However, University college and University college London will provide a fine home, and I will have nothing said against them. *[Interruption.]* I had to get there eventually. I also want to echo the remarks by the right hon. Member for Rother Valley about the importance of safety.

We must decide whether we believe in the process that NICE undertakes. We cannot believe in NICE and the independent evidence-based analysis of what is clinically effective and cost-effective, and then simply throw the results out of the window. The right hon. Member for Rother Valley and I share that view on infertility treatments, because if one asks NICE to produce guidelines, one cannot suddenly pop up and say, "Let's do something different."

I acknowledge that Herceptin raises a completely different question. The matter does not rest with NICE, because the licence has not been applied for. That prompts the question on what basis is Herceptin being prescribed. I know the answer, because Cambridge university oncologists, who are convinced of its effectiveness, have written to me. Across the country, there are instances in which clinicians can prescribe drugs before licensing on the basis of their own judgment of emerging clinical evidence. However, that is a judgment by clinicians rather than by the Secretary of State or by a professional executive committee. Individual clinicians examine the data and take responsibility for such prescription.

Before 2001, my predecessor, my hon. Friend the Member for Woodspring (Dr. Fox), suggested the creation of an exceptional medicines fund to help to accelerate the take-up of novel but potentially effective medicines in the NHS. I am not advocating that route—if we are devolving responsibility in the NHS, it is probably not appropriate—but it is one way to think about the problem. Even if we are devolving responsibility, we must examine, for example, the French system and understand more explicitly the circumstances in which such prescription should take place through the NHS. Perhaps we should involve NICE at an early stage in considering emerging evidence through clinical trials, even if the licensing process has not been completed. However, we should be aware that Herceptin, by its very nature, cannot be regarded as a precedent, and my party will not seek to use it in that way.

The rest of the debate has concerned how we can support the industry while achieving effective self-regulation. Hon. Members disparaged the new code of practice promulgated through the ABPI, but we have to view these things with a bit of discretion. Frankly, if one sends a senior consultant who might be earning £150,000 to Kuala Lumpur, one can try to put him in a three-star hotel but I am not sure that he will stay there.

[Mr. Lansley]

Nobody has been expelled from the ABPI. However, I wonder whether we would conclude that the new standards and privileges arrangements brought into this House in recent years must be defective because nobody has yet been expelled. I am not sure if that is the right basis on which to judge such matters. *[Interruption.]* I am probably tempting the hon. Member for Newport, West again. Self-regulation is a better way to proceed. Let us ensure that we work with the industry. If we can see reasonable enhancements to the code of practice that are likely to have an impact, let us by all means propose them, but I heard no such substantive proposals today.

We should think hard about how we support the pharmaceutical industry. We put an enormous burden on it as regards deciding where resources should go. An immense amount rests on its shoulders in terms of our futures. What would happen if those companies were to leave the UK? The disaster scenario would be GlaxoSmithKline deciding that it would be better off locating all its research and development activity in the United States. I do not suppose that it will happen—I fondly hope not, touching wood. That would have enormous consequences for this country, not only economically but in terms of our whole research base.

I want to mention two areas: first, NHS research and development activity; and secondly, the role of the pharmaceutical price regulation scheme. The Government's document, "Best research for best health: A new National Health Research Strategy", confidently asserts:

> "A summary of responses, including the next steps, will be published by 30 November."

As it is now some time after that, this is an excellent opportunity for the Minister to tell us what conclusions have been drawn from the consultation so far. Since 1991, when a director was first appointed, NHS research and development has grown in its scope and ambitions. I am pleased about that.

The additional five areas of clinical research networks will be terribly important, but we wait to see what scale of resources will flow into them. The clinical research network on stroke requires there to be corresponding levels of NHS research funding, because in comparison with cancer a very small amount of money is spent on supporting stroke research, notwithstanding that stroke is the third largest killer in this country and the major cause of adult disability.

Creating a network therefore needs the resources to support it. I hope that NHS research and development will take seriously the possibility of accepting more responsibility for the costs of clinical trials so that the NHS is in a position to undertake a higher proportion of such trials with patients.

The Under-Secretary knows that one of the major factors that differentiate five-year survival rates in Britain from those in, for example, France is the extent to which patients take part in clinical trials. The National Cancer Research Network was established in 2001 and the number of patients in clinical trials doubled but we remain some way behind France. Of course, we have only one national clinical research network. Clinical trials with patients should be conducted in the NHS. However, the costs of clinical trials in this country have doubled and the regulation has increased dramatically. I cannot dissociate myself from some of the responsibility for that because, when we considered the Human Tissue Bill, we added to the regulatory burdens. After many discussions with the Department of Health, we managed to reduce them, but they remain. The clinical trials directive and the Mental Capacity Act 2005 also added to them.

Many people who work on clinical trials and try to set them up tell horror stories about the number of bodies that they have to approach to set up a clinical trial. They include funding bodies, local hospital research approval bodies, distant research and ethics committees, and data protection committees. The list appears endless. Approaching all those bodies is not only expensive but can provide a major disincentive to clinicians, whose time is valuable to them and to the hospital when deciding whether to devote time to clinical trials. We need more patients in clinical trials.

Let me consider the pharmaceutical price regulation scheme. I made it clear before the election that, if we had the chance to do so, we would consider the range of matters that support a strong biomedical research capacity in this country. That includes the NHS research and development strategy and I am pleased that the Government have published a document about that. However, we should also consider the cost of clinical trials, which I have just mentioned, and the action that we can take against animal rights terrorists. The further legislation that the Government have proposed is right but the industry will tell them that it is important to ensure that there is a drive behind enforcement.

We should consider the economic framework through the PPRS. Although the report is excellent, the Committee described the PPRS and made a passing reference to reform in the context of marketing allowance, which, in the grand scale of things, is trivial, but did not tackle the central question of the purpose of the PPRS and whether it is a fit-for-purpose scheme. I do not suggest that it is not fit for purpose and no one in their right mind would suggest simply abandoning it and letting the industry charge what it liked for drugs that have intellectual property protection.

However, many other countries have alternative mechanisms and we need to consider carefully what happens on a European-wide basis. Too many other countries buy in a centralised system but benchmark themselves on an international basis and increasingly choose to benchmark their prices below the average. If that continues, one or two major markets—the US and Japan—will overwhelmingly provide the profit to the pharmaceutical industry while Europe progressively reaches a point where it pays much less. That will not be a sustainable basis on which the industry can regard Europe as its second home for drug research and development. We must understand how to incentivise the conduct of research and development in this country in circumstances whereby we increasingly expose the industry to competition.

I personally do not regard rate-of-return regulation as the right long-term solution, because it does not deliver genuine competitive pressures. The Government imposed a 7 per cent. cut, and no doubt that will deliver a reduction in the drugs bill. However, there is a lack of participation in the negotiations of the scheme by small drug companies and biotechnology companies, and this

last review of the PPRS has exposed the way in which small companies, often those bringing just one product to the market, are severely disadvantaged. The big companies that negotiate the PPRS are able to change their prices between branded products; there is no real constraint in that regard. So if they have a competing product in a particular treatment area, they can respond through their price structures in ways that a small company with one product simply cannot.

I still think that the PPRS provides an export disincentive. If companies are making major profits as a consequence of the exploitation of their drug in other markets, the price that they get from the NHS could be a disadvantage. There should be real incentives for exports, rather than disincentives. Although the research and development allowance went up, and although it can be an effective floor, I fear that it can also be a ceiling. Companies such as Pfizer have demonstrated the value of high levels of research and development activity in relation to their turnover, but our R and D allowance sets a benchmark and perhaps underplays the benefit of allowing companies to take a strategic option.

The Office of Fair Trading is engaged in a review of these matters. I believe that the House, whether through the Select Committee or some other means, should examine the health and NHS purposes of the PPRS. I am an advocate of what the OFT does, and Members will recall that it quite rightly tries to drive towards competition outcomes. It needs to understand, however, what the health and NHS purposes of the PPRS are, in the course of its review.

When the OFT considered the control of entry regulations in regard to pharmacies, it went away and thought about competition, and came up with a set of solutions. There was then a big row about the consequences because it had not taken fully into account the NHS purposes involved. Perhaps the answer is that we should derive all the competition benefits and, if the NHS wants other things, such as research, to happen, we might just have to pay more for that. Perhaps we should pay much more through the science and technology budgets to encourage companies to undertake their R and D here, and defray many more of the costs that they would otherwise meet.

I am absolutely sure that because the PPRS is not a statutory scheme—it is all voluntary—it is very difficult for us to get a handle on anything that happens in it. That is not necessarily because the Government and the industry are secretive; it is because there is no mechanism for the scheme to be examined. I am asking for a mechanism—perhaps operated through the Select Committee—by which we can examine the fitness for purpose of the PPRS. We should do this over the next year, not in three years' time, when any such examination would become confused with the question of the negotiations. It would be better to examine in theory what the PPRS is intended to do, before we arrive at the next PPRS negotiations.

Having said all that, I believe that the Select Committee has done an excellent job that has resulted in real, positive benefits in terms of the reporting of adverse events and the promotion of a new code of practice throughout the industry. I hope that the report will also lead to the more open and responsible use of clinical trial data and to the establishment of a scientific community that is able to give us a much better idea of what works and what does not, because we depend dramatically on the output of the industry.

4.23 pm

The Parliamentary Under-Secretary of State for Health (Mr. Liam Byrne): I am grateful for the opportunity to respond to this excellent debate. I, too, congratulate former and current members of the Select Committee on its report. I should like to add my own words of praise to those of the hon. Member for Southend, West (Mr. Amess) about the Committee's former Chairman, David Hinchliffe. Mr. Hinchliffe was very generous with his advice to me after I got this job, and I hope to be able to benefit from some of it this afternoon. I want to put on the record my thanks and praise for him.

My right hon. Friend the Member for Rother Valley (Mr. Barron) rightly began by saying that the House should be interested in an industry that develops new medicines from which we all benefit, and on which the national health service spends about £10 billion a year. Thousands of patients survive diseases such as cancer and coronary heart disease from which they would probably have died in the past.

The industry is in no small part responsible for the extraordinary advances that the chief executive of the NHS was able to mention in his report, which was published yesterday. He was able to state, for instance, that over the past few years mortality rates for cardiovascular disease had fallen by more than 31 per cent., and that those for cancer had fallen by 14 per cent. I am sure that the whole House will wish to congratulate the staff of the NHS on the way in which they have harnessed our investment and reform to produce such remarkable results, with the help of Britain's pharmaceutical industry.

My right hon. Friend presented an excellent summary of an excellent report, but before I respond to his points in detail, I want to deal with some of the points made by other Members. The hon. Member for Falmouth and Camborne (Julia Goldsworthy) is a direct beneficiary of some of the pioneering developments produced by the pharmaceutical industry. She referred to a number of issues involved in drug promotion, such as ghost-writing, regulation and Herceptin. I was pleased to learn of her concern about some of the future financing implications for the NHS. Fiscal rectitude does not commonly feature in Liberal Democrat speeches, but I welcome its emergence.

The hon. Lady made an important point about inappropriate promotion of medicines. The MHRA can and does take action against the practice. She mentioned the inappropriate promotion of iPods. In that case the MHRA took action to stop the offer and require corrective statements to be made by the publication in which it appeared. Like a number of other Members, the hon. Lady mentioned the ABPI code. The code has been strengthened, but the key point is that it is underpinned by statutory controls, including criminal sanctions for breach of advertising regulations.

My hon. Friend the Member for Newport, West (Paul Flynn) made an important contribution. His speech was well informed, well argued and backed by good evidence, as—I have come to learn—are all his speeches.

[Mr. Liam Byrne]

He also spoke with great passion. He presented a powerful argument about the medicalisation of society. The Government made their position clear in the public health White Paper "Choosing Health: making healthier choices easier". In the White Paper, we emphasised the need for the NHS to become a health improvement and prevention service. We are tackling that in a number of ways, putting health and prevention at the centre of our national service frameworks but also giving primary care trusts real means with which to tackle health inequalities and improve health.

My hon. Friend highlighted a dilemma. On the one hand, speed is needed in the licensing of drugs—my right hon. Friend the Member for Rother Valley, in particular, mentioned that—on the other hand, there is the need for safety. In that context my hon. Friend cited Vioxx, with which I shall deal later. There are real conflicts and dilemmas, and it was right for my hon. Friend to draw our attention to them.

The hon. Member for Southend, West made a fascinating speech. I cannot wait to see those photographs: I look forward to the arrival of the December edition of *The House Magazine*. He mentioned issues relating to the ABPI code, with which I shall deal in a moment. He also referred to NICE funding, MHRA statutory controls and industry sponsorship. Let me deal first with the NICE budgets, which were also mentioned by the hon. Member for Windsor (Adam Afriyie).

The Government created NICE for a reason, and recognise the value of its work. Its contribution to the health debate has been extraordinary over the past few years. The NHS and international medical science have benefited from its work. Like all arm's-length bodies, however, it has been asked to make savings in its back-office and accommodation costs. We have taken great care to protect the budget for its core work: the budget for 2004–05 is some £30 million. We are confident that NICE can deliver its challenging work programme within the existing envelope of those resources. It is, of course, for my right hon. Friend the Chancellor of the Exchequer to consider future spending in the spending review that will start next year.

The issue of statutory powers is important. From 1 January 2005, the MHRA has required pharmaceutical companies to provide all the evidence. The powers have always been robust, but the new requirement to notify the MHRA without delay of all new information impacting on risks and benefits is, I think, very important and the Select Committee will welcome it. Failure to provide such information is a criminal offence to which the sanction of unlimited fines and imprisonment applies. It was right for the Select Committee to highlight that matter. The new measures introduced from the beginning of this year will go some way to addressing some of its concerns.

The hon. Member for Southend, West mentioned Herceptin, as did the hon. Members for South Cambridgeshire (Mr. Lansley) and for Windsor. As we know, it has received considerable publicity from our constituents and also in the media. The drug is already licensed for women with advanced breast cancer, but not yet for those with early breast cancer. As the hon. Member for South Cambridgeshire said, a number of oncologists have pointed to its quite extraordinary potential.

It is already possible for clinicians to prescribe a drug outside licensing indications. It is then down to individual clinicians to decide whether it is suitable to prescribe a specific drug after discussions with patients, taking into account the potential risks, not least those suggested by the patient's medical history. Primary care trusts then have to be involved, as they have to decide whether to support a clinician's decision and supply the drug at NHS expense. They will have to take a range of factors, including the circumstances of the individual patient, into account in taking those decisions.

The position that my right hon. Friend the Secretary of State sketched out is really threefold. At the moment—pre-licence and pre-NICE—it is for individual clinicians to consider with patients whether Herceptin is an appropriate course of treatment. Secondly, PCTs should not rule out treatment in principle, but should consider individual circumstances in taking their decisions. Thirdly, PCTs should not refuse to fund Herceptin solely on the grounds of cost.

My hon. Friend the Member for Bolton, South-East (Dr. Iddon) made a number of important points about parallel trade. It is, of course, a legitimate trade that is allowed under EU law, but there are controls on it. If safety concerns arise out of parallel trade, I am sure that the MHRA will be keen to know about them and will subsequently investigate. My hon. Friend trained as an organic chemist, so I know that he is well qualified to comment about the risks in the process of counterfeiting. I completely agree that it is a growing concern. The MHRA is working with regulators worldwide to combat what is an international problem. Evidence at the moment suggests that incidence in the UK is low, and tools are in place, carrying criminal sanctions, to deal with it.

We certainly cannot afford to be complacent about that problem, particularly in the light of growing internet sales. I completely share the concern of my hon. Friend the Member for Bolton, South-East about the potential risk to the public. Public and patients are well advised to exercise great caution in purchasing medicines on the internet. My hon. Friend will know that the MHRA has had considerable success in taking action against illegal internet sales, which has been extensively covered in the media this week. It remains a difficult area to police and the MHRA continues to find new ways of impacting on illegal sales. I am sure that, as the hon. Member for Broxbourne (Mr. Walker) suggested, that matter will benefit from our further attention on the Floor of the House.

The hon. Member for Wyre Forest (Dr. Taylor) talked about many matters, particularly highlighting the need to align industry research priorities with NHS public health aims. As we are spending about £10 billion a year, that is not an unreasonable expectation. The Government found the Select Committee's conclusion extremely helpful. One of the ways in which we are taking its recommendations forward is through the UK's clinical research collaboration. As a first step, we have asked that a futures forum be held, to bring together many of the key stakeholders to advise Ministers on the future priorities for innovation in health care. The forum will be held in 2006 and it will be

informed by the results of an ongoing strategic analysis of current research, funded by partner organisations. The pharmaceutical industry will be included, and the report will be available next spring.

The hon. Member for Wyre Forest spoke about Vioxx with some import. Vioxx is an important part of the debate, particularly if we contrast the associated issues with those associated with Herceptin. There is a central dilemma and we are very grateful to the Committee for highlighting it. My questions, and those of other Ministers, are essentially the same as the Committee's. Why did pre-licence clinical trials not illustrate some of the problems? Were the trials long enough? Why did spontaneous adverse reporting not show up some of the problems post-introduction? As my hon. Friend the Member for Newport, West asked, what lessons can be learned to mitigate the possibility of such problems occurring again?

Like Herceptin, Vioxx was seen as an incredibly important drug. It had the potential to provide an important level of pain relief and it did not have the side-effects associated with many existing drugs. The pre-clinical trials did not show up all the various problems and although there were differences with the placebo group, they were on a pretty shallow curve. Indeed, it can take up to 18 months for some of the side-effects to become apparent. That said, patients were obviously anxious for this new and potentially very valuable drug to come on to the market as quickly as possible. Adverse reporting was not going to help because many of the associated side-effects can be attributed to underlying patient conditions, such as heart disease and diabetes.

Since then, an extremely important change has occurred. From the end of October this year, the licensing requirements for new drugs include the requirement for a risk-management plan, which must be agreed with licensing authorities. It can stipulate a range of requirements to monitor the effects and side-effects of new drugs, so for the first time, regulators have a degree of latitude in specifying, for example, the long-term clinical trials necessary in the new drugs field. That was an important issue for the Committee to highlight.

The hon. Member for Wyre Forest also discussed the promotion of new medicines. The ABPI code now restricts promotion on the launch of new products, but to underpin that code the MHRA is vetting the advertising material for new drugs. However, we will monitor the new measures and if they do not deliver the change that the Committee and the Government are looking for, we will have to look again at the current controls.

Expert advisory groups is another important issue that was raised. The Committee on Safety of Medicines will have expert advisory groups—some 14 of them—and they are in the process of being appointed. As Members know, the Government adhere very closely to the Nolan principles, so the appointments being made—from some 400 to 500 candidates and from every area of expertise, including lay members—will take a little longer. In the meantime, however, the committee can call on the expertise of an external panel of experts in order to cover specialist areas.

The hon. Member for Broxbourne, who has worked at the coal face of many of the issues that we have discussed today, raised the question of SSRIs, as did my hon. Friend the Member for Newport, West. The UK has gone further and has acted much faster in reviewing SSRIs than any regulator worldwide. The CSM's expert working group's report, which was published a year ago almost to the day, has been recognised as the most thorough review of a class of medicines ever undertaken. It resulted in new advice—backed by an unprecedented release of summaries of clinical trial data—which was published alongside NICE guidelines. The MHRA continues to monitor the safety of selective serotonin reuptake inhibitors, and this week issued new advice on the use of Seroxat in pregnancy. I do not think that that is a record of complacency.

I turn now to the points of substance contained in the Select Committee report, which my right hon. Friend the Member for Rother Valley spelled out with great eloquence. If I may, I shall take a slight detour through the vexed question of how many conclusions and recommendations the Government have accepted.

From what I understand, the Select Committee report grouped a number of recommendations into one overall recommendation. The Government responded to all the recommendations, and to the sub-recommendations that they contained. Of the 32 recommendations, 26 were accepted in full or in part. I know that the Government response took some time, but the Committee took 10 months to write the report, and it was felt that the response needed proper consideration. After all, as my right hon. Friend the Member for Rother Valley said, this is the first such report for many years.

My right hon. Friend the Member for Rother Valley raised various points, and I shall try to deal with each in turn. First, he asked about MHRA governance arrangements, an issue also highlighted by the hon. Member for Southend, West. When it was reviewed by the National Audit Office, the MHRA—which was then known as the Medicines Control Agency—was found to be a major contributor to public health in the UK. That was a welcome finding, as was the assessment that it was a world leader in some respects, such as in the field of drug safety.

The agency is tackling directly some of the issues raised in the NAO report, and the Government response strongly welcomes the Select Committee's suggestion that there should be a further review once current reforms have bedded in. In addition, and as is to be expected, Ministers continue to monitor the MHRA's performance. The agency has been strengthened by the adoption of many new internal controls of its own, which will ensure that the agency remains independent and its staff free of conflict.

Nevertheless, I welcome the suggestion from my right hon. Friend the Member for Rother Valley that the House should monitor the agency's progress closely. I am sure that his proposal that the House and the Select Committee should provide input in respect of the review's terms of reference will be of great interest to my right hon. Friend the Secretary of State.

As part of the ongoing reform process, the MHRA recently revised its medicines advisory committee structure. The Commission on Human Medicines came into being on 1 November. It is not a direct result of the Select Committee report, but it does deal with some of the issues raised in that report. For example, each

[Mr. Liam Byrne]

advisory committee now contains two lay members, to ensure that wider judgments are made about risk benefit as well as about medical and scientific matters. Importantly, the new structure allows the patient voice to be heard in the regulatory process, and the rules on the interests of committee members have also been strengthened. As a result, the new committee's chairman and members will not be allowed to hold financial interests in the pharmaceutical industry.

My right hon. Friend the Member for Rother Valley also raised issues to do with promotion and industry information, both pre and post-licensing, and six or seven points are relevant in that context. First, since the Government's response was published, much progress has been made on ensuring high standards in the promotion of medicine. For instance, initial advertising is now vetted before publication.

Secondly, the agency has delivered on its commitment to agree a memorandum of understanding with the prescription industry's self-regulatory body, which was published last month. Thirdly, and as the hon. Member for South Cambridgeshire pointed out, the ABPI code has now been strengthened.

Fourthly, a great deal of progress has been made in improving the quality of patient information, about which the hon. Member for Wyre Forest spoke most cogently. I have not had the benefit of visiting Australia to see how matters are handled there, but if I behave myself that opportunity may be afforded me at some time in the future.

The issue of promoting information to patients is important, especially in a world in which, as my hon. Friend the Member for Bolton, South-East (Dr. Iddon) mentioned, people are beginning to buy products on the internet. The new requirement for user testing of information in patient information leaflets came into force in the UK in July, ahead of the time frame in European law. That will deliver potentially the most powerful tool to ensure that the needs of patients are properly met. In the same month, the expert group of the Committee on Safety of Medicines published its report, "Always read the leaflet", with new guidance on user testing, risk communication and, importantly, the usability of patient information leaflets.

The fifth measure was on the safety monitoring of medicines, to which many hon. Members referred. As my right hon. Friend the Member for Rother Valley mentioned, patients and members of the public have been able to report suspected adverse drug reactions through the yellow card scheme since January 2005. Since then, around 750 yellow card reports from patients and members of the public have been received. Since the Committee reported, the UK-wide patient reporting pilot was launched in October, developed on the basis of considerable engagement with stakeholders, and supported by a major promotional campaign.

The sixth area, which many hon. Members on both sides of the House will welcome, is the registration of clinical trials. The Health Committee argued in favour of the registration of all clinical trials and the publication of the results of trials. The Government largely accept that argument. We fully support the case for transparency and accountability, and we are working nationally and internationally to get the principles applied in practice. A number of important developments have taken place in the past year, and it is now clear that the movement towards registering trials and providing much better public access to research evidence about safety and effectiveness is unstoppable. Much of the momentum comes from a shared aim of the Government and the industry to build public confidence. International pharmaceutical industry associations have made public commitments, which have been strengthened by the understandings in the UK. At the same time, the World Health Organisation is working on standards for trial registration and international agreement on systems to give easy access to information, and the European Medicines Agency is about to launch a public database called EuroPharm. We very much welcome all those developments.

To go further, however, the Government strongly support more openness and transparency in the regulation of medicines. The MHRA is making good progress in that field, as we highlighted in our response. A communication strategy is now in place, which considers how we raise the profile of the agency and increase the understanding of medicines-related issues among the general public. In our published regulatory information, all newly licensed programmes will be accompanied by a UK public assessment report, which will be posted on the MHRA website. The agency also regularly publishes summaries of clinical trial data to support key communications on drug safety, along with all details of adverse drug reactions.

Several Members, such as the hon. Member for Falmouth and Camborne and my right hon. Friend the Member for Rother Valley, mentioned the report in *The Observer* a week or two ago about the alleged case of research misconduct involving a comparative study of two drugs for the treatment of osteoporosis. The MHRA is investigating that at the request of the chief medical officer. The aim of the investigation is to establish whether there has been an abuse of the regulations governing clinical trials, but it will also seek to establish whether legislation requiring companies to submit immediately to the MHRA any new information that might affect the risk-benefit balance of the product has been breached. The Government view that as a very serious matter—false research can lead to the wrong treatment being given.

For academics who might be involved, who are not part of a profession, criminal sanctions are not yet available. At the moment, we rely on employers to take action. That is why we warmly welcome Universities UK's initiative in setting up a UK panel for research integrity in health and biomedical science. One of its functions will be to help research employers, including universities, the NHS and industry, to take effective action against allegations of scientific misconduct.

My right hon. Friend the Member for Rother Valley, in his concluding remarks, highlighted the need for speed in introducing drugs to market. That is something that is being addressed in part through the ministerial industry steering group, which brings together leaders from the pharmaceutical industry and Ministers to consider issues that might impact on the industry. One of those issues is how regulation can be adopted to accelerate the pace of introduction of new drugs to market, including what kind of controls are needed and

how can we gather safety data to avoid scares such as the withdrawal of Vioxx. We have to keep in mind the balance between public safety and the difference that new drugs can make.

The issue of NICE is part and parcel of that. I have dealt with the question of its funding and it is now out to public consultation on fast-track assessment on single therapies. Those assessments will sit alongside full appraisals. NICE is now prioritising its work plan to ensure that new needs are met.

I welcome much of the Committee's report, but I also welcome much of what the hon. Member for South Cambridgeshire said. He was right, in particular, to say that connecting for health has extraordinary power to help. I know that I am not supposed to say this in the new mood of consensus that has broken out on the Floor of the House, but connecting for health is not free. Its future rests on investment—the kind of investment that is precluded by policies such as the patient's passport. After the events of the past two days, I look forward to hearing about its future.

We have had a useful, lively debate this afternoon. The pharmaceutical industry brings enormous benefits to this country, to patients and the NHS and to the economy.

Mr. Lansley: If we are going to break the consensus, I shall ask the Minister this question. The Prime Minister at one point pledged that 1.5 per cent. of the NHS budget would be devoted to research and development. When will that happen?

Mr. Byrne: I am sorry to see that the consensus has collapsed as quickly as a soufflé. I do not have the precise figures on research and development in front of me, but I shall be delighted to write to the hon. Gentleman with the details of NHS research and development. It is an issue of great importance not only to the NHS, but to the country, which is why my right hon. Friend the Chancellor announced such bold proposals to increase funding in that area by, potentially, more than £1 billion over the next few years.

Mr. Lansley *rose—*

Mr. Byrne: No, I must conclude, because I know that my right hon. Friend the Member for Rother Valley is waiting to respond to the debate.

It is important that the relationship between the health service, the Government and the pharmaceutical industry is transparent. It is also important that continued investment goes into new drugs. Those drugs will be vital as we put record investment into the NHS over the next two or three years so that we can continue to make the advances that we have made in the battle against big killer diseases.

4.53 pm

Mr. Barron May I first say to the House—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The right hon. Gentleman should ask for the leave of the House to reply to the debate.

Mr. Barron: With the leave of the House, I wish to reply to the debate. I thought that the Whips had more influence on the debate than they have.

It was remiss of me not to say that the report was brought together and put before the House under the chairmanship of David Hinchliffe. Many hon. Members have said what I should have said at the beginning, but I shall say it now. David was a well-respected Chair of the Health Committee and I hope to be as helpful to the House and, on occasions, to our Front Benchers, as he was. I agreed earlier today to have lunch with David before Christmas and I will pass on everybody's good wishes, as well as a copy of *Hansard* to digest along with his turkey and whatever else he has at Christmas.

I thank the hon. Members for Southend, West (Mr. Amess) and for Wyre Forest (Dr. Taylor) who went to Australia on behalf of the Committee. They have been to Dublin with me, which may be a reflection on me as Chairman. They took part in a long investigation and I am pleased that they have been here this afternoon.

My hon. Friend the Member for Newport, West (Paul Flynn) mentioned all-party groups. Had this debate taken place six weeks ago, I would have had to declare that I was the chairman of the all-party group on the pharmaceutical industry, which I was for eight years. I gave that up because of the position I now hold, although I will remain a member.

My hon. Friend the Member for Newport, West will know that the ABPI provides the secretariat of the all-party group. In all the years that I have had dealings with the ABPI, I never thought that it was trying to get me to come here and argue its case. If that is what it was after, it failed quite miserably in many areas. But over the years it has given me, and many other hon. Members of this House and the other place, the opportunity to discuss issues relating to the industry, whether animal testing or any of the other things that have happened. We were able to question it and the professionals involved on issues related to what is, and will always remain, I hope, a very important sector of the British economy and an industry that looks after the health of many hundreds of thousands of people.

Over many years, as my hon. Friend the Under-Secretary said, the ABPI has played a key role between different Governments and the pharmaceutical industry, making sure that the industry remains a healthy part of the economy and at the forefront of European research and development.

Mr. Lansley: Doctors attend many industry-sponsored conferences, meetings, dinners and events, including those supported by drugs companies. Their integrity is no less than ours and my experience is that they are not in the least affected by who their sponsor or supporter might be.

Mr. Barron: That is my experience as well.

I declared that I am a lay member of the General Medical Council, the regulatory body for doctors. I was at the GMC on Tuesday on Euston road and had an exchange of letters with the chief executive about this debate. I was not able to have a long discussion with him, but he wrote to me on the recommendation to keep a register of members' interests, for want of a better expression.

[Mr. Barron]

There are about 230,000 doctors registered with the GMC and we think that about 130,000 have an active role. Many have retired but remain on the register, as that was a big part of their professional career and they would like to keep their names on the register. The chief executive, Finlay Scott, said that the GMC as a regulatory body—unlike the Royal College of Nursing, which is a membership association, or trade union, for want of a better expression, without the GMC's statute—lays down conditions under which doctors have to work.

The publication "Good Medical Practice"—often described as the doctors' bible—clearly states what doctors should and should not be doing. The chief executive reiterated the section to me:

"You must act in your patients' best interests when making referrals and providing or arranging treatment or care. So you must not ask for or accept any inducement, gift or hospitality, which may affect or be seen to affect your judgment. You should not offer such inducements to colleagues."

If doctors breach those rules, they go before a fitness to practice committee, with the likelihood of action being taken against them—they could even be struck off the medical register—but that has not happened during my six years' experience of serving on the GMC.

The new ABPI code of conduct has been mentioned. The ABPI is a trade organisation that works well with the Government, but it is not a statutory body and therefore cannot issue statutory codes. Given all that is said about Members of Parliament enjoying BA upgrades, kettles calling pots black come into mind, so I shall move on from that because a lot has been said about patient safety and drug efficacy that does not hold water.

I shall briefly deal with what the hon. Member for South Cambridgeshire (Mr. Lansley) said about the PPRS. Paragraphs 113 to 120 of the report explain in reasonable detail what the PPRS does. That is the most transparent translation of the PPRS that I have seen in over a decade of being involved in one way or another in the House with the pharmaceutical industry. We have gone about as far as we can go with the PPRS. If we were to make it totally transparent, the companies would be looking over their shoulders asking why one of them receives more on one scale and less on another than the others.

The PPRS is not the most transparent scheme and it is not a statutory one. The Government and the industry sit down together, and they have recently reached another decision that will benefit the NHS, inasmuch as they agreed that more money will come from it. I am not tempted by the suggestion to take a further look at the PPRS that was made by the hon. Member for South Cambridgeshire. I may have to be tempted by members of the Committee if they decide that we should take a further look at it. However, making the scheme more transparent would probably destroy something that no one argues is detrimental to their case. I have spent a decade visiting pharmaceutical companies and having dialogue with them, and I have never yet met anyone with any weight in the pharmaceutical industry debate who says that we should get rid of the PPRS.

Mr. Lansley: I have not suggested getting rid of the PPRS either, but irrespective of whether the right hon. Gentleman thinks that there should be greater openness about the PPRS, frankly, the Office of Fair Trading will ensure that that happens. I was particularly concerned about the fact that past experience has demonstrated that the OFT will do a thorough job on the competition aspects, but it is very important that the Department of Health, the House or somebody thinks very hard about the NHS aspects.

Mr. Barron: If the OFT drives that, it will happen. The report suggested that the Department of Trade and Industry, not the Department of Health, should be the sponsoring Government organisation, but the Government did not agree with that either. I have some sympathy with the Government's response, because we get a lot more via the PPRS than we would if accountants considered the industry on the basis of how many pounds it is worth to the United Kingdom. The OFT may take us down that road, but we will have to wait and see. If it does so and the Government respond, the Health Committee will consider what should replace the scheme, but it has great benefits.

I visited Pfizer about 10 years ago and was shown the big second phase of its research and development in the UK. The company beat off Pacific rim institutions to bring that work to this country. We chatted about the UK's science base and what our universities were delivering at that time. Why did Pfizer want to come to this country and invest such massive amounts of money, especially on the north Kent coast? It is not the most attractive place on earth. Apologies to the people who live there—they would probably think the same about my home town. There are reasons why the UK has been so successful—as successful, if not more so, than most European countries—in attracting inward investment for research and development over recent decades and the PPRS has something to do with it, although what is happening with the OFT may overturn that.

Some people argue that the scheme is wrong. People who are not aware of the full R and D picture might think that small manufacturers, for example, would be better off without the PPRS, but I think that it is of great benefit. It is no coincidence that the pharmaceutical sector is the third largest in our economy. We shall see what the future brings, but that is my feeling at present. As well as the PPRS, the industry has much wider engagement with the Government.

I thank my hon. Friend the Minister for what he said about the contributions to the debate. Like other Members, I pointed out the numerous aspects of the pharmaceutical sector on which the Health Committee will keep a watching brief over years to come. We shall also look at the Government's responses.

The debate has not been well attended, but the quality of the contributions and the knowledge of the participants on both sides of the House has been excellent. It shows the House and, I hope, the Executive what the Select Committee system can do to assist us in our deliberations on behalf of the nation. Parliament and the Executive can work closely together and Parliament can advise the Executive through the work of Select Committees. I hope that my hon. Friend's

positive approach to some aspects of the debate will extend to the Select Committee's reports and recommendations in the not too distant future.

Debate concluded; Question deferred until Six o'clock, pursuant to Standing Order No. 54 (Consideration of estimates).

5.7 pm

Sitting suspended.

6 pm

On resuming—

It being Six o'clock, MR. DEPUTY SPEAKER *proceeded to put forthwith the deferred Question, pursuant to Standing Order No. 54 (Consideration of estimates).*

VOTE ON ACCOUNT, 2006–07

Resolved,

That, for the year ending with 31st March 2007, for expenditure by the Department of Health—

(1) resources, not exceeding £27,595,662,000, be authorised, on account, for use as set out in HC 465, and

(2) a sum, not exceeding £26,808,818,000, be granted to Her Majesty out of the Consolidated Fund, on account, to meet the costs as so set out.

MR. DEPUTY SPEAKER *proceeded to put forthwith the Questions relating to Estimates which he was directed to put at that hour, pursuant to Standing Order No. 55 (Questions on voting of estimates, &c.).*

SUPPLEMENTARY ESTIMATES, 2005–06

Resolved,

That, for the year ending with 31st March 2006—

(1) further resources, not exceeding £3,183,848,000, be authorised, for use for defence and civil services as set out in HC 672,

(2) a further sum, not exceeding £4,677,710,000, be granted to Her Majesty out of the Consolidated Fund, to meet the costs of defence and civil services as so set out, and

(3) limits as so set out be set on appropriations in aid.

ESTIMATES, 2006–07 (VOTE ON ACCOUNT)

Resolved,

That, for the year ending with 31st March 2007—

(1) resources, not exceeding £144,195,341,000, be authorised, on account, for use for defence and civil services as set out in HC 465, HC 467, HC 468 and HC 469,

and

(2) a sum, not exceeding £134,448,075,000, be granted to Her Majesty out of the Consolidated Fund, on account, to meet the costs of defence and civil services as so set out.

Ordered,

That a Bill be brought in on the foregoing resolutions: And that the Chairman of Ways and Means, Mr. Chancellor of the Exchequer, Mr. Des Browne, Dawn Primarolo, Mr. Ivan Lewis and John Healey do prepare and bring it in.

CONSOLIDATED FUND BILL

John Healey accordingly presented a Bill to authorise the use of resources for the service of the years ending with 31st March 2006 and 31st March 2007 and to apply certain sums out of the Consolidated Fund to the service of the years ending with 31st March 2006 and 31st March 2007: And the same was read the First time; and ordered to be read a Second time on Monday 12th December, and to be printed [Bill 101].

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

NATIONAL HEALTH SERVICE

That the draft National Health Service (Dental Charges) Regulations 2005, which were laid before this House on 22nd November, be approved.—*[Vernon Coaker.]*

Mr. Deputy Speaker (Sir Alan Haselhurst): I think the Ayes have it.

Hon. Members: No.

Division deferred till Wednesday 14 December, pursuant to Standing Order No. 14A (Deferred divisions).

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

INTERNATIONAL IMMUNITIES AND PRIVILEGES

That the draft International Criminal Court (Immunities and Privileges) Order 2005, which was laid before this House on 23rd November, be approved.—*[Vernon Coaker.]*

Question agreed to.

EUROPEAN UNION DOCUMENT

Motion made, and Question put forthwith, pursuant to Standing Order No. 119(9) (European Standing Committees),

RETURN OF ILLEGAL IMMIGRANTS

That this House takes note of European Union Document No. 12125/05 and ADDs 1 and 2, Draft Directive on common standards and procedures in Member States for returning illegally staying third-country nationals; and recognises the Government's specific policy, security, legislative and financial concerns in deciding whether to opt into this Directive.—*[Vernon Coaker.]*

Question agreed to.

DELEGATED LEGISLATION

Ordered,

That the Travel Concessions (Extension of Entitlement) (England) Order 2005, (S.I., 2005, No. 3224) dated 22nd November 2005 be referred to a Standing Committee on Delegated Legislation.—*[Vernon Coaker.]*

Multiple Road Traffic Offences

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Coaker.]*

6.2 pm

Andrew Selous (South-West Bedfordshire) (Con): I am especially grateful to Mr. Speaker for granting me this Adjournment debate, which deals with serious issues of public safety. I hope that the Minister will realise how serious these matters are, and that in his response he will be as positive as possible about how to deal with them.

The problem of multiple road traffic offences, which involves vehicles registered at false or incorrect addresses, has been brought to my attention by a number of my constituents. Vehicles that they have never owned and about which they know nothing have been registered at their addresses, with the result that the police have been in contact with them on many occasions.

I want to pay tribute to Bedfordshire police for their persistent action to try to deal with this problem, and specifically to PC Sean Quinn and PC Graham Dunn, who have worked tirelessly on behalf of the people of Bedfordshire in that regard.

The problem, in essence, is the police's complete inability to prevent and successfully prosecute repeated road traffic offences of an extremely serious nature. Let me give some examples.

In the case of excessive speed, I have recent documented examples, with photographic evidence, of drivers doing 98 mph in a 50 mph limit, 117 mph in a 50 mph limit at night, 73 mph in a 30 mph at night, and 82 mph in a 30 mph limit in the middle of Dunstable, a major town in my constituency. The highest recorded speed that has come to my attention was of a vehicle doing 119 mph in a 50 mph limit, on 4 September this year on the A505 between Leighton Buzzard, Dunstable and Houghton Regis in my constituency. As I shall explain shortly, such vehicles have been doing those sorts of speeds in those conditions time and again.

There is a problem not just with speed, but with vehicles jumping red lights, in some cases up to six seconds late. We know that one vehicle has done that on nine separate occasions, but the police are powerless to do anything about it. The reason that the police are powerless is, as I said, that vehicles are incorrectly registered to false addresses, or cloned, whereby a vehicle of a similar description to that which the perpetrator wants to register to a false address is registered to a law-abiding person's address. Farmers are often coerced into having their property used as a false postal address. One property in Chelmsford—25 Duke street—is notorious among not only Bedfordshire police but Essex police. I understand that it is no more than a drop-off postal address at which many vehicles are registered, apparently legally, but the police have no ability to contact the owners or do anything about the perpetrators of such offences.

As well as excessive speeds and going over red lights, there have been examples of extremely dangerous driving, such as people driving with their hands over their face at 64 mph at night, people taking their hands completely off the wheel even at night in a 30 mph zone, a child in the front seat on an adult's lap with no seat belt, and many offensive gestures made by drivers of vehicles at cameras. In the village of Kensworth in my constituency, which has a speed camera, a photograph was taken of a driver with one hand on the wheel while giving a thumbs up gesture out of the window to the camera with the other. All three other adults in the car are grinning at the camera. That shows that people who behave in such a way know that they can break the law, are flaunting their law-breaking and are taunting the police, who, they know, are powerless to act.

The Minister will agree that the danger to the public from the examples that I have given is huge. How would he like people driving in that manner to come close to the vehicle in which he was travelling with his family?

The problem is significant, and the incidents are not isolated. As at 7 April this year, the police have evidence of 1,004 such offences in south Bedfordshire alone. Of those, 466 were current and due to have fines paid of just under £28,000, and 538 offences were lost under the six-month rule, so the police had no ability to recoup more than £32,000 of fines that will not be paid. Therefore, there is also a public expenditure implication, and I am sure that the Minister would want all fines that have been properly levied to be paid and to come in to the police.

The powers that are needed to do something about this problem are as follows. The police need to be given the ability to seize a vehicle that is incorrectly registered and involved in multiple offences. The police should then have the power to retain that vehicle until the owner or offender is correctly identified and, if necessary, to dispose of the vehicle by suitable means, not least to pay off any fines levied on it. The police also need a further power of entry to land and/or garages—not dwellings, as people obviously do not keep cars in their houses—to seize such vehicles.

As I said, these are repeat offences. Moments before the debate, I was told that one van still on the road in South Bedfordshire has just clocked up its 73rd offence and a motorcycle has clocked up 61 offences. When I say "multiple offences", that is the order that I am talking about.

Bedfordshire police have done their homework on this issue and visited the Home Office on 15 April. I understand that it was suggested to the police that section 59 of the Police Reform Act 2002 should be sufficient for them to be able to address the problem. Bedfordshire police then contacted another five police forces to discover whether they were in the same position of not being able to apply section 59 in practice on the ground. Thames Valley police replied:

"To have power to seize vehicles showing multiple offences, if granted, would indeed be a useful tool in increasing road safety, if the safeguards required did not blunt its effectiveness . . . I can say that we rarely use the Police Reform Act because of the frustrations put upon us by the control room."

Suffolk police replied that

"it could also be extended to cover vehicles owned by foreign nationals. We have a serious problem with transient workers in the food processing industry. They use a single base address to register their vehicle and then quickly move on."

Greater Manchester police said that they had

"asked our force solicitor re anti-social behaviour and serving a notice on the owner/driver of multiple offenders (concerning seizure). The Solicitor's response has deemed the act inappropriate in this case."

Cambridgeshire police replied:

"I would see seizure of vehicles could be promoted as a major contribution to road safety, in getting the cars out of circulation, even though temporarily."

And Essex police replied:

"I am not aware of any forces using the Police Reform Act for repeat offenders of camera activations, and there does not appear to be any other legislation that may assist."

I understand that it has also been suggested that section 43(c) of the Vehicle Excise and Registration Act 1994, which was put in place by the Serious and Organised Crime and Police Act 2005, has been suggested as a means of dealing with the problem, but I am again reliably informed by the police that that is not the case because that provision deals purely with driving without a valid driving licence and driving without insurance. Most of these vehicles are driven by people with licences and most are insured, so that legislation would not do the job that is required.

I tabled a parliamentary question on this issue recently to ask the Secretary of State to make a statement on the effect of the registration of false vehicle licence addresses on the ability of the police to combat multiple road traffic offences. The Under-Secretary of State for the Home Department, the hon. Member for Wythenshawe and Sale, East (Paul Goggins), replied:

"An accurate register is important for identification purposes, so that the police can take effective action against the perpetrators."

The problem is that we do not have an accurate register. He continued:

"we have strengthened the likelihood of accuracy by the introduction of continuous registration and by creating a new offence of using a vehicle that is incorrectly registered."—[*Official Report*, 5 December 2005; Vol. 440, c. 968W.]

That power does not give the police the powers that they need to do the job.

In a letter to me dated 21 November, the Driver and Vehicle Licensing Agency stated:

"It is essential therefore that information about vehicle keepers on the register is both accurate and up-to-date but we are very much reliant on the public and the motor trade to provide this information."

It said that the information is used to

"assist with road safety, law enforcement and the collection of vehicle excise duty."

I hope that I have outlined the scale of the problem and how serious it is. It is not a party political matter. What can we do about it? The Minister will know that the Road Safety Bill is about to arrive in this House. I have looked carefully at the Bill with Bedfordshire police and I suggest that it should be possible to amend clause 15—the clause deals with speeding, but we need to look at red-light issues and at dangerous driving—on the power to seize, retain and dispose of vehicles. Could we insert in clause 36 a requirement to prove one's address when a vehicle is registered? I know that the Government have looked at this and decided not to go down that route, but given the scale of the problem in my area alone, will the Minister agree to take the issue back, perhaps to a joint working party between the Home Office and the Department for Transport, and look at it again to see whether utility and council tax bills, or documents of that nature, should be required?

Above all, this is a crime prevention measure. I would argue that, if we get these measures on the statute book, we would rarely need to use them because the deterrent would be such that the word would go out that the police had the necessary powers. People would comply and the problem would disappear. I look forward with eager anticipation to the Under-Secretary's reply.

6.16 pm

The Parliamentary Under-Secretary of State for the Home Department (Andy Burnham): I congratulate the hon. Member for South-West Bedfordshire (Andrew Selous) on securing the debate. He began by saying that it raised serious issues of public safety and I agree. Only last week at my advice surgery, I was dealing with a case of death by dangerous driving of a teenage boy in my constituency. I agree with the hon. Gentleman that this is not a great party political issue. Members on both sides want the police to have adequate powers to tackle irresponsible driving, which poses a danger to all of our constituents. There is a common purpose in wanting that to happen.

I welcome the spirit in which the hon. Gentleman introduced today's debate. Our responsibility is to ensure that the legislation on the statute book deals adequately with the problem, but is also proportionate. We believe that that is the case. He said at one point that the police were powerless to act. I hope that I can convince him that that is not the case and that the police do have powers to act. We keep those powers under review, but they are proportionate and balanced.

Andrew Selous: I have just told the Under-Secretary that six different police forces in different parts of the country have said that, for all sorts of practical reasons that affect police forces on the ground, the powers currently on the statute book are not adequate. He will no doubt tell me what legislation there is on the statute book, but will he address those specific concerns raised by six police forces?

Andy Burnham: The hon. Gentleman will know that we have changed the law in a number of ways in recent years in respect of irresponsible and dangerous driving, vehicle keeping and the powers that the police have to seize vehicles. The Home Office has received advice from the Association of Chief Police Officers that many forces are using the section 59 powers extensively and effectively. I heard the comments from the forces that the hon. Gentleman read out, but some 43 police forces have told us that those powers are being used and that they are very welcome in tackling antisocial driving.

Andrew Selous: I have given the Under-Secretary an illustration from my constituency, where there have been 1,004 offences. I can assure him that I have extremely good officers in Bedfordshire who are desperately keen to enforce the law. They are not stupid people; they are very bright and follow the law very carefully. Why are they unable to use the current law to deal with a situation where one vehicle has 73 offences charged to it and where there are 1,004 in total?

Andy Burnham: Of course I was listening carefully to the comments that the hon. Gentleman read out. We would want to work through those issues with the forces

[Andy Burnham]

concerned, and I will refer to some of the detailed advice on the issue that we have recently given to forces. I do not doubt for a second the committed efforts of the officers whom he named during his speech and the general efforts of Bedfordshire police. He also mentioned my police force—Greater Manchester police—and I face issues in my constituency similar to those that he described, and I would want to pursue them with the force from my own perspective. I assure him that the advice that we have received via ACPO is that the powers are welcomed and that they are being used. If there are problems in certain areas, it is important that we work them out. We have a common interest in ensuring that the powers that the police have at their disposal are used.

I want to read out a comment from the hon. Gentleman's website with which I wholeheartedly agree. He gave notice on his website that he would seek a change to the Road Safety Bill that will soon come before us, but he also said:

> "I would like the government to concentrate on enforcing the laws we have on the statute book, rather than continually passing new laws."

That is absolutely the right position with regard to this issue, and the important thing is to focus on fully implementing the laws that we already have.

Let me set out some of the background. The hon. Gentleman will know that the roads policing strategy statement was issued jointly by the Home Office, the Department for Transport and ACPO in January and that reducing the antisocial use of the roads is one of the five specific actions on which the statement envisages that roads policing should focus.

Before I deal with some of the specific issues that the hon. Gentleman raised about seizure and the use of false addresses, I want to stress that the key to enforcing the law is ensuring that we have an accurate vehicle register. He is right to focus on that. Vehicles that are registered with incorrect details or not registered at all are regularly used in criminal and antisocial activities. They are often subsequently abandoned or burnt out—I am sure that he has experience of those problems, too—with further costs to local authorities. For the police to track and take effective action against the perpetrators, there must be an accurate register for identification purposes. It is an offence not to supply the relevant details for correct registration, but, of course, we cannot rely just on the willingness of the people who behave in that way to comply with the law. That is why we steadily strengthened the accuracy of the register.

A major step forward was the introduction of continuous registration, to which the hon. Gentleman referred and under which the registered keeper of a vehicle has statutory responsibility for licensing it and retains that responsibility until the DVLA is informed that the vehicle has been sold, exported, stolen or scrapped, or that a valid statutory off-road notification has been made. The registered keeper is therefore responsible for requirements in respect of the vehicle, such as the payment of vehicle excise duty, and cannot now evade them by claiming no longer to be the keeper. The DVLA also takes steps to ensure that false addresses are not accepted. I was listening carefully to the hon. Gentleman when he mentioned an address in his constituency that was regularly used to register vehicles falsely.

Andrew Selous: The address that I mentioned was 25 Duke street, Chelmsford, which is some way from my constituency, but it is well-known to the Essex police. It is curious that a number of vehicles in Bedfordshire are registered at that address. Will the Minister tell the House whether he thinks that the current laws on vehicle registration are adequate, given the problems that I have outlined? I am aware that the Government have gone further recently in that respect—of course that is welcome—but the proof of the pudding is in the eating. Is the law working and helping the police to do their job?

Andy Burnham: That is an important point. I hope that the DVLA will read in *Hansard* the hon. Gentleman's comments about that address and be able to take some action.

I can assure the hon. Gentleman that a procedure introduced in October 2004 means that known temporary addresses, addresses of convenience or post office box numbers are not acceptable for vehicle keepership details. When he introduced his remarks, he referred to strengthening the identity checking procedure when a vehicle is registered and he asked whether a utility bill or council tax bill could be used for that purpose. A utility bill does not prove much, however, and as the Minister responsible for identity cards and the national identity register, I urge the hon. Gentleman to think again if he, like his party, still opposes those measures. Linkage with the national identity register could bring real benefits in maintaining an accurate vehicle record. The register is a much higher proof of identity than a utility or council tax bill.

Under a procedure introduced in January 2004, the DVLA undertakes identity checks for high risk vehicles, such as those that are being imported. The checks cover both the vehicle and the prospective keeper. A database of all vehicles with no confirmed keeper is available to the police and can be checked by their automatic number-plate recognition—ANPR—cameras. Once a suspect vehicle has been stopped, the police have access via the police national computer to the full drivers' database to help establish the identity of the driver. The system is being improved—I can assure the hon. Gentleman that we constantly look to improve it—so that the police will have direct access to drivers' details through a handheld device. Trials are scheduled for spring next year, and from 2007 we expect the photographic image to be available through those devices in respect of drivers holding a photocard driving licence.

We think that will be a significant step forward. It will support the already increased roadside enforcement through greater use of police ANPR cameras and through the DVLA's powers, working with local authorities, to wheel-clamp and crush unlicensed vehicles.

In the remaining time for the debate, I want to discuss police powers on seizure, which is an important point and one that the hon. Gentleman wanted to cover.

Andrew Selous: The Minister is being generous in giving way and I appreciate his doing so.

If the Minister's case in the remainder of the debate is that the current powers are adequate, can he give me a simple, clear explanation why Bedfordshire police have been unable to do anything about that one vehicle that has 73 serious offences recorded against it? That is the fundamental question. If the law is adequate, why have the police been unable to anything about that?

Andy Burnham: I cannot discuss that case as I do not have the details, but if the hon. Gentleman will allow me to explain the law as it stands perhaps we can agree or disagree about whether the current position is adequate. New legislation is not always necessarily the answer; indeed, the hon. Gentleman himself says that we need to enforce our existing powers.

Section 59 of the Police Reform Act 2002 gives the police the power to seize any motor vehicles being used antisocially and to release them only on payment of prescribed fees. The power exists where a vehicle is being driven both inconsiderately or carelessly on-road, or off-road without authority, contrary to sections 3 or 34 of the Road Traffic Act 1988, and in such a manner as to cause or to be likely to cause alarm, distress or annoyance to members of the public.

We believe that is a powerful tool. It enables the police to put an immediate stop to the antisocial driving, inconveniences the vehicle users, requires them to meet costs to get the vehicles back and provides a deterrent to further misbehaviour. It does not preclude a prosecution, but nor does it depend on one. Nor should the fact that the driver may be committing some other motoring offence for which he could be prosecuted rule out seizure. The requirement is only that there should be reasonable grounds for believing that he is driving the vehicle contrary to section 34 and causing alarm; for example, he could be committing some other offence, such as speeding, at the same time, and could be charged with that in preference to a charge under section 34.

There is a requirement to warn, to give someone a chance to stop misbehaving, which is after all the main purpose of the police intervention. That may be where there is a problem of interpretation in relation to some of the issues that the hon. Gentleman raised. However, that requirement does not apply if it would be impractical to give a warning, and nor does it apply if an earlier warning had been issued on the same occasion to the same or a different person in respect of the same or a different vehicle. It does not apply if at any time during the preceding 12 months the person has already been given a warning.

Andrew Selous *rose—*

Andy Burnham: There is not a great deal of time left. If I can, I want to touch on several other issues that the hon. Gentleman raised.

To ensure that all forces realised the full potential of the powers available, we issued further guidance a few weeks ago together with examples of best practice—I told the hon. Gentleman that we were doing work in this area. We also made several amendments to the regulations that the police had identified as beneficial by setting out detailed arrangements for seizure, storage and disposal. I assure the hon. Gentleman that the powers exist. The important thing is to ensure that all forces realise the full power of the measures at their disposal and to encourage them to use the powers fully.

The power of seizure under the Police Reform Act 2002 is not the only power that is available. Many of the bad drivers who cause such concern are likely to be uninsured, as the hon. Gentleman said, or without a valid licence. Uninsured drivers are more likely than others to be involved in road traffic accidents, to be non-compliant with other road traffic requirements and obligations, and, perhaps, to be involved in other criminal activity. This year, we have taken action through the Serious Organised Crime and Police Act 2005 to deal with these problems. The offences are being more readily detected due to the increased use of police ANPR cameras. Until now, however, the only action that the police could take was to issue a fixed penalty notice or a summons. The police now have the power to stop such driving immediately. With effect from July, the police can seize a vehicle if a driver does not produce on demand a valid licence or proof of insurance and they have reasonable grounds for believing that the vehicle is being driven without either.

We are taking further action to address the concerns that the hon. Gentleman has rightly raised. He will know that we propose to create an offence of causing death by careless driving in a Bill that is soon to come before the House. I believe that the measure will be welcomed by hon. Members on both sides of the House. We have a good range of powerful and proportionate measures to ensure that the sort of behaviour that we all deplore and that causes so much distress can be effectively addressed. At present, we do not believe that we need to add to those measures, but I agree with the hon. Gentleman that we need to work hard to ensure that the powers that we have are fully used.

The motion having been made after Six o'clock, and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at twenty-eight minutes to Seven o'clock.

House of Commons

Monday 12 December 2005

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

DEFENCE

The Secretary of State was asked—

Iraq

1. **Mr. Andrew Mackay** (Bracknell) (Con): If he will make a statement on the security situation in Iraq. [36094]

2. **Patrick Mercer** (Newark) (Con): If he will make a statement on operations in Iraq. [36095]

The Secretary of State for Defence (John Reid): Despite the best efforts of terrorists to destabilise Iraq, the Iraqi people continue to build their democracy and their own security forces. Fifteen million Iraqis have registered to vote in their elections on this coming Thursday. The Iraqi security forces now participate in 80 per cent. of operations and will lead the operations on Thursday. We wish them well.

Mr. Mackay: As Christmas approaches, will the Secretary of State convey to our troops in Iraq the heartfelt thanks of every Member and that our thoughts will be with them at what will inevitably be a difficult time?

Would the Secretary of State care to comment on President Bush's recent remark that, sadly, the reconstruction process is going much slower than we wished because of the security difficulties? What is the Secretary of State doing to ensure that those security difficulties are lessened in Basra and the areas for which we have responsibility?

John Reid: I join the right hon. Gentleman as, I am sure, does the whole House in sending our thanks and gratitude, especially at this time of year, to servicemen and women who are away from their families. I was able to do that in person about nine days ago when I visited our troops in Iraq.

It is true that developing democracy, security, and the economy and civil society in Iraq is slower than we would wish for this simple reason: the Iraqi democrats, with our support, are building democracy, security and the economy, but the terrorists are trying to destroy it. They will not win. On democracy, despite the threats of the terrorists, 8.5 million people came out to vote in January; more than 10 million came out to vote in the referendum in October and 15 million have registered for the vote this Thursday. Nor will the terrorists win when it comes to building the security forces. When I first came to the Dispatch Box as Secretary of State I think I said that we had trained and capable security forces in Iraq to the number of 160,000. I can tell the House today that the number is more than 214,000, and 80 per cent. of all operations involve Iraqi security forces. Though the terrorists may do their worst, the entrenchment of democracy, security and stability in Iraq will continue and we will continue to help the Iraqi people to do that for as long as is necessary.

Patrick Mercer: The Secretary of State will know as well as the rest of us that recently several brave young men have been killed by roadside bombs, the responsibility for which has been laid fairly and squarely at the feet of Iran by our ambassador to Baghdad and also by our commander in Basra. When asked about Iran's behaviour the Secretary of State said:

> "That is a risky way for anyone to behave, so we hope that it does not continue."—[*Official Report*, 10 October 2005; Vol. 437, c. 34.]

Have we anything more to offer our young men who face death and danger on a daily basis than empty rhetoric?

John Reid: I will ignore the hon. Gentleman's churlish comment. I can assure him that I and the Chiefs of Staff, and everyone engaged in the armed forces, are doing everything possible to make sure that at tactical and equipment level we bring in whatever protection we can before, if possible, any advances in terrorist capability. I am afraid that the substantial rhetoric that he would require for us to outline that at the Dispatch Box would do nothing but give assistance to the terrorists who are trying to kill our troops. Given the hon. Gentleman's position, I would have thought that he understood that.

On Iran, we have never said that the matter could be linked to the Iranian Government but the use of some of those explosives and improvised explosive devices can be traced to Hezbollah and Iranian elements. Of course, that is only part of the reason why the international community is so worried about the conduct and statements of Iran and Iranian politicians.

Dr. Gavin Strang (Edinburgh, East) (Lab): Has my right hon. Friend had the time to read the Oxford Research Group report released yesterday? Although I realise that he will not want to anticipate the outcome of the elections, does he agree that it is of concern that many Sunnis see the foreign forces in their land as partisan towards Shi'as and Kurds?

John Reid: I am glad that the Sunnis have been registering in higher numbers than ever for the elections coming this Thursday, which will be a major step forward, and I hope that that is part of a continuing process in ensuring that the new democratic Iraq represents all elements of Iraqi society, not just the Shi'a, the Kurds and others, but the Sunnis. As for the presence of multinational forces there, with great respect to anyone—academic or otherwise—in this country, I prefer to rely on the expressions of intent and

the explanations of the democratically elected Iraqi politicians, who have made it absolutely plain that our forces are there at their request to do a job that they cannot do at the moment, which is to safeguard their fledgling democracy, but that, as soon as the Iraqi security forces are capable of defending their own democracy, they will ask us to hand over, and I can tell the House that we will be delighted to hand over. So we would be well advised on these occasions to listen to the views of the Iraqi democratically elected politicians, as we would expect them to listen not to minorities or fringe groups in this country, but to the democratic will of the House of Commons.

Jeremy Corbyn (Islington, North) (Lab): Is the Secretary of State aware that, over the weekend, a peace conference on Iraq was organised in London by the Stop the War coalition and other groups, that many of the speakers at that conference were from Iraq, from parties that are contesting the elections in Iraq and, indeed, in some cases, are already represented in the National Assembly in Iraq, and that they all made the point that the security situation gets ever worse the longer that British and American forces remain in occupation of Iraq and that the best way forward was to name a date for the end of the occupation, so that the Iraq people themselves can take over the country, rather than continuing with an occupying force that seems to have brought a awful lot of terror into the country?

John Reid: Of course, there are other voices in Iraq—the ones who get elected—and the overwhelming majority of them welcome our presence there. President Talabani, President Barzani, Prime Minister Jafaari, Minister of the Interior Jabr, whom I met eight days ago, Defence Minister Delami—the Government of Iraq—have expressed their desire for us to stay there until they get the stability and security to defend their own democracy.

Alternatively, we could look, of course, at the opinion poll that the BBC commissioned and issued this morning that shows that between 64 and 69 per cent. of Iraqis believe that they have a more positive future, with only 11 per cent. thinking that the future will get worse. I dare say that that is a higher percentage of people who are optimistic about the future in Iraq than would be recorded in this country. However, the point is that if we look at the practice on the ground, 8.5 million people came out and voted, despite the threat from bombs and bullets, and 10.5 million came out and voted in the referendum, despite the threat of being murdered or massacred. The turnout was 64 per cent.—bigger than the turnout here in a general election—and 15 million people are registered, despite all the threats, to vote next Thursday. That is the voice of the people of Iraq that we should listen to.

Angus Robertson (Moray) (SNP): Does the Red Cross and the Red Crescent have full access to all suspects taken into custody by UK forces in Iraq? Does the UK condone coalition allies who do not allow the Red Cross access to all prisoners?

John Reid: To the best of my knowledge, the International Committee of the Red Cross has such access.

Andrew Mackinlay (Thurrock) (Lab): What opportunities are there for members of the Home Service Battalion of the Royal Irish Regiment to serve in Iraq, bearing in mind that they are highly trained, very capable soldiers? Surely there is capacity perhaps to get some companies from that battalion to operate in Iraq, to the benefit of not only those dedicated soldiers, but United Kingdom operations.

John Reid: My hon. Friend will know that, uniquely among British troops, the Home Service Battalion of the Royal Irish Regiment, by institution, is confined to the geographical area of one part of the United Kingdom—Northern Ireland—because of the troubles there over decades. However, he is right to point to the fact that individuals from the Home Service Battalion have volunteered, been trained and served with distinction in Iraq.

Andrew Mackinlay: What about companies?

John Reid: Such things cannot happen with formations of the Home Service Battalion, but individuals have served, as many people from other regiments have done, on attachment with the basic regiments that are serving in Iraq.

Dr. Liam Fox (Woodspring) (Con): On Iraq, the Foreign Secretary said this morning:

"Mistakes have been made subsequent to the war."

What mistakes were these, and which were the responsibility of the Secretary of State for Defence and his Ministers?

John Reid: In retrospect, I think that the process of de-Ba'athification probably went too far, too rapidly. That is now being reversed to some extent, for example with the willingness of the authorities in Iraq to take back former serving members of the Ba'ath party up to the rank of major. I would like to have seen a quicker response on an invitation to the Sunnis—despite their boycott—to participate in the constitutional commission. With the value of hindsight, which is, of course, the only exact science known to man and woman, we would have taken in more troops as a multinational invasion force to overcome an entrenched enemy. I am sure that there are several other matters to which we could point with hindsight. However, I stress that in terms of the generality of opportunity, freedom, democracy and security in Iraq, I have absolutely no doubt whatsoever that the correct position was followed, that a threat has been removed from the world, and that a burden was taken off the backs of the Iraqi people when the dictator Saddam Hussein was removed.

Dr. Fox: I am quite clear that the intervention has been of net benefit to the people of Iraq, yet we heard reports this morning that British troops might be withdrawn as early as the first part of next year. Is that correct? What discussions have taken place about a timetable, and on what criteria, and by whom, will it be decided that a handover is appropriate?

John Reid: I have made the position plain to the House several times, but I understand that the hon. Gentleman was not in his present office then, so I have no problem in reiterating it. There is no immutable timetable. The handover to the Iraqi security forces will be set primarily not by timetable, but by conditions. Those conditions are the ability of the Iraqi security forces to lead operations with our support at first, which would allow us to remove to barracks, and then to lead on their own, which would allow us to leave the country. That would be a process, not an event, but since July, I have said that that process could well begin in parts of Iraq, including our area, in the course of next year. Therefore, what was said in the past 48 hours here and what was said last week by the President of the United States was completely in accord with the conditions that I set down for victory: the handover to the Iraqi security forces themselves.

Mr. David Winnick (Walsall, North) (Lab): While we recognise that there are arguments about coalition troops leaving Iraq and that the coalition has undoubtedly made serious mistakes in the past two years, would it not be useful if those who organised the sort of conferences mentioned by my hon. Friend the Member for Islington, North (Jeremy Corbyn) also condemned in the strongest possible way the terrorism that occurs day in and day out against innocent Iraqis, which in no way could be described as acts of liberation or anything of the kind? If there is a responsibility on us to recognise mistakes that have been made during the occupation, surely the critics have a responsibility to condemn along the lines that I have urged.

John Reid: Well, not for the first time on these matters, I agree with every word that my hon. Friend says. When we analyse tactical mistakes that have been made, it would be helpful to consider the strategic nature of what has happened.

Personally, I have never had a principled problem with removing fascists from power, and it surprises me that some people on the Labour Benches appear to have developed one. As for the people of Iraq, I have never claimed, and nor would I, that everything is perfect by any means. However, I am absolutely sure that the acts of the terrorists—the murder and massacre of pilgrims, ordinary working Muslims and children both inside and outside Iraq, for instance in Amman in Jordan recently when 29 of the people killed were Palestinians—should be utterly condemned by every single Member of the House. I am amazed that they are not repeatedly condemned in the way in which I would expect.

Afghanistan

3. **Mr. Edward Vaizey** (Wantage) (Con): What recent assessment he has made of the security situation in Afghanistan. [36096]

7. **Mr. Graham Stuart** (Beverley and Holderness) (Con): If he will make a statement on the security situation in Afghanistan. [36101]

The Secretary of State for Defence (John Reid): The security situation in Afghanistan is broadly stable, but some areas are less settled than others. Our armed forces are playing a pivotal role in security assistance, helping the Government of Afghanistan to create a prosperous, democratic and secure country, and denying terrorists a base from which to prepare attacks.

Mr. Vaizey: I thank the Secretary of State for that reply. May I echo the comments of my right hon. Friend the Member for Bracknell (Mr. Mackay), and extend the heartiest good wishes of the House to our troops—our serving men and women—who are deployed in Afghanistan?

Can the Secretary of State give the House an update on the security incidents that have occurred in Afghanistan? I only ask because one of my constituents contacted me—he has a son serving in Afghanistan—to say that at the end of November two Swedish soldiers were killed and that in October a RAF Tornado had been destroyed and another one badly damaged. I had not heard those reports before and I wonder whether the right hon. Gentleman can give us an update on incidents against our troops and our said forces in Afghanistan.

John Reid: Tragically, it is true that not only ourselves but I believe the Portuguese and the Germans have lost personnel in Afghanistan. At this stage, however, we do not believe that that represents a step change in the violence that is occurring there, but several incidents in Kabul should have served to remove anyone's complacency. We—when I say "we", I mean NATO—are in the north and the west of Afghanistan. I have already said that we will deploy the headquarters of the Allied Rapid Reaction Corps to Kabul in the middle of next year, around May. In principle, I am prepared to see a significant contribution from British troops to the south of Afghanistan as NATO expands from the north, the west and to the south. I also said that that last decision, in principle, had to be subject to the correct military configuration from the British point of view, the correct multinational dimension and configuration within NATO and the correct complementary assistance in aid and development resources in terms of our counter-narcotics strategy to offer alternative livelihoods. All of those issues stand and no final decision has been made on the second point regarding British troops.

Mr. Graham Stuart: Is not the lesson of past insurgencies that only proactive patrolling and control of territory offers long-term security? Is the Secretary of State satisfied that all NATO contingencies have taken this lesson to heart?

John Reid: On the first point, yes; on the second, not entirely. I agree with the hon. Gentleman. It is a source of concern that the proliferation of caveats issued by the various multinational forces may impede effective operation and co-operation in the multinational force. We continue to discuss these matters at every redeployment and at every phase, as we will in phase 3, if we go into the south. Significant contributions to the effort in Afghanistan have come from nations not only inside NATO but outside, with help from colleagues such as the Australians.

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): First, may I associate myself with the comments of the Secretary of State and of others about

the bravery of our armed forces wherever they serve throughout the world? We have particular thoughts for them at this time of year.

Following the NATO ministerial meeting last week, the Secretary-General stressed that the organisation could not work in a void and that other international actors should stay equally committed. Within NATO, can the right hon. Gentleman set out how the United States will contribute to the proposed new ISAF—international security assistance force—plans? Can he confirm that the United States will maintain its current overall level of military commitment to Afghanistan? Given the proposed area in which UK armed forces will operate, is there any intention that British military personnel should become a significant part of the counter-terrorism efforts of Operation Enduring Freedom.

John Reid: The hon. Gentleman asked a host of questions, but I shall try to tackle a couple of the biggest ones. The number of US forces fluctuate, as is the case for any other nation, but there is no reason to believe that they should not continue to make a significant contribution to Afghanistan in future. I do not think, however, that there will be a huge difference from the number of forces deployed there today. Our contribution to the ISAF operation will essentially be the reconstruction remit, which is the responsibility of NATO, rather than counter-terrorism, which is the purpose of the American mission—Operation Enduring Freedom. However, I stress that wherever NATO troops are in Afghanistan they may be liable to attacks from insurgents. If they are attacked by insurgents and terrorists, of course we will defend ourselves—that is the nature of the rules of engagement and of our remit. There is not a complete distinction between counter-terrorism and counter-narcotics. During counter-narcotics operations, for example, insurgents or terrorists, some of whom gain income from narcotics, may be provoked to attack those who are attempting to stop the trade. The distinction is therefore not a neat one, but I can assure the hon. Gentleman that, overall, the US troops, who have taken significant risks and shown great courage in the face of danger, will remain there for a considerable time.

Dr. Liam Fox (Woodspring) (Con): Can the Secretary of State tell the House about his discussions with our NATO allies about the rules of engagement? When does he expect to make an announcement about a further deployment of UK forces, and does he agree that it would be absolute folly for different NATO troops to operate in Afghanistan under different rules of engagement?

John Reid: I think it is inconvenient, but it is not necessarily an utter folly to have different rules of engagement in different areas, as different forces are undertaking different tasks. Some may be training the Afghan army, some may be assisting the resurrection of the judicial system, and some may be training police. However, I fully accept that the nearer one comes to a combat situation, the better it is to have rules of engagement that allow maximum flexibility when engaging with the enemy, which is why we have continual discussions on these matters with our colleagues. As for the south, I can confirm that we continue to hold discussions with the Supreme Allied Commander Europe and with NATO. I have spoken to Bill Graham, Robert Hill and Henk Kamp, my opposite numbers in Canada, Australia and the Netherlands about the possibility of going into the south and the configuration that we will use. However, as I have said, we have not achieved a final configuration that satisfies me that the configuration that Britain is prepared to provide is suitably encompassed within a NATO configuration. When we reach that stage I will, of course, make an announcement on deployment to the House. I would merely say that the delay in that final decision has not caused any risk of lack of preparation or training for our troops, because my right hon. Friend the armed forces Minister announced some weeks ago that training and preparations would go ahead on a contingency basis.

Northern Ireland (Offences) Bill

4. **Adam Afriyie** (Windsor) (Con): What discussions he has had with the Prime Minister on the possible effects of the Northern Ireland (Offences) Bill on Army efficiency and morale. [36097]

The Minister of State, Ministry of Defence (Mr. Adam Ingram): My right hon. Friend the Secretary of State has not had any discussions with the Prime Minister on the possible effects of the Northern Ireland (Offences) Bill on Army efficiency and morale.

Adam Afriyie: It seems to me that common agreement has developed over hundreds of years in our nation that time does not diminish the severity of a crime, especially murder and terrorism. On the one hand, the Government appear to seek to lock up unconvicted terrorists in Britain, so can the right hon. Gentleman explain in clear terms why, on the other, they seek to release convicted terrorists in Northern Ireland?

Mr. Ingram: We have to look at the situation in the round and over the piece. Preceding Governments at all times tried to find a way through the very difficult situation that we faced in Northern Ireland. I spent four years as the Minister responsible for security there. I reflect on every piece of legislation that I had to put through—the decommissioning legislation, the early release of prisoners legislation, the policing reform legislation and the public procession legislation. Each time, we were told that that would be the end of civilisation as we knew it, that it was an outrage and that it was totally wrong. Where are we now? We have a peaceful environment in Northern Ireland, which could not have been envisaged four or five years ago. There are still issues that must be addressed and big matters to attend to. There is no question but that the Bill is painful and difficult, and visits itself most dramatically on the victims of terrorism. They are the community that must be considered in this process, but if we want a peaceful future, we must take such painful decisions and the associated risks.

Hugh Bayley (City of York) (Lab): My right hon. Friend has had a great deal of experience and distinguished service as a Minister in the

Northern Ireland Office. Does he agree that the peace process has required compromise by all parties, and that the benefits that it has brought, principally to the people of Northern Ireland but also to our armed forces—the peace dividend—is valuable, and that if one fails to take difficult decisions, the process may backslide? The Government must take difficult decisions in order to secure the gains that have been made so far.

Mr. Ingram: I agree entirely. That is what I was trying to get across in my earlier answer. I reflect that every time we come up against those difficult decisions, and remembering the various constituencies out there, if we did not make those changes, we would still be in the troubled period of past decades. Previous Administrations, not just the present one, understood that. They understood that there had to be such a process and that, by definition, it would come up against very difficult decisions. I have expressed my view on the extent of those difficulties and where they visit themselves most dramatically. I also reflect on our armed forces and the security forces overall—the many hundreds of them who have lost their lives in the struggle. I pay tribute to them. We would not be in our current position had it not been for their determination, fortitude, skill and, in the case of too many of them, their ultimate sacrifice. The process is difficult and we will continue to do what is right for the people of Northern Ireland.

Sir Patrick Cormack (South Staffordshire) (Con): The Minister is clearly not comfortable with the Bill, which is probably the most unpopular brought before the House in living memory. Does he accept that it will hold up the restoration of devolution, rather than accelerate it?

Mr. Ingram: I do not think that that is necessarily a matter for me—that is what Northern Ireland Ministers are for—but I have pointed out that at each step, each time we come up against difficult legislation, we have to reflect, consider and decide what is best. The Bill is undoubtedly a difficult piece of legislation. I do not demur from that point of view at all. The question is whether it is necessary and whether it will move the process forward. Some will say no, some will say yes, and only time will tell whether we got it right.

Mr. Gregory Campbell (East Londonderry) (DUP): Is the Minister aware that the morale of the Home Service Battalion of the Royal Irish Regiment is low because of the pernicious provisions contained in the Northern Ireland (Offences) Bill, but that it is also low because of the outstanding issue regarding the future of that battalion and its members' financial package, which must recognise the courage and commitment of those soldiers in the front line for so long?

Mr. Ingram: Yes, I do. Only a few weeks ago I met many of those who serve in the Home Service and I took them through some of the reasoning for what we are currently engaged in. I think they knew, as we all know, that ultimately, if we get peace, such a standing force will no longer be required. We have to manage our way through the process. I pay tribute to all that they have done over the past 37 years, and to the civil servants who have worked in the Ministry of Defence alongside the Home Service Battalion and the many tens of thousands of regular soldiers who have served in Northern Ireland. They made a major contribution to bringing stability and peace to Northern Ireland, and we have to find the best solution to manage the conclusion to that step in the process when they are disbanded or, in the case of the MOD civil servants, their tasks are no longer required.

Iraq

5. **Mrs. Sharon Hodgson** (Gateshead, East and Washington, West) (Lab): If he will make a statement on the development of the Iraqi security force. [36098]

The Secretary of State for Defence (John Reid): We are continuing to build the capability of the Iraqi security forces so that they are increasingly able to take responsibility for delivering law and order themselves. The Iraqi security forces will provide the immediate security for the planned elections this Thursday and oversee the whole event.

Mrs. Hodgson: I thank my right hon. Friend for that answer. Does he agree that this Thursday's elections will further marginalise the violent forces and increase the prospects of victory and of liberation by Iraqi democrats, especially the new trade unions, which need solidarity from the international community and the British Labour movement, including groups such as Labour Friends of Iraq?

John Reid: I entirely agree with my hon. Friend. This Thursday's elections will be a huge step forward for the people of Iraq, the country of Iraq and the middle east as a whole. Despite all of the threats, 8.5 million people turned out in January, 10.5 million people turned out in October and 15 million people are now registered. I only hope that the people of this country pay attention on Thursday to what the overwhelming majority of Iraqis are saying by coming out to use their new-found freedoms in the same way as some commentators in this country continually pay attention to the minority who are attempting to destroy Iraqi democracy and Iraqi lives.

Mr. Rob Wilson (Reading, East) (Con): What is the Secretary of State's estimate of the impact of UK-based private companies on the security situation in Iraq? And what plans does he have to sign new contracts with those private companies?

John Reid: I do not have any estimate of those companies' contribution to the overall security situation, which primarily lies in the hands of the multinational forces, who are handing over to Iraqi forces. Iraqi forces are increasingly becoming trained, capable and able to take over leadership on security, which they will do on Thursday of this week, and they are the people who will ultimately play the major role. The multinational divisions or any private companies who are temporarily providing a degree of security will remove themselves from Iraq as soon as the Iraqi security forces and the democratically elected Government of Iraq want it to happen.

Defence Training

6. **Mr. Pat McFadden** (Wolverhampton, South-East) (Lab): If he will make a statement on the future of defence training. [36100]

The Parliamentary Under-Secretary of State for Defence (Mr. Don Touhig): The defence training review programme will deliver specialist training on a defence rather than single service basis. Our vision is to create national centres of training excellence, giving our people the best opportunities, training and living environment that we can provide. Modern training methods and technology will be introduced, and training will be concentrated on a reduced number of sites to give the Ministry of Defence the flexibility that it needs to match training demand to defence needs.

Mr. McFadden: I thank the Minister for his reply. Will he acknowledge the tremendous strengths of Cosford as the site for future combined defence training, given its ideal transport links to the main areas of armed forces recruitment and its place as part of a critical mass of IT, aerospace and engineering skills, which exist in abundance throughout the west midlands?

Mr. Touhig: I will certainly pay tribute to the work that goes on at Cosford and to the Members of Parliament who represent that area and who look after the interests of its people. The defence training review will have an impact on Defence Estates, but future plans for RAF Cosford will not be decided until a decision has been taken on the defence training review.

Robert Key (Salisbury) (Con): On behalf of all the civilian communities around the defence training areas, notably Salisbury plain, may I say how much we appreciate the increasing professionalism of the management of those training areas? It is important that the permanent staff who maintain them retain their special links with all the parish councils and civilian communities that make up the everyday life of those estates. If they sometimes slip a little over some detail, they will normally put things right as quickly as possible, but use of the training estates has intensified massively and those relationships are very fragile.

Mr. Touhig: I appreciate the hon. Gentleman's point. We are determined to have good neighbourly relations with all those with whom we work closely across the country. The creation of centres of training excellence that will be acknowledged and admired globally will not only enable our people to be recognised for their skills while they serve in the front line but make them valuable employees when they later become civilians. That impacts on the work that we are doing on the defence training estates. When a decision is taken and the programme is finally presented, that will benefit us all. I have no doubt that in the new environment we will want to work closely with our very good neighbours.

Mr. Brian Jenkins (Tamworth) (Lab): My hon. Friend recognises that the British armed forces are among the best trained in the world and that the qualifications that they gain in training are second to none. The words that he is uttering at the Dispatch Box as regards centralising training are music to my ears. However, will he give an assurance that that will involve the best centres—those that have been the most cost-effective and have turned out, consistently and on time, the right numbers of recruits? Will he use that as the basis of building up the centres of excellence that are important for the future of this country?

Mr. Touhig: My hon. Friend is absolutely right that those are the criteria on which we must base our decision. The decision that we ultimately take must be taken in the best interests of this country and of the Ministry of Defence.

Mark Pritchard (The Wrekin) (Con): Can the Minister give me an assurance that in the defence training review St. Athan in Wales will not be given a competitive advantage over RAF Cosford in my constituency as a result of Welsh Development Agency money being used to promote it?

Mr. Touhig: I cannot possibly comment on whether WDA money is being used, but I can try to reassure the hon. Gentleman by saying that I have no doubt that all bidders understand the potential of RAF St. Athan as regards the defence training review. I am not in a position to comment on the various sites. However, I assure all right hon. and hon. Members that, based on all the information that we are given at the time, we will take the right decision in the interests of the country and of the Ministry of Defence. That is the only criterion that we can possibly use. No location should be given any special favours.

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): My hon. Friend the Member for Wolverhampton, South-East (Mr. McFadden) commented on the excellent location of Cosford, but it is equally important that all the off-balance-sheet and hidden subsidies that may be at play in the competition must be seen in the context of who can provide the very best location for the service. I believe that that means it will come to Cosford.

Mr. Touhig: My hon. Friend may well be right, but I cannot possibly comment at this stage.

Iran

8. **Mr. Philip Hollobone** (Kettering) (Con): What assessment he has made of the potential threat to NATO countries and armies of the development of long-range missile technology in Iran. [36102]

The Secretary of State for Defence (John Reid): We continually monitor the potential threat that long-range missiles present to NATO countries and armies. Iran already has short and medium-range missiles in service, some of which could reach NATO territory, and its potential for developing longer-range missiles has been recognised for some time.

Mr. Hollobone: What assessment have Her Majesty's Government made of the potential leakage to Iran of personnel and knowledge connected with Pakistan's nuclear programme?

John Reid: We continually keep that under review. It is not possible, by the very nature of intelligence matters, to be definite about these things. However, we know, for instance, that Iran has made no secret of its aspirations to develop a satellite launch capability, which of course has a very close relationship with the technology required for longer-range missile systems. We also know that Iran is proclaiming its desire to develop civil nuclear capacity in the context of the International Atomic Energy Agency's revelations that it has been trying to deceive the international community by developing a nuclear weapons facility. There are also the public statements by the President of Iran, threatening to wipe off the map another member of the United Nations. Taken together, those matters alert us to a serious problem, which is not only ours but that of the international community.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): I listened to what my right hon. Friend said with great interest. He knows that countries in the South Caucasus such as Azerbaijan, Armenia and Kazakhstan have close relations with NATO—they are members of the partnership for peace programme—but they also have good relations with Iran. Does he believe that we could encourage those countries to build better relationships with Iran that might lead to a better understanding of NATO's role?

John Reid: Undoubtedly, we would all, including the United Kingdom Government, like better relationships with Iran. We would much prefer problems to be tackled in a civilised, diplomatic and fraternal fashion. That is why the United Kingdom has led the European three with France and Germany, and I pay tribute to the efforts of my right hon. Friend the Foreign Secretary on that. We want to try to resolve the problem through diplomatic means.

However, that is not helped by statements such as those by the President of Iran, revelations of a secret development or attempt to develop nuclear weapons, or a breach by Iran of its obligations under the non-proliferation treaty. That is a challenge not only to us but to the international community and the United Nations. However, we are doing what we can to resolve the matter diplomatically and I hope that the Iranians will respond and go back to their original action—to stop the unwelcome restarting of the uranium conversion facility at Isfahan and suspend those activities while we try to resolve the problems diplomatically.

Dr. Julian Lewis (New Forest, East) (Con): Does the Secretary of State recall the powerful speech that the Prime Minister made in March 2003, when he described the nightmare scenario of a rogue regime with nuclear or WMD technology and the means to deliver it coming together with fundamentalist extremists who would want to use such weapons? Is not that combination ready made in Iran? Is he as worried as I am by the statement over the weekend that Israel is actively planning military action, and can he inject his sorrowful and concerned tone, with which we all concur, with greater urgency? The matter should be at the top of the international agenda.

John Reid: Yes, I believe that it should be at the top of the international agenda. I am sorry if my tone today is emollient and sorrowful rather than aggressive. I am trying to find my sorrowful side on the matter after advice from so many Conservative colleagues.

Notwithstanding that, the problem is serious for the reasons that I outlined. They include not only our concern about the link with the attempts to kill our troops in Iraq but the statements threatening to wipe Israel off the map, the history of clandestine attempts to develop nuclear weapons and the possibility of long-range missile delivery systems. All that is difficult, but solving the problem diplomatically would serve the world better. I therefore assure the hon. Gentleman that the greatest urgency and priority has been given to the matter and I simply ask him to witness the efforts, energies and time-consuming dedication that the Foreign Secretary has shown on it. It is our profound wish that this matter be solved quickly and diplomatically, and the way for that to happen expeditiously is for Iran to return to the suspension of the facilities and the conversion, as it promised to do earlier, and to enter into serious negotiations in an attempt to resolve the issue.

Mr. David Drew (Stroud) (Lab/Co-op): I hear what my right hon. Friend says about diplomacy. Does he agree, however, that the role of Pakistan is important in this regard, particularly the role that A.Q. Khan played in supposedly giving information on nuclear weaponry to the Government of Iran? Would it not be a good idea if that information were shared more widely, and if, rather than keeping A.Q. Khan under house arrest in Islamabad, he were made available to those who know what has happened, so that we can really see what information the Iranians have?

John Reid: It certainly seems to me—as it presumably does to most objective observers of these events—that the proliferation of information, advice, tuition and details from the A.Q. Khan network has been one of the most dangerous examples of proliferation in recent years. If my hon. Friend's comment was an implicit criticism of President Musharraf, however, I will not join him in that. The President of Pakistan is making a serious effort in attempting to resolve the crisis with India in Kashmir, to restrain the excesses of the madrassahs, and to ensure a diminution of the entry of terrorism into Afghanistan. However, Iran itself has now declared that it has received offers of information on developing nuclear weaponry, and the proliferation of such information is very worrying indeed. As I said, the way to resolve this issue is for Iran to come back to the negotiating table and to respond to the efforts being made by my right hon. Friend the Foreign Secretary and by France and Germany to engage diplomatically on these matters.

Bowman

9. **Mr. David Heath** (Somerton and Frome) (LD): How many military vehicles were programmed to be converted for Bowman; and how many have been converted. [36103]

The Minister of State, Ministry of Defence (Mr. Adam Ingram): More than 20,156 land mobile platforms were in the original Bowman contract for conversion and, as of 7 December 2005, some 3,845 have been converted.

Mr. Heath: Bowman represents a huge improvement in potential capability. Is the Minister aware, however, of the frustrations being expressed to me by many serving officers and NCOs—non-commissioned officers—that vehicles are going for refitting and simply not coming back to their units, sometimes because of delays in the workshops and sometimes because of nonsense in the specifications, such as leads being provided that are too short for anything other than standard vehicles? The result of these problems is frustration in the operational units, and expensively acquired training decaying while people wait for the vehicles on which they can put their skills into use. Most importantly, perhaps, essential units are not in the state of readiness that they ought to be. Can anything be done to remove the logjam?

Mr. Ingram: Bowman represents an important step change and a considerable improvement. I was recently on HMS Bulwark with 40 Commando Royal Marines, who were extolling the virtues of what they had been trained to provide, saying that it would give them greater punch as an expeditionary force. Bowman is, however, a very complex system, and we have unquestionably encountered difficulties as we have gone along. A lot of that has been to do with the age of some of the vehicles, and with the non-availability of some essential pieces of equipment, which we are trying to source. We are discovering aspects of the vehicles that are presenting difficulties because their original specification included individual fits, which have to be worked round. We are fully conscious of the fact that there is a crying demand out there for the conversion programme to be advanced so as to bring those vehicles into service, and we are doing all that we can to achieve that. We know that this is a very important piece of equipment that will provide a tremendous step change, and we shall continue to try to meet the deadline of the end of 2007 as best we can.

Mr. Tobias Ellwood (Bournemouth, East) (Con): The roll-out of the Bowman radio system must be one of the more embarrassing procurement projects that the Army has had to endure. Our armed forces have rightly been praised, and all Members share in that, but such praise is often not matched by our encouragement and support for the procurement process. Does the Minister agree that waiting 40 years for the replacement of a radio system is far too long?

Mr. Ingram: I know that the hon. Gentleman is new to the House, but had he been around at the time he would have remembered the criticisms of the previous contract, which was probably best described as a disaster on legs—or, more appropriately, a disaster on wheels and tracked vehicles. It was not well designed and managed, and had to be renegotiated under this Government. We have faced difficulties and we now have an incredibly potent piece of kit, both in terms of the voice system and, as we roll it out, the data system. That will provide a step change and a new way of communicating between command centres, the front line and back again. It will lift the capability of the armed forces to a first-class level, and that is what is wanted. Everywhere that it has been implemented, it has been warmly received, and people say, "Give us more and move to the next phase." We are doing all of that. It has been difficult, but much of that history rests with the previous Tory Government.

Relief Effort (Pakistan)

11. **Mr. Sadiq Khan** (Tooting) (Lab): What role UK Chinooks have played in disaster relief in Pakistan. [36106]

The Minister of State, Ministry of Defence (Mr. Adam Ingram): UK armed forces have provided significant and wide-ranging assistance to the Pakistan earthquake relief effort. That has included three heavy-lift Chinook helicopters, a specialist 86-man light engineering team, a four-person mobile medical team, four logistics planners, three C130 transport aircraft as part of the NATO air bridge, and 24,000 vegetarian and halal ration packs.

Mr. Khan: My right hon. Friend might be aware that I recently visited the areas affected by the earthquake in Pakistan, and I had the pleasure of meeting the Chinook teams working there around the clock. One of the contributions that he did not list was that our men and women can load and unload a Chinook faster than the Americans—we are doing three sorties a day. First, will he join me in congratulating our men and women? Secondly, will he consider speaking to our European colleagues, who, unfortunately, have been less generous than we have been? He will be aware that in that part of the world, at this time of the year, the help that we can give through our helicopters is much appreciated and needed.

Mr. Ingram: My hon. Friend has seen this activity at first hand. I met the Chinook crews when they returned, and I was amazed at the amount of effort that they had put in. He is right about the capacity of our people, which is better than that of not just the Americans but everyone, to lift heavy quantities and to do more sorties than anyone else. As I understand it, the Americans cottoned on to what we are doing and have introduced the same lift techniques, and other allies are examining what we are doing, including the UN efforts. We have helped considerably in that specific area.

I also saw off 59 Commando Royal Engineers and 42 Commando Royal Marines, who have gone to provide light engineering support. We have seen some of the playback of what they are doing. All the teams that we have sent out there are doing truly amazing work, all hours of the day, delivering essential humanitarian aid and support. Others should study what we are doing to see what more can be done. This is a critical area, and lives can be saved on the back of that effort. That is what our people are doing, and I will pass on my hon. Friend's warm words, which, I know, are echoed across this country.

Mr. James Arbuthnot (North-East Hampshire) (Con): Does the Minister agree that the activities of those Chinook teams from the UK is a source of pride not only to Britain, but to RAF Odiham in my constituency. I know that the Minister visited RAF Odiham on Monday. Does he agree, however, that there is serious worry about the availability of heavy-lift

helicopters once we deploy to Afghanistan next year? Is he convinced that we have enough heavy-lift helicopters, and support helicopters in general, to do the very necessary work that they do?

Mr. Ingram: There is an issue to be dealt with. We are looking at the servicing of the whole support helicopter fleet, but particularly the Chinooks, and considering new cycle times for maintenance. If that proves feasible in safety terms, more helicopters may be available at any given time, and pressures may be eased.

We should view the position across the board. We should not simply say "Let us purchase more"; we should ask whether there is a better way of making certain platforms available. Our action is part of our overall logistic support effort. It does not apply just to support helicopters, fast jets and so on. The Defence Committee, which the right hon. Gentleman chairs, is examining the whole issue, and I await the outcome of its report.

Mr. Gerald Howarth (Aldershot) (Con): I am sure that the whole House is very proud of the part played by the Royal Air Force in dealing with the terrible disaster in Pakistan. It is even more notable that we have been able to make that contribution despite the enormous pressure under which our helicopter fleets are operating.

May I return to the question asked by my right hon. Friend the Member for North-East Hampshire (Mr. Arbuthnot)? The fact is that we are short of heavy lift. We do not require it just for military purposes; we need it for precisely the kind of situation that we see in Kashmir, where the United Kingdom can make a serious contribution. Unless the Government are prepared to devote the necessary resources to defence, however, we shall not have that capability. In Iraq, as the Minister knows perfectly well, our helicopters are under enormous pressure. Can he not do more to ensure that the country has the heavy lift that it needs?

Mr. Ingram: I do not think that the hon. Gentleman heard what I said. We are paying a great deal of attention to the problem, and there are ways in which we can ameliorate it. We can ensure that more platforms are available at any one time, which constitutes best use of our defence resources. I do not propose to enter into a debate, but I shall mention in passing that defence has received the largest sustained increase in funds for 20 years. It received £3.7 billion in the Budget—a real-terms increase of 1.4 per cent.—over the current spending review period from this Government, which contrasts with the cuts made by the last Tory Government.

Oil Depot Explosion (Hemel Hempstead)

3.32 pm

The Deputy Prime Minister (Mr. John Prescott): With permission, Mr. Speaker, I should like to make a statement on the explosion yesterday morning at the oil depot near Hemel Hempstead.

I am sure that all Members will join me in thanking the emergency services, the voluntary services, local authority staff, Government officials and local people for the magnificent way in which they responded to the event—with speed, efficiency and dedication. I visited the site yesterday afternoon on my way down from Hull and spoke to the chief constable, Frank Whitely, and the chief fire officer, Roy Wilsher. I also met staff from the other agencies involved in the incident. I was impressed by how well organised they were, and how they were getting on with a very difficult job. I stressed that the Government would provide the support and assistance needed to tackle the fire, and I reported back to the Prime Minister last night.

The scale of the situation is obvious from the powerful images that we have seen on television. The emergency services and other agencies are working together to tackle the fire. The facts are these. At about five past six yesterday morning, there was a huge explosion at the Buncefield fuel depot, on the outskirts of Hemel Hempstead. The site is about 1 km from junction 8 of the M1. The cause of the explosion is not yet known. It is thought to have been an accident, but we shall need a full investigation by the Health and Safety Executive in due course.

The explosion and the fire have totally destroyed the north side of the oil storage terminal. Twenty oil tanks have been destroyed, but the remaining tanks on the southern part of the terminal have been protected from fire. There has been considerable structural damage to the buildings on the surrounding industrial estate, and some homes up to three miles away have been damaged. Casualties have fortunately been remarkably light, largely because the explosion happened early on a Sunday morning. Yesterday, 43 people were treated in hospital; only two of them were seriously injured and only one now remains in hospital, in a stable condition.

As in all major incidents, the police established a "gold" command to bring together the emergency services and other key agencies. It is in Welwyn Garden City. In addition, the Government's eastern regional resilience team has provided a direct link with central Government, local authorities and voluntary agencies.

The initial focus was to secure the area and stop the blaze from spreading. About 100 police officers and 100 firefighters were at the scene yesterday, and about 150 firefighters from 12 different fire and rescue services are tackling the blaze today. They are succeeding in putting out fires in 10 of the 20 fuel tanks. About 250,000 litres of foam were used this morning, and more supplies are on the way. The fire services believe that they have enough foam to smother the fire and prevent it from starting again.

The scale of the incident was such that local resources were not sufficient, so the House will be grateful to fire brigades across the country that responded so quickly to calls for help. I also want to thank the people who are co-ordinating the response across the country so effectively.

I am pleased to tell the House that the high-volume pumping equipment, which was used so effectively in the Carlisle floods in January, has again proved vital. Just one of those high-volume pumps does the work of 18 traditional fire engines and it can pump water over a distance of some three miles. The new equipment was provided by my Department under the New Dimension programme for precisely those kinds of major emergencies.

The fire has had a number of wider consequences—in particular, health issues, the impact on fuel supplies and the provision of other public services. It has generated a large plume of smoke, which has spread widely. The plume is largely made up of carbon dioxide, carbon monoxide and hydrocarbons. As the fire comes under control and as the heat reduces, there may be an increase in smoke locally. While I am advised that the plume is not toxic, the smoke is certainly unpleasant and may affect people with lung conditions.

The Department of Health is working closely with the Environment Agency, the Health Protection Agency and the Met Office so that we can give up-to-date information about the plume and any implications for public health. Anyone concerned about the impact of the incident on their health should contact NHS Direct. Residents in the affected areas should stay in, close their windows and watch the news. As a precaution, a number of schools in the area have been closed today and employees of companies in the cordon have been advised not to go to work today.

The movement of the plume was unpredictable, so officials have also been in contact with the European Union to keep other countries updated. Prior to the fire service's assault on the fire today, there were detailed discussions with the Environment Agency to ensure that the foam and water cannot reach the drinking water supply.

The oil industry and the Department of Trade and Industry are working to overcome any impact that the incident may have on supplies of aviation fuel to Heathrow and Gatwick. A number of local services have also been affected and some precautionary measures have been taken. In the immediate aftermath of the explosion, some local people were evacuated from their homes to two rest centres provided by Dacorum district council, but only a few people took advantage of that.

The whole House will, I am sure, wish to pay tribute to the way in which the local council, voluntary agencies and the whole community responded to the emergency. I understand that a few people cannot return to their homes yet, but most are expected to do so within the next 24 hours.

Road transport was seriously disrupted yesterday as a result of the fire. The M1, M10 and local roads were all closed. I am pleased to be able to tell the House that the M1 has now reopened, although entry and exit at junctions 7 and 8 will be restricted in order to allow easier access for the emergency services.

As I said at the start of my statement, the response to the Hemel Hempstead explosion is a great tribute to all the emergency and other services involved and it is also a testament to the benefit of effective emergency planning. In the world in which we now live—with increased risks of both terrorism and accidents—multi-agency, cross-government contingency planning is vital.

Day in, day out, this type of preparation takes place behind the scenes and away from the glare of the media, yet it is for events such as yesterday's that we plan.

I can tell the House that, only three months ago, the emergency services in Hertfordshire conducted a successful exercise, covering just such an eventuality as occurred yesterday. The speed and efficiency of their response is testament to their foresight. Through the Civil Contingencies Act 2004, we put in place the legislative framework that set the foundation for that sort of multi-agency planning. The Government's investment in the New Dimension programme has also provided the equipment that worked so successfully in Carlisle and now in Hemel Hempstead.

It is through the bravery, commitment and professionalism of our emergency services that we can respond so effectively to events such as this. Last night, I witnessed a group of firefighters who were about to enter the inferno. We admire the courage and abilities of those firefighters, who work hard and willingly for the safety of the community. The House will want to record its admiration for their courage and dedication in working on behalf of the community. Not only the firefighters but the police and the ambulance workers deserve our great praise and admiration. I am sure that the House will join me in recording our thanks and gratitude for the courage and hard work of our emergency services.

Mrs. Caroline Spelman (Meriden) (Con): I thank the Deputy Prime Minister for giving me an advance copy of his statement. My colleagues and I certainly join him in paying tribute to the emergency services' skill and courage in tackling what is possibly the largest industrial fire since world war two, and in paying tribute to all those who have mobilised around the community to help. Our thoughts and prayers are with the workers and families affected by the blast, particularly in the run-up to Christmas.

In November 2001, the Health and Safety Executive prosecuted the British Pipeline Agency Ltd. for safety breaches at the Hemel Hempstead depot on account of inadequate containment around flammable aviation fuel tanks. Given that we have not heard from the Deputy Prime Minister what he thinks went wrong, could he tell the House when the HSE last inspected the oil depot? Does this latest incident prove that proper safety procedures were still not in place? Will he place in the Library of the House a copy of the compliance reports produced by the HSE in response to those earlier breaches? Is there any connection between the previous prosecution for inadequate containment around the aviation fuel tanks and eyewitnesses reporting fumes at the depot before the explosion?

Does the Deputy Prime Minister agree that this incident raises concerns about possible lack of safety training at the depot? Can he state when—once it is safe to gain access to the site—he expects the HSE to publish its interim report? Do the HSE and the fire services ever expect to find out the true causes, given the intensity of the explosion and the heat? Does the Deputy Prime Minister's recognition of the need for a full investigation extend to a public inquiry, in order that the full implications of this incident for other depots can be considered? Does his undertaking to provide support and assistance mean that Hertfordshire's local authorities, including the police and the fire authority, will be eligible for emergency funding under the Bellwin scheme? Does he agree that the costs that will have to be faced—of temporary accommodation, repairs to highways and special overtime for emergency services' staff—clearly fall under eligible expenditure for Bellwin? Does he also agree that at a time of acute pressures on local authorities, including the threat of capping, it would be wrong to charge local taxpayers for this unexpected emergency, the implications of which go far beyond the locality?

My hon. Friend the Member for Hemel Hempstead (Mike Penning) has done an excellent job in articulating his constituents' concerns, and I hope that he may catch your eye, Mr. Speaker, not least because he has let the Deputy Prime Minister know of his concerns in advance. Given the worldwide reporting of this incident, does the Deputy Prime Minister agree that it has raised awareness—for good or ill—of the vulnerability of fuel depots? Will his Department now review security at oil depots throughout the country, and will that review include a risk assessment of any new house-building programmes near those sites? Does he agree that consideration should be given to reconstructing the Buncefield facility at a site further away from the residential community?

I compliment the Deputy Prime Minister on his prompt visit to the site, but as I know from preparing this response to his statement, this incident cuts across the work of several Departments—including his own, the Department of Trade and Industry, the Department for Work and Pensions, the Department of Health and the Department for Environment, Food and Rural Affairs—and a plethora of other agencies, such as the Health Protection Agency, the Environment Agency and the Met Office. Can we assume from this statement that the Deputy Prime Minister will be in charge, and what measures are in place to ensure maximum cross-departmental co-operation?

What are the longer-term environmental and health considerations of the pollution, which is being dispersed over a wide area? Will any guidance be produced by DEFRA on the possible implications for local livestock if the smoke cloud falls down to earth as contaminated rain? What is the risk of contamination to the water supply?

The United Kingdom is close to not having enough gas supplies for the winter, largely because of lack of storage capacity. What assurances can the Deputy Prime Minister give us that this incident has not further compromised energy security? What reassurance can be given to local people that panic buying is unnecessary?

The disaster has caused only limited human casualties, because—by the grace of God—it happened at 6 o'clock on a Sunday morning, but that miracle should not engender complacency in any agency. As so many departments and agencies are involved, I urge them all to face up to the reality that this could have been so much worse.

The Deputy Prime Minister: I thank the hon. Lady for her supportive remarks, which I think will be appreciated by all those who have been involved in this terrible incident. Of course there are many lessons to be learned, and many of the questions that she has asked

[The Deputy Prime Minister]

today cannot be answered until later, but full inquiries will be made right across Government, in the bodies responsible for health and safety and for the environment, the Department of Trade and Industry and all other appropriate bodies.

The Environment Agency has been very much involved from the beginning. Indeed, tackling the fire was delayed for a while until we knew the full environmental consequences of the foam and the water passing into the water supply—and, of course, because of the heat of the fire. We have to make a judgment when we intervene, and that was a difficult judgment for the fire authorities. As they have said, the incident is probably unique in size and scale; that has caused them great concern, and our hearts are with them in their efforts to deal with this difficult problem.

It is proper to ask all those questions, and we will do all that we can to answer them. If the hon. Lady would like a meeting with me in a few days' time, when we have a little more information, I would be delighted to arrange one.

I shall indeed take the co-ordinating role across Government, to ensure that Departments work together to find the answers to deal with the problem. The fire certainly has not been defeated yet; people are still bravely fighting it, and it will continue for a time yet.

The hon. Lady asked about panic buying. The various authorities and the oil companies have made it clear that it is not necessary to get involved in panic buying, because the proportion of ordinary fuel used from this depot is much smaller than that used for aviation. There is a special problem with aviation fuel, which the DTI is looking into.

I do not think that we are complacent. The point that I made was that the New Dimension programme was bringing all the agencies together and providing the proper equipment. Nearly £2 million has been invested over the past two years to assemble the equipment and get the agencies to work together. It was quite comforting to hear from the police, the fire authorities and the agencies how the multi-agency approach had worked this time, because they are properly exercised and had the equipment to deal with the fire. As I said, if we had not provided the special pumps that can pump water from three miles away—indeed, water is now having to be provided from as much as a mile away—about 18 fire engines would have been needed. We are all grateful to see that the proper equipment is there to deal with this difficult problem.

As for the damages and the Bellwin scheme, to which the hon. Lady referred, she knows as well as I do that if the local authority spends more than £2 million, extra expenses under the Bellwin scheme can be considered. For the police authority, that figure is something like £319,000. As in all local authority budgets, a certain amount of money is made available for such contingencies. We shall consider all the circumstances.

Stringent conditions are laid down about siting such plants near housing, but the plant in question originated about 40 years ago and has been there ever since. Any lessons that we have to learn from that will certainly be taken into account.

The hon. Lady raised a number of very proper questions to which I cannot give adequate answers yet, because we must wait until the fire has been defeated for proper investigations to take place. As I have said, however, if she would like to come and talk to me about that in the next few days, I shall give her any further information that we have by then.

Sarah Teather (Brent, East) (LD): First, may I thank the Deputy Prime Minister for coming to the House to make his statement so promptly, and for giving me notice of what he intended to say. I echo his comments, and those of the hon. Member for Meriden (Mrs. Spelman) from the Conservative Front Bench, in commending the police and fire services and all the other agencies for the extraordinary way in which they have responded to this unprecedented emergency. I have spoken with colleagues on Hertfordshire county council, and they have nothing but praise for the exemplary way in which the local services have handled the disaster.

The Deputy Prime Minister is indeed correct to say that we have been lucky in terms of casualty figures and, obviously, a police investigation into the cause is ongoing. However, does the Deputy Prime Minister believe that any lessons can be learned at this stage in terms of future planning policy about the siting of such depots close to residential and commercial areas? Can the Deputy Prime Minister confirm that any early information gained about the cause of the accident will be passed on to other depots, four of which are much larger than the one in Hemel Hempstead, and that safety checks will be carried out at other depots as a matter of urgency?

Will the Deputy Prime Minister acknowledge that Hertfordshire has had to deal with four major national incidents in the past 10 years, including the Hatfield rail crash, so will he be flexible about the arrangements for an application for extra funding under the Bellwin scheme? In terms of the environmental and health impacts of the incident, what assessment has been made of the consequences of burning large quantities of oil at a temperature different from that of a combustion engine? For example, has any assessment been made of the likely profile of polycyclic aromatic hydrocarbons, produced as a result of incomplete combustion, and what would be the likely consequences of those in the food chain?

In terms of the particular soot solution and the impact on people with respiratory illness, what discussions have taken place with the primary care trust to ensure that adequate provision will be made should seasonal infections and air pollution co-exist to lead to an increase in acute episodes of illness? I also understand that the hospital episodes statistics unit has been badly damaged by the incident. What implications will that have?

The Deputy Prime Minister has confirmed the statements from the police yesterday that there is no need to panic buy. What actions have the Government taken to ensure that public fears are allayed and that it does not become a reality?

The Deputy Prime Minister: I thank the hon. Lady for her words of support, which will also be much appreciated by those dealing with the fire.

On the issue of planning, we have tough rules about the siting of such plants, which is also covered by the common European rules. They are very different from the situation 40 years ago when the site was originally planned. Any lessons to be learned will not wait until the final result of our inquiries. If information of immediate use, interest or value arises with regard to improving safety, it will be made available so that changes can be made to other sites.

The Bellwin scheme judges individual incidents, not a collective number of incidents. For example, it provided resources for dealing with the Carlisle flooding, based on the criteria that I mentioned earlier.

The questions of chemical reaction and combustion are matters for the Health and Safety Executive and I shall draw them to its attention. The health authorities in the area acted quickly to provide the proper advice and make hospital services available. Thank goodness, they were not greatly used, but they were in place—they were stood down quickly after very few people turned up. As the hon. Lady said, we are grateful that the incident happened early on a Sunday morning. There would have been many people in attendance at the nearby industrial buildings on a Monday morning, and we have all seen the pictures of them. If it had happened at a different time, we could have been dealing with a very different situation.

I hope that the problem of panic buying will be helped by the statement in the House and by the statements made by the chief constable and the fire officers. They are to be congratulated on giving as much information as quickly as they could and on making it clear that panic buying was not necessary. All the signs are that people have taken that advice, but we will continue to make it clear that there is no need for any panic buying.

Andrew Miller (Ellesmere Port and Neston) (Lab): My right hon. Friend will be aware that my constituency is dominated by the Stanlow oil refinery and it will come as no surprise that constituents have expressed concern about whether such incidents could occur locally. May I join my right hon. Friend in praising the fantastic work done by the emergency services over the past 24 hours? It reflects the sort of co-ordinated action that I have seen in previous incidents in the petro-chemical industry. It is important that we learn lessons from this across the whole industry. I agree with my right hon. Friend that it is too early to speculate about what went wrong and whether the location should be moved, but will he assure me that there will be a cross-industry study to determine whether changes are needed and that we ensure that best practice across the sector applies to the distribution terminals? By their nature, they are places where the risk is real, due to the transfer to vehicles. Can we be assured that every possible lesson is learned and put into place?

The Deputy Prime Minister: I thank my hon. Friend for his support for the emergency services, which will be well received by them. I am well aware of the Stanlow refinery as I went to school nearby in Ellesmere Port. I know of the concerns of people who live near such facilities, and of the requirement to ensure their safety. The industry has already made it clear that whatever lessons are to be learned will be passed on. The industry will conduct its own investigation, but the advice of its experts to the firefighting authorities has been valuable and was much appreciated by our firefighters.

We shall certainly ensure that the lessons that are learned become best practice. There is much consultation and negotiation between the Government and various bodies. I recall hearing the explosion at Flixborough on Humberside in the 1970s. Many lessons were learned from that and implemented in the industry with its active co-operation, and I have no reason to doubt that that would not be the same in this case.

Mike Penning (Hemel Hempstead) (Con): I thank the Deputy Prime Minister for coming to the Chamber so quickly to make a statement. On behalf of my constituents in Hemel Hempstead, I also thank him for visiting us yesterday at a very difficult time for us. I apologise that I was not available in the area that he visited; I was actually with constituents on the other side of the fire.

I praise the professionalism of what is without the shadow of a doubt the best fire service in the world, which has been fighting the fire in Hemel Hempstead for about 30 hours. As a former fireman, I dreaded going to such fires and as the crews were going to the fire I know they were dreading what they might see when they arrived, especially as they knew that people were working at the site. The luckiest men alive are the maintenance workers who walked away with only cuts and bruises even though they were only a few feet away from the initial explosion. I have met those maintenance workers, and the shock has set in as to how lucky they are.

This is a national disaster and the costs of fighting the fire cannot be borne by the taxpayers and the fire authority in Hertfordshire. It is physically impossible. I welcome the extra appliances that were sent from all over the country and, in particular, the other fire authorities that have been working so closely with my crews throughout last night and today. The situation looks promising, as the fire is out in a lot of the tanks, but the costs will be unbearable for the local community. Not only are there firefighting costs but, as the House will be aware, the industrial estate, which is closed to cameras today, is devastated by the blast damage, as are the local residents, and the next part of my question relates to the long-term effects on them.

When the depot was built, there was hardly any residential property around it, but over the last 40 years it has been surrounded by residential accommodation. Forty years ago, the site was probably assumed to be safe; clearly, it is not today. May we have an urgent inquiry into the siting of such depots? Such an inquiry should cover not only the facility itself but the emergency facilities around it. I am sure that the Deputy Prime Minister was informed yesterday that the acute accident and emergency centre where the injured persons were taken is due to close next April, under Government proposals. If the depot remains in the area, my constituents will be worried about the long-term effects of that closure for their community.

This is not about party politics; it is about what is right and wrong for our constituents. I am so proud of my constituency and the way that people pulled together as a community yesterday. I thank them for all the work they did and I thank the Deputy Prime Minister for going there yesterday.

The Deputy Prime Minister: I am grateful to the hon. Gentleman for those remarks. I was well aware that he was actively looking after his constituents' interests during my visit. I hope that he will accept that my intention was not to commit the chief constable or the chief fire officer simply to attend me, but to ask whether they wanted any assistance, so I was in and out quickly. I hope that he understands that that was the reason why I did not contact him when he was seeing to his constituents' needs.

As a former fireman, he will appreciate more than anyone the difficulties facing those firemen at present. I have referred to them waiting to go into the inferno, and we all admire the extraordinary courage of firefighters in those circumstances. Of course, the Under-Secretary, my hon. Friend the Member for Poplar and Canning Town (Jim Fitzpatrick), is also a former fireman—so I have got them to the front of me and to the back of me. I felt that during the last dispute, but I will not go into that situation. Nevertheless, I have never doubted the courage of those people who, as workers, are willing to face danger in such a way. No other person is faced with that, and we are grateful to them for doing so on behalf of the community.

The hon. Gentleman referred to this as a national disaster. Again, the resources that we make available under the Bellwin scheme for such circumstances will be judged against the incident. Clearly, terrible and extensive damage was done to the industrial estate, and the insurers have already told those companies, as well as householders, that they are prepared to consider all those claimants. We will see what we can do in that regard.

The hon. Gentleman referred to the residential properties near to the site. Obviously, planning permission was given for them, but I will certainly look into that and see whether any lesson can be learned.

In regard to the emergency services at the hospital, that was certainly not expressed as a concern, but I readily take on board what the hon. Gentleman said. However, I give him the same offer as I gave to the hon. Member for Meriden (Mrs. Spelman): if he desires to see me in a few days when the position is a little clearer, we can discuss exactly his fears and whether we can do any more to assist his constituents.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): I thank my right hon. Friend for the statement, and I associate myself with the remarks that he has made about the professionalism of the emergency services involved. Does he agree that this incident is almost unique in its significance and that the range of public services and organisations involved clearly demonstrates the importance of the recent legislation on civil contingencies and the changes in emergency planning? Will he undertake to assess the outcomes of the incident against the legislation and the changes that have taken place, with a view to finding out whether any further strengthening is needed because of the incident?

The Deputy Prime Minister: I thank my hon. Friend for his kind remarks about the emergency services. They expressed to me very strongly their gratitude for the new organisation, which brings together the various public agencies. They recently carried out an exercise in that respect. Indeed, one of the points made to me by the chief constable was that people from outside the area were already involved. People trained to do some of this work were sent in from other regions, although none was called in at that time. That also brings home to us the fact that the resources needed in this kind of incident are greater than those available, for example, to county organisations. Hence the importance of organising contingency funds and equipment on a regional basis, as in the legislation to which my hon. Friend referred. New equipment, new organisation and new ways to approach exercises to prepare for such events certainly played their part. We will take on board the lessons that we must learn and then discuss with the authorities how we may implement them.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): As my constituency borders the Buncefield storage depot, may I endorse, and associate my constituents and myself with, the remarks of my hon. Friend the Member for Hemel Hempstead (Mike Penning) and the Deputy Prime Minister, in which they expressed gratitude and praise for the emergency services for their exemplary courage, dedication and commitment over the past 30 hours? I visited the burning oil fields in Kuwait and never expected to see an equally terrifying inferno so close to a built-up area on the doorstep of my constituency.

May I raise two points that my constituents have put to me that have not been mentioned so far? There is a fear that the partly burned fuel might generate carcinogenic chemicals, so will the Deputy Prime Minister confirm that that is not the case? Constituents whose homes have been damaged need to know as soon as possible whether they will be able to claim for those damages from the owners of the depot, or their insurance policies. I end by expressing my gratitude to the Deputy Prime Minister for the action that he has taken in response to these events.

The Deputy Prime Minister: I am grateful to the right hon. Gentleman for his remarks and for indicating that our emergency forces acted with exemplary courage. They certainly played their part with tremendous dedication in what he rightly called an inferno. The chief fire officer told me yesterday that he had never seen anything on such a scale. We are dealing with a situation on a scale that is quite unique in Europe. Indeed, we are in uncharted waters with the problems that come from the chemicals produced by burning oil and petrol, and it is thus difficult for me to give proper answers to such questions. I am advised that the chemicals are not toxic, but let us wait and see. Discussions are going on at the moment and investigations are under way. When we have further information, we will report to the House as soon as possible.

The insurance companies have made it clear that any claims for damage to homes will be properly entertained. However, if we find that there are any difficulties, which is sometimes the case when such terrible and tragic incidents occur, the Government can play a part in encouraging parties to come together so that people are properly compensated. The right hon. Gentleman can be sure that we will do all that we can to ensure that that happens.

Mr. Gordon Prentice (Pendle) (Lab): What are the implications for grazing animals in the areas in which the plume descends? Can I take it that milk production in those areas will cease?

The Deputy Prime Minister: My hon. Friend makes an important point, but I cannot give him an effective answer about whether milk production will cease. We will have to make proper assessments and judgments on what the damage due to the fall-out from the plume might be. Of course, people are worried that as we successfully begin to defeat the fire and put it out, the thermal draughts that send the plume so high will be removed and thus the effects of the plume will come much closer to home. We are carefully monitoring the situation to find out what is happening and we are making assessments. However, I cannot say what action will be taken until we properly know what the threat is.

Andrew Selous (South-West Bedfordshire) (Con): I pass on my condolences and those of my constituents to the people of Hemel Hempstead, which is a constituency that borders my own. I know that they will be as pleased as I am that support from Bedfordshire's fire and rescue service, police services and local authorities was so readily forthcoming. However, my constituents have expressed concern about the delay in putting out the fire, at the request of the Environment Agency, although I am sure that we all understand the reasons for that because we would not want our water supplies to be contaminated. Will the Deputy Prime Minister examine that matter so that when such fires happen in the future, they can be put out as quickly as possible to minimise the damage to the environment?

The Deputy Prime Minister: The hon. Gentleman raises a fair point. I think that more than 14 fire authorities sent fire vehicles and firefighters to assist. Indeed, I think that they do so automatically under the procedures that we have set up. When there is such an incident, there is no question about timing or assistance because people all act together, even if they are not called upon to appear at the site.

On the environmental costs, it is true that the Environment Agency was concerned—as, indeed, were the fire authorities—about the effect on the national water supply of applying foam and water on such a scale. It was not satisfied that there would not have been consequential damage, so there was a little delay. However, the delay certainly did not occur only because of the environmental advice. Given the heat, the chief fire officer had to make difficult decisions about when to apply foam and the mix of the water and the foam, which is concentrated. The combination of those two matters meant that the fire services did not immediately go into the fire. The other factor that would have delayed entry is that some tanks that had not exploded then exploded later. I heard one go up when I was there. It was one of the last two. It is difficult for firemen to deal with a fire when they do not know whether the tank that they are trying to keep cool will explode. All those factors may have added to the delay, but that delay was necessary for safety and for proper treatment in response to the situation.

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): I join my hon. Friends and the Deputy Prime Minister in their praise for the emergency services and for the work that they are doing in the neighbouring constituency to mine, Hemel Hempstead. I acknowledge my constituency water company, Three Valleys Water, which has been working with the Environment Agency and the emergency services to ensure that every effort is made to assist the fire service in limiting damage to the environment. However, I am very concerned about the longer-term impact on the environment, and especially the potential pollution of ground water supplies.

The right hon. Gentleman will know that Three Valleys Water loses about one water source a year due to pollution, and I would like his assurance that a comprehensive clean-up operation will continue to be a high priority for the Government in the longer term.

The Deputy Prime Minister: I can assure the hon. Lady that there is concern about undertaking a comprehensive review and a proper check of what is occurring. I am assured by the Environment Agency that it does not think that there will be an effect on the water supply. It undertook rigorous testing on that basis.

The hon. Lady may know that one of the requirements of many of these plants is to build a trench around them so that any spillages go into the trench areas. Those spillages can then be pumped out and put into reservoirs. The Environment Agency had to ensure that that provision was secure. We will continue to monitor the situation and I will be ready to pass on to the House any information that we receive.

Mr. David Gauke (South-West Hertfordshire) (Con): May I also pay tribute to the emergency services, whose courage and professionalism have impressed us all? I pay tribute in particular to the Bovingdon fire crew from my constituency, which was one of the first crews on the scene on Sunday morning. Unfortunately, Bovingdon fire station is due to close next year because of cuts in fire services as a result of additional responsibilities that have been placed on the service in Hertfordshire, but without any additional funding. Will the Deputy Prime Minister assure us that future reorganisations of the fire service will not mean cuts to front-line services, which unfortunately Hertfordshire faces over the next few months?

The Deputy Prime Minister: I am sure that the hon. Gentleman is aware, particularly given the tone of his remarks, that such decisions are made by the local fire authority, which had to find a balance. Account is now taken of the regional implications of changes, and we are pleased that that brought in the necessary fire pumps. There are adjustments and changes, but no area will suffer from a lack of proper safety cover. That is the responsibility of the local authority area, and I am sure that the hon. Gentleman is well aware of that.

Mr. James Clappison (Hertsmere) (Con): May I join with the Deputy Prime Minister and with hon. Friends in paying tribute to the emergency services, including, of course, the firefighters of the Hertfordshire fire service, which includes firefighters in Radlett in my constituency, who have been playing a full supporting role since early yesterday? They have demonstrated once again the vital role that they play.

[Mr. James Clappison]

I thank the Deputy Prime Minister for the role that he has played so far. However, in the aftermath, I urge him, together with my colleagues, to do what he can to ensure that the burden of this event does not fall disproportionately upon Hertfordshire.

The Deputy Prime Minister: I can give the hon. Gentleman that assurance.

Mr. Gregory Campbell (East Londonderry) (DUP): I join in paying tribute to the fire services and the other emergency services that are involved in the incident. Once the issues in this immediate incident have been resolved, I hope satisfactorily, will any of the lessons that will undoubtedly be learned from the incident be shared throughout the United Kingdom to prevent any recurring incident?

The Deputy Prime Minister: I thank the hon. Gentleman for his remarks. I can assure him that, as in all these incidents, there are lessons to be learned, and they will be shared throughout the United Kingdom.

Mr. James Arbuthnot (North-East Hampshire) (Con): Last week, we heard about the crash of a C-130J aircraft in Afghanistan. One factor that contributed to the crash was the lack of a fuel tank inerting system. Does the Deputy Prime Minister know whether there was an inerting system in the fuel tanks at the depot, and is it something that will be included in the investigation to see whether the introduction of such systems would valuable?

The Deputy Prime Minister: To be honest, I do not know. I will try to find a proper answer for the right hon. Gentleman, and write to him.

Mr. Peter Bone (Wellingborough) (Con): I wish to be associated with the Deputy Prime Minister's remarks about the emergency services. In the past few years, the number of whole-time professional firefighters in the United Kingdom has fallen. As a result of the incident and the review, will the Deputy Prime Minister undertake to look at that and see whether we should reverse that trend by starting to increase the number of whole-time firefighters in the UK?

The Deputy Prime Minister: The House will know of the recent Bain report on manpower in the fire services and the demands that we make of them. Considerable changes are under way, but a combination of full-time and part-time firefighters is used, depending on the circumstances. I am quite satisfied at this stage that we have sufficient manpower to be able to deal with all the risks and assessments, and to meet the changes that are necessary.

Miss Anne McIntosh (Vale of York) (Con): May I join the Deputy Prime Minister in paying great tribute to all the emergency services, whose members put themselves in harm's way when the rest of us cannot escape quickly enough? He will be aware of the emergency planning college at Hawkhills in Easingwold in the Vale of York, so will he ensure that the work that it does to prepare for such emergencies is well known? Will he ensure that any future scenarios for which it plans training sessions will encompass the incident and take on board any lessons from the inquiry?

The Deputy Prime Minister: The hon. Lady is well aware of the work of the emergency services, given the flooding in her constituency. We both have great admiration for them—whatever part of the country they are in, they always do an excellent job. I can assure her that all the lessons to be learned will be discussed in the various forums available.

Former Far East Prisoners of War and Civilian Internees (Ex Gratia Scheme)

4.17 pm

The Parliamentary Under-Secretary of State for Defence (Mr. Don Touhig): With permission, Mr. Speaker, I would like to make a statement on the Government's ex gratia payment scheme for former far east prisoners of war and civilian internees.

On 1 December, I gave evidence to the Select Committee on Public Administration on the operation of the scheme. It was introduced on 7 November 2000 and the first payments were made in February 2001. The birth-link criterion was clarified internally in March 2001, and clarified publicly on 11 July 2001—each successful claimant would receive £10,000. I explained to the Committee that I had commissioned a review into whether consistent eligibility criteria had been used throughout for civilian internees, and I undertook to make a statement to the House before the recess.

The review now under way requires the Veterans Agency to look at a large number of claim files, and the House will understand that it is not yet complete. As I said to the Committee, there was a desire on all sides to introduce the scheme as quickly as possible because of the age of some of the former POWs and civilian detainees. It is clear that we did too much in haste when introducing the scheme and it is important that we now take sufficient time to get it right. None the less, many individuals who may be affected are elderly and I recognise the importance of resolving the issue as quickly as possible.

The scheme at present offers compensation to British internees born in the UK, or internees who had a parent or grandparent who was born here—the so-called birth-link criterion. The work under way confirms that claims decided before March [illegible] were not decided on the basis of the birth-link criterion or on eligibility rules that were fully consistent with it. Of those early claims so far examined for which payments were made, there is clear evidence that the majority were decided by reference to an earlier scheme in the 1950s, which used liquidated Japanese assets to compensate far east prisoners of war and civilian internees. Those eligibility rules for the scheme were based on the question of whether the individual was a British national, was normally resident in the UK before internment, and had resumed residence after the war. Evidence so far examined strongly suggests that the birth-link criterion was introduced in part because it was found that eligibility based on the earlier Japanese asset scheme excluded many claimants with a close link to the United Kingdom.

The introduction of the birth-link criterion in March 2001 allowed large numbers of additional civilian internees to be paid. The overall effect was to widen the number of people who met the qualifying criteria. However, this change of criteria had two other specific effects. First, we have identified some 240 claims that were paid in the first period which, on the evidence available when the claim was decided, could not be identified as meeting the birth-link criterion. Though these claims were not decided on the birth-link criterion, it is probable that a number of them would have satisfied it, had we sought further evidence on whether any of the claimants' grandparents were born in the UK. I emphasise that we do not intend to ask for any repayment in these cases.

Secondly, there may be some claimants who would have qualified before the birth-link criterion was introduced because they had benefited under the Japanese asset scheme, but who were rejected because they applied after March 2001 when they were assessed against the birth-link criterion. We do not know the numbers of this latter group, but we think they are small.

We still have some way to go in examining claim files and I cannot at this stage say that there are no other issues concerning the application of eligibility criteria. What I can say is that we are determined to undertake a thorough review to ensure that we expose any difficulties that there may have been with the eligibility rules. It is also too early to say what effect our findings might have on the scheme's eligibility criteria. I can, however, again confirm that there is no question of seeking to recover payments already made to claimants who would not have met the birth-link criterion. I can also assure the House that no claimant will be disadvantaged if he or she would have qualified under the criteria based on the Japanese asset scheme but failed because the claim was considered under the birth-link criterion.

There is a separate question about how the use of inconsistent criteria before and after March 2001 was not exposed earlier, in spite of the fact that there have been a number of court cases, ministerial statements and an inquiry by the parliamentary ombudsman. I have decided that this should be the subject of a separate investigation, and I have asked the permanent secretary at the Ministry of Defence to identify a retired senior official or comparable person from outside the Departments involved who could appropriately lead the investigation. The work will be put in hand as a matter of priority and I will report its findings to the House when it is complete.

The House will be aware that there have been two claims for judicial review of the scheme which have focused on the eligibility criteria applied to former civilian internees. It is too early to say what effects the review that we have been undertaking may have on these, but I can assure the House that we will disclose to claimants in those cases and to the courts the results of our review when these are known. I will also share this information with the parliamentary ombudsman.

In addition, Members on both sides will want me to tell them that a number of claimants for whom strong support has been expressed in the House and more widely will become eligible for payment. I know that the case of Professor Hayward is a particular concern for a number of hon. Members who raised it with me. I understand their wish to see the position resolved for those individuals, but I have to make it clear that, until our review is complete, I cannot give any assurances about how the criteria might need to be changed or what the effect might be on individual cases. At this stage I can say only that we fully appreciate the difficulties that we have brought on these individuals as a result of uncertainties about the scheme criteria, and that we will be seeking to resolve them as quickly as we possibly can.

I have said a number of times that we recognise that mistakes were made as a result of the speed of the introduction of the scheme. All those involved wished to

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see the payments made as quickly as possible, given the age of many of the former civilian internees and prisoners of war. It is now clear that the scheme's eligibility criteria were not applied consistently through the scheme's life and that we did not identify that that was the case over an extended period. That resulted in inaccurate statements, including by Ministers to Parliament and to the parliamentary ombudsman, for which I apologise unreservedly, Mr. Speaker. I also express my apologies and deep regret to those individual claimants who have been adversely affected.

We will complete our review of the application of eligibility rules as quickly as possible, but with the overriding requirement that we must ensure that we have bottomed out any problems that there may have been with those rules. At that point, we will also consider what changes are required to our current criteria to ensure that no claimant was disadvantaged if they would have qualified under the criteria based on the Japanese asset scheme, but failed in their claim because it was considered under the birth-link criterion. Our objective will be to remedy any shortcomings in the decisions on claims as quickly as possible, and I hope that we will complete that work by early February, at which point I will make a further statement to the House.

Dr. Julian Lewis (New Forest, East) (Con): I fear that this statement will come as a severe disappointment to members of the Association of British Civilian Internees Far East Region. Today's statement was anticipated by the Minister's testimony to the Public Administration Committee on 1 December, and it was hoped that something substantive would be announced. Instead, we have had a typically gracious apology, which is only the latest in a line of apologies—there was an apology in a written ministerial statement on 13 July, and there was another apology, and the offer of £500 compensation for the mistakes made, in a further written ministerial statement on 11 October.

In reality, the veterans and civilian internees are not looking for more apologies; they are looking for the Government to honour the pledge that they gave on 7 November 2000. Does the Minister recall what Lord Moonie, as he now is, said when he held his post? He said:

"I am very pleased to be able to inform the House that, as a result of the review, the Government have decided to make a single ex gratia payment of £10,000 to each of the surviving members of the British groups who were held prisoner by the Japanese during the Second World War, in recognition of the unique circumstances of their captivity."—[*Official Report*, 7 November 2000; Vol. 356, c. 159.]

Does the Minister recognise that there has been a humiliating confrontation with the courts and a humiliating confrontation with the ombudsman? An adjustment was made to the criteria that narrowed them to exclude some people who had been in the camps, but that also widened them to include some people who had not been in the camps. Does the Minister accept that some people who were never in a Japanese camp, such as those who were evacuated in 1942 or those who sheltered in Red Cross and Church homes, have been paid, which has inflated the number of claims and is delaying the process even further?

In discussing the need to act with haste, does the Minister accept that the announcement on 7 November 2000 was the culmination of cross-party efforts in support of the campaign for compensation to be paid, which was waged by veterans and civilian detainees for many a long year? What is it about the issue that makes it such a poisoned chalice for Ministers who are compassionate and considerate in all their other actions? Why is it such a struggle to get the compensation for people who were in the camps?

Does the Minister accept that what has happened has been a dishonouring of the people who, in this 60th anniversary year of the ending of the war, most deserve our consideration and respect? Has he ever read, as I did as a youngster, the tales of what happened to those people? Many of us read the accounts in "The Naked Island" by Russell Braddon and "The Knights of the Bushido" by Lord Russell of Liverpool when we were, frankly, far too young to read of such horrors.

Does the Minister accept that this process, this ordeal, this revisiting time and again of issues that should be settled on an ex gratia payment, has gone on far too long, and will he now use his best efforts to bring it to an end once and for all?

Mr. Touhig: I would have liked nothing better than to come here today and say that the whole matter is resolved and that we have found a solution that everybody will cheer to the rafters, but that is not the position. We have to get it right. We have not succeeded in getting it right in the past. That was not because of any bad intention. When the scheme was announced, Members on both sides of the House welcomed it as a positive and proper recognition of the suffering that these people had gone through.

I take the hon. Gentleman's point about the stories that he read. I did not read them, but I have friends who went through that time and have told me, difficult as it was for them, about the horrors that they endured.

I am not sure that the hon. Gentleman, for whom I have a great deal of respect, would be doing anything different in my position. We have to ensure that we get it right this time. In the past, too many people were led to believe that they qualify under the scheme although they do not. The scheme was intended for those British civilian internees who had a close link to the United Kingdom at the time and for whom the UK might therefore be regarded as being responsible. At the time of world war two, all those born in the British empire were British nationals. Most far east prisoners of war and civilian internees who did not have a close link to the UK are now citizens of countries that have been given their independence. It is right that those countries, which have also benefited from the defeat of Japan, should have responsibility for the enduring problems that people have had to suffer as a result of being interned in the war.

I have issued an apology and we have offered a £500 payment to those people who thought that they qualified under the scheme but do not. To give the hon. Gentleman and the House the facts, three quarters of the letters that I have signed—I am signing personal letters—are to people who do not live and have never lived in the United Kingdom. I fully understand that that in no way diminishes the suffering that they went

through at the time. Nevertheless, it is my clear understanding that, when we agreed the scheme, it was intended to benefit those who had the closest possible links with the United Kingdom.

I cannot say at this stage whether there will be a need to review the scheme, but we will do so if necessary. I cannot say, in answer to the questions that I am sure will come both sides of the House, whether we can widen the criteria. We have to get it right first. If there is a need for change, we will make it. We are not shutting our eyes to that. We recognise that we have a duty and a responsibility to our people and we will certainly respond in the best possible way.

Bob Russell (Colchester) (LD): I thank the Minister for advance notice of his statement and for his gracious apology. I commend the Government for introducing the scheme five years ago, but does he accept that the wait that many people have had since then is longer than the period for which they were prisoners of war in the captivity of the imperial Japanese army?

Is the Minister aware of any occasion on which the imperial Japanese army inquired into the status of those whom they were incarcerating? Can he confirm that the imperial Japanese army regarded those who served under the British flag or who looked to the British flag for protection as being British? Where has it all gone wrong in the past five years? Does he agree that the simple test is that, if the Japanese believed that those people were British, and if they felt that they were British at the time and feel that they are British now, why cannot they have the compensation?

Mr. Touhig: I appreciate that it has taken a long time to bring the scheme to fruition, but that does not detract from the fact that 25,000 claimants out of 29,000 applicants have already been paid, and have received £10,000 each. That is right and proper. There has been progress.

I understand the problem of delay. Colleagues may know that I have been involved in another matter that was delayed—miners' compensation. The problem went on for much longer than that with the scheme that we are considering. We all know about the pain and suffering of those who had to endure difficult working conditions and difficult conditions through being prisoners of war. In all the cases with which I have dealt, whether miners' compensation cases or applications for the scheme that we are discussing, the people involved do not talk about the money but about recognition of the suffering that they endured at a difficult time. We are trying to tackle that.

I take the hon. Gentleman's point about those who were interned by the Japanese because they were considered British or served the British interest. That is generally accepted. However, I hope that he acknowledges that I cannot act on my own. I need the support and help of hon. Members of all parties if we are to get the matter right. I do not want another Minister to come back here in a year or so and say, "Sorry we got it wrong again", or that there is some problem with the scheme because we did it too quickly. All parties desired the introduction of the payment. We did that with the best intentions and as speedily as we could. It is already clear from the review that the criteria were not properly defined and refined and that people were led to believe that they would be compensated. Many thousands of members of the Indian army applied under the scheme because they believed at that time that they were British citizens and they served the British empire.

There is a host of questions to ask if the scheme is to be extended. I acknowledge that hopes will be raised and I do not want to raise them unduly. Let us complete the review. If there is a need to change the criteria, we will examine that.

Andrew Mackinlay (Thurrock) (Lab): The only disappointment in my hon. Friend's statement is that Ministers often do not apologise, yet he has come to the House and apologised when he should not have done so. He should stick his chest out and be proud that the Government introduced the scheme. Even if it is not absolutely correct, it came 60 years late and was not introduced by previous Labour or Tory Governments. He should not apologise but be proud of the scheme of which he has stewardship. I am proud, as a Labour Member, of voting for it.

I want to ask about those people who live in what is now the Irish Republic. Many would have been born before 1922, while others might not have been but served in the British Army—not the Canadian, Australian or Indian but the United Kingdom armed forces—and every single one was a volunteer. My hon. Friend's predecessor overlooked that but rectified the matter for the heroes return scheme. Will my hon. Friend give an undertaking to discuss with the United Kingdom ambassador in Dublin how we can reach those in the Irish Republic who are eligible?

Mr. Touhig: I cannot say that I will discuss the matter with the ambassador, although I see him from time to time. However, let us complete the review into how we did not apply consistent criteria throughout. When that is done, I hope that we will be in a position to ascertain whether there is ground to change the scheme. At that time, I shall ensure that *Hansard* is at hand and that the question that my hon. Friend raised—I am sure that I will get questions and letters from him in the meantime—is part of our consideration.

Mr. Roger Gale (North Thanet) (Con): The House bears a burden of shame for the fact that successive Governments for so long short-changed people who should have been compensated. That is not a party political statement because it was true under successive Governments. I am grateful to the Minister for coming to the House, offering an apology and offering to try to resolve the problems once and for all.

The Minister said that the number was diminishing. Any settlement will be too late for my constituent, Maurice Ezekiel, who died in Israel earlier this year. He has many friends who also live in Israel who feel strongly that they were British enough to hold a British passport, British enough to serve their country overseas and British enough to be detained, interned and tortured by the Japanese and are bitter that they—and now Maurice Ezekiel's widow—were not British enough to be compensated. I know that the Minister wants to resolve the problem honourably and amicably and I

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hope that he will take to those who are considering the matter that message from somebody for whom compensation is too late.

Mr. Touhig: I am sure that the hon. Gentleman is not alone in knowing examples of people who are no longer here to receive the recognition that they believed they deserved, and that the country believes that they deserved, whichever way the scheme is finally resolved. I will certainly take on board his point. This is a difficult and emotive issue. It is a cross-party matter, although I take the point made by my hon. Friend the Member for Thurrock (Andrew Mackinlay) about the Government's decision to take this action, and I am proud that we have done so.

We made it clear from the beginning that, as a country, we believe that there is a responsibility on us all to respond to the suffering that people went through at that difficult time. We have sought to introduce criteria that we believe underpin the closeness of their links to the United Kingdom. That is under challenge as a result of court cases, but we hope that the matter will be resolved early in the new year. If there are grounds to review the scheme, we will review the scheme. We are not closing our eyes or shutting the door to the idea of reviewing it, but I do not want to raise any false hopes that I will not come back and tell the House that there are no grounds for a review. If there are no such grounds, I shall come to the House and tell hon. Members that, but I ask for time and patience to get this right.

Ben Chapman (Wirral, South) (Lab): Does my hon. Friend accept that the people who were interned in such difficult circumstances were distressed when the rules were changed and that the £500 that was offered as a solution to that distress was itself a cause of further distress? When he considers the possibility of a review, will he seek not to over-involve himself in the minutiae of the differences between one scheme and another? I hope that he will try to arrive at a generous and equitable scheme that will provide people such as my constituent, Peter Hall, with a sense that the debt of honour that they feel has been owed to them for a long time is at last going to be satisfied.

Mr. Touhig: We received a critical report from the ombudsman into the way in which we had operated the scheme. The ombudsman said that the Government should offer an apology to the people who believed that they would be compensated under the scheme but were not, and that we should make that a tangible apology. I have issued written and verbal apologies, and we are introducing a scheme whereby those who did not qualify for compensation will receive the sum of £500. We believe that that was an appropriate amount in the circumstances that prevailed. I want that payment to continue, because, as I said in my statement, it might bring closure for some people, although I have no doubt that it will not do so for others. These people are getting older and it is important that they see some recognition at the earliest opportunity, so I intend to continue with the apologies and with the payments of £500, because I think that that is appropriate. When we have completed the review into how we got into the situation whereby we used different criteria throughout the scheme, we can decide whether there are grounds to change it. At that stage, I will review the whole matter of further compensation.

Mr. Henry Bellingham (North-West Norfolk) (Con): Is the Minister aware that many thousands of Royal Norfolks were captured in Singapore when the garrison there capitulated? Many were imprisoned in the most appalling circumstances, and many worked and died on the River Kwai railway crossing. There is a large Far East Prisoners of War—FEPOW—group in Norfolk, and its members feel very strongly about these issues. Obviously, the scheme was a start, but does the Minister agree that, until the Japanese Government start to contribute to the financial arrangements, there will never be enough money available? Why should not the Japanese Government honour their moral obligations? What discussions have Ministers had with them?

Mr. Touhig: The House and the hon. Gentleman will be aware that such prisoners of war have generally been covered by the compensation of this scheme, and their cases are not, in the main, in dispute. There is an issue in relation to civilian internees, however, which we have yet to resolve. On the decision of the Japanese not to contribute, the issue has been exhausted over a number of years by all Governments who have sought to obtain compensation from the Japanese. In the 1950s, the asset scheme was introduced, under which, as a result of the defeat of Japan, we acquired a number of its assets, which we disposed of to fund a small scheme of compensation. In truth, I do not believe that the Japanese will be persuaded to do anything more at this time. As things stand, we believe that it is our responsibility as a Government to deal with this matter and that is why we introduced the scheme in the first place.

Kelvin Hopkins (Luton, North) (Lab): I sympathise with my hon. Friend and thank him for his statement. I do not doubt his good faith in this matter, but he has inherited a situation not of his making that is a mess and that is unacceptable to many hon. Members and particularly to members of the Public Administration Committee, to which I belong, and which questioned him a short time ago. There is a defined group of people who feel outraged that they were to be described as somehow second-class British citizens and were not to be treated the same as those who suffered exactly as they did who were British citizens at the time. When I saw his statement listed today, my hopes rose that we would get a final resolution of the problem. Obviously, that has not happened. I urge him to come forward with the positive answer that we want, as urged strongly at the Public Administration Committee meeting only a few days ago.

Over Christmas, my constituent, Dr. Mark Erooga, will be waiting for the Minister's statement. He was a doctor in a military hospital in Hong Kong before the war, treating British servicemen and was interned. He was then let out and came to Britain, where he spent the whole of his working life in the national health service. He is now retired and lives in my constituency, and he resents not so much the £10,000 but that, in some way,

his citizenship is being said to be not quite as sound as others'. That is the point that my hon. Friend should address. I hope that he will come forward with the positive answer that we want in the new year.

Mr. Touhig: I hope that my hon. Friend and Members on both sides of the House will accept that there has been no suggestion by the Government that anyone who does not qualify under the scheme is somehow not truly British or a second-class British citizen. We have never said that and have never sought to imply that. I fully understand, as I talked to Professor Hayward after I appeared before the PAC, that that is the feeling that he has got from the way in which this issue has unfolded.

I will take on board my hon. Friend's remarks and I am still trying to urge the House not to think that I can come out with a scheme that everybody will be happy with or cheer at the end of the day. In truth, we might decide that there are no grounds to change the scheme—I have to be honest about that—but I must consider the issue when the report is completed on how we got into the difficulty of having two sets of criteria when we thought that we only had one. When the impact of that report on the operation of the scheme is resolved, I can judge whether any changes are needed in the scheme. I will then return to the House to make a further statement.

Mr. Philip Hollobone (Kettering) (Con): Will the Minister tell the House what the administrative costs of the scheme have been since its implementation and how much these extra complications are likely to add to its overall budget?

Mr. Touhig: I cannot give the hon. Gentleman precise figures. Such schemes, of course, never come without a cost. I note his question and will write to him.

Paul Flynn (Newport, West) (Lab): The scheme was inspired by a sense of justice and magnanimity to put right this ancient wrong. It has been carried out by the Ministry of Defence with mulish obstinacy and pettifogging bureaucracy. Why on earth did it not fully accept the ombudsman's report? It is only the third time in 30 years that the ombudsman has published such a report under section 10(3) of the rules. Instead of accepting it in full, the MOD tried to restrict the powers of the ombudsman and challenge those.

Why has the Minister not mentioned the statement made by Mr. Burnham, the acting chief executive of the War Pensions Agency, who said:

"we are . . . firmly of the belief that the evidence of individual cases suggests that the present stance will be impossible to defend on grounds of fairness and logic. It does not seem that rejection of these cases will be in keeping with the original intent and spirit of the scheme"?

That timely warning was made not in 2005 but on 10 April 2001.

Mr. Touhig: When I have the answer to that last question, I will share it with my hon. Friend, but I do not have it now. He may think that the MOD has been mulish, but, on the contrary, it is because of a desire to get the compensation scheme up and running as quickly as possible that we introduced it without clearly defining the criteria according to which people would be eligible. There was a wish to compensate people in the speediest possible way.

We did not accept the ombudsman's report at the time because—as my hon. Friend knows, because I gave evidence to his Committee—we did not believe that the ombudsman's assertions in the report were correct. Since then, my doubts about the operation of the scheme have been confirmed. That is why I am instituting an investigation and asking the permanent secretary to recommend an appropriate person to conduct it. I talked to the ombudsman after the hearing of the Committee of which my hon. Friend is a member, and I talked to her this morning, so she is fully apprised of what I am doing, and I hope that she will be fully supportive. She, I and everyone else want to get to the bottom of the matter and ensure that the scheme is resolved, and that is what I am determined to do.

Mr. Mark Harper (Forest of Dean) (Con): Of the outstanding claims, about 700 are for civilians who were in the camps. I do not think that the Minister dealt adequately with the question from my hon. Friend the Member for New Forest, East (Dr. Lewis), who asked whether those specific claims would be a priority for the MOD.

Mr. Touhig: If there are grounds for the scheme to be changed, obviously priorities will enter into the process. On the basis of my experience in dealing with the miners' compensation scheme, I think that priority should be given to the oldest, the most infirm and so on, so that they can gain some recognition.

I shall consider the point made by the hon. Member for New Forest, East (Dr. Lewis), and if we review the scheme we may decide that it should be taken on board. I shall want to get the priorities right, and it may well form part of my considerations.

Orders of the Day

Armed Forces Bill

[Relevant documents: The First Report from the Defence Committee, Session 2005-06 (HC 747) on the Armed Forces Bill and the Second Report of the Constitutional Affairs Committee, Session 2005-06 (HC 731) on the Office of the Judge Advocate General.]

Order for Second Reading read.

4.52 pm

The Secretary of State for Defence (John Reid): I beg to move, That the Bill be now read a Second time.

The Bill results from a comprehensive review of service law, the first comprehensive review since, I believe, the 1950s—about half a century.

I served on the Select Committee on the Armed Forces Bill in both 1991 and 1996, so long ago that there was a Conservative Government—*[Interruption.]* At that time, they were the future. We identified the need for a comprehensive review of the Service Discipline Acts, but nothing happened. In the 1998 strategic defence review, over which I had the pleasure of presiding under the tutelage of the then Secretary of State, George Robertson—now Lord Robertson—the Government recognised that a single system of service law would better serve today's armed forces, which increasingly train and operate together on both the practical and the theoretical sides of combat and warfare, and in many other tasks. I believe that the Bill will deliver just that. It represents four years' work, at the centre of which have been the armed forces themselves. I commend the work that has been done since his appointment by my hon. Friend the Under-Secretary of State, who has had to master the detail of a four-year summary of half a century of consideration of laws, some of which date back to centuries ago. It is a Bill that has at its centre the armed forces themselves. In that sense, it is a Bill for the armed forces and it has their full support, primarily because it meets their needs in a way that has been absent for decades.

Mr. Lindsay Hoyle (Chorley) (Lab): As my right hon. Friend will be aware, a statement was made on Friday about the decision not to prosecute the soldiers involved in the fake pictures that appeared in the *Daily Mirror*, which put at risk the lives of all armed forces personnel serving around the world. How does that fit with the changes in the Bill? The Crown Prosecution Service said that there was no case to answer, although we know that people abused their positions and used Army equipment to stage faked photographs that put so many lives at risk? Lives will continue to be at risk, as no one is going to have to face a court for what they did.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. That sounds suspiciously like a failed urgent question to me. The hon. Gentleman should make briefer interventions.

John Reid: I shall have to give a briefer answer than is merited by the seriousness of the question. Prosecutions taken under military law by the armed forces prosecution services or investigations conducted by the special investigations branch are independent of Defence Ministers and the chain of command. That applies even more, if it were possible, to the Crown Prosecution Service. Decisions on whether to prosecute a case or not to proceed with it are quite properly taken independently of any responsibility, authority or power of Defence Ministers. It is therefore not possible for me to comment in practical terms on the reasoning behind the decision that my hon. Friend mentions and it would be quite improper for me to comment on it in judicial terms. I hope that my reluctance to answer does not in any way suggest to my hon. Friend that I underestimate the seriousness of the issue that he raises.

Mr. Julian Brazier (Canterbury) (Con): Before the intervention of the hon. Member for Chorley (Mr. Hoyle), the Secretary of State was saying that the armed forces support the Bill. Whatever the service boards may say, does he not recognise the dismay of many in the chain of command, particularly in the middle ranks, at the fact that for serious non-summary offences, commanding officers are to be taken out of the loop? They are the very people who most understand the pressures that their men face, yet they are to be taken completely out of the decision on whether to prosecute.

John Reid: I shall return to the specific point that the hon. Gentleman makes, but I ask him to accept that—however gallant, committed and sympathetic to the armed forces either he or, indeed, the officers with whom he may have discourse from time to time may be—the chain of command has to be preserved. Incidentally, that is one of the main purposes of the Bill—to protect the military service system.

The chain of command is represented by the chiefs of staff and those immediately under them, and when I say that the armed forces support the Bill, I mean it. They do: they operate their support through the chain of command, and I am sure that the hon. Gentleman did not mean to impute that the case was anything other than as I described it. I am sure that he did not mean to question the truth of my statement about the representations that were made to me by the chiefs of staff and those who work with them or that the armed forces do not fully support what they said. I will turn my attention to the point that the hon. Gentleman raised, as I acknowledge that it is an important one and I agree with him about its seriousness and import.

Mr. Tobias Ellwood (Bournemouth, East) (Con): Conservative Members are concerned about the challenge to the absolute authority of commanding officers. That is what affects discipline and morale and there is real concern that such authority is being challenged.

John Reid: I will attempt to explain as I go through my opening speech that the measures that have been taken are intended specifically to protect the system of military justice, which is self-sufficient and separate from civilian justice. In a democracy, there is sometimes the mistaken belief that military justice has to be exactly the same as that in civilian society. That is not the case, but wherever possible it is right—and, indeed, self-protecting—to ensure that the military system of justice approximates to the norms of civilian society, so far as is

commensurate with operational effectiveness. The more that it does so, the more that we will protect the existence of the separate military system on which all of us in this House place importance.

I hope that, as I go through my speech, the hon. Members for Bournemouth, East (Mr. Ellwood) and for Canterbury (Mr. Brazier) will see exactly why we are proffering these suggestions and proposals. Among other things, we want to avoid a repeat of the circumstances that led to the Trooper Williams case being dismissed before the trial finished and it being tried outside, in a civilian court. The intention is to prevent a recurrence of that situation, as I hope the hon. Gentlemen will see as I go through the argument.

Given the comments that have already been made, I should point out that, like every person participating in this debate, I am immensely proud of the British armed forces. I am second to none in my admiration of them, and the whole House will share such admiration. We owe them our respect and gratitude, but we also owe them an effective system of military justice because they deserve it. I will shortly set out some of the Bill's key provisions, but given the issues raised and the suggestions made in interventions—indeed, some of them have also been made in the press—let me deal directly and head-on with what the Bill is not about and lay some myths to rest.

This Bill is not about political correctness—one of the few offences, gladly, with which I have never been charged up to this point. It is not about creating a civilian system and, fundamentally, it is not about undermining the role of the commanding officer. It is about protecting and modernising our justice system and its relationship with the chain of command.

No one, least of all those in the services, thinks that service personnel should be above the law; indeed, it is central to the degree of respect with which our forces are regarded throughout the world that they operate within the law. But plenty of nonsense has been written and spoken about police investigations and the risk of prosecutions in respect of operations. There seems to be the almost muddle-headed notion in some quarters that service personnel are reluctant to open fire because they fear that they will be prosecuted if they kill or seriously injure someone. That notion is utterly wrong and potentially dangerous.

We train our forces to operate effectively and within the law that we lay down.

Mr. Gerald Howarth (Aldershot) (Con): Will the Secretary of State give way?

John Reid: I will give way in a second.

We have robust rules of engagement and if our people use lethal force in conflict, of course it will not automatically result in a police investigation, still less a criminal prosecution. Equally, where there is a credible allegation or suspicion of a serious offence, there will be an investigation, almost certainly by the service police—not civilian police but service police—but an investigation does not mean that a prosecution will follow. Therefore, the maintenance of standards and the investigation of credible allegations—carried out by independent investigation and independent prosecuting authorities, both of which exist within the military system—are a necessary part of maintaining the standards for which we are so proud of our armed forces.

This is not a case of one side arguing that no standards should be maintained and no allegations, however serious, investigated, and the other side saying that every allegation should be investigated—or even that every credible allegation should be investigated, leading to a prosecution. If someone wants evidence of that fact they need only look at the example of our latest theatre of operations, in Iraq. From memory, I think that some 80,000 soldiers and other servicemen and women have gone through Iraq in the various deployments, and among those some 183 cases have been investigated as involving allegations above the threshold of credibility. Of those cases, 20-odd have been pursued, and some five, I think, have come to trial. That is a commendation not only of the probity with which we conduct such matters, but of the high standards maintained by the British armed forces, even in the most difficult circumstances.

I understand how much more difficult that is now, in what we call an asymmetrical battlefield. Those standards were difficult enough to maintain when the enemy whom we were fighting had some respect for international conventions such as the Geneva convention, for the norms of warfare that civilised countries have adopted, and for the moral conventions and constraints on action, especially action against innocent civilians. How much more difficult it is for our servicemen and women to maintain them when the enemy does not respect those conventions, or feel constrained by any degree of morality. I understand that, and I hope that everyone in the House, and all those who write commentaries outside, do too—but it is not a reason for abandoning the standards, the probity and the discipline of British forces, which have made them famous. Even in such circumstances, we will maintain those standards as well as we have always done.

Several hon. Members *rose*—

John Reid: I shall give way to the hon. Member for Aldershot (Mr. Howarth), because he indicated that he wanted to intervene some time ago, but was courteous enough to let me finish my point.

Mr. Howarth: I am grateful to the Secretary of State, and I am sure that everybody appreciates the assurances with which he is trying to soothe our concerns. However, he has been visiting our forces all around the world, and I have visited a number of them, both in my own constituency and elsewhere. Surely troops have mentioned to him that there is now a real fear that there is a possibility of men being second-guessed in the most difficult circumstances that they can face—or has he come away with the impression that there are no genuine concerns out there?

John Reid: Those issues have been raised with me, but I must tell the hon. Gentleman honestly that they have been raised mainly by soldiers asking me about press reports in which commentators, many of whom have never been near a battlefield, or even gone two rounds with a revolving door, far less been involved in combat,

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have pompously sounded off on that subject—although I am not, of course, saying that the Opposition Members here today are in that position. Such commentators accuse chiefs of staff with impeccable courageous credentials of being other than courageous. Of course those reports are read by soldiers and other servicemen and women, and of course I regret that.

Incidentally, I have also seen that when the picture is painted here of the battlefield in places such as Iraq, and of the consequences and the outcomes of what our servicemen and women are struggling for, it is an unbalanced picture. This morning the BBC said that the fact that 69 per cent. of people in Iraq were looking forward to a better future appeared to suggest that some of the reporting and descriptions of what was going on there had been wide of the mark. I notice that the BBC did not add to the words "reporting and descriptions" the words "by the BBC".

Of course I regret the comments that have been mentioned, and of course they are important; I do not blame hon. Gentlemen for raising them. However, the intention of the Bill is to strengthen and protect our military justice system by modernising and rendering it more effective in difficult circumstances, in relation to the chain of command. The intention is not to hand it over to civilian judgment. Indeed, the case of Trooper Williams, which I cited and which has caused concern in both Houses of Parliament and outside, would be far less likely to occur after these changes.

Adam Price (Carmarthen, East and Dinefwr) (PC): With regard to certain serious offences committed within the United Kingdom—for instance, manslaughter—the civilian authorities have primacy in investigation and exclusive jurisdiction over prosecution and trial in civilian courts. Will the Bill change that?

John Reid: No, it will make no difference. It is possible at the moment for manslaughter to be laid as a charge under military law, and that will not change.

Legitimate concern is different from some of the over-dramatised reports that we read about the very few trials arising from operations in Iraq. We have not had wholesale investigations leading to wholesale prosecutions. As I said earlier, Defence Ministers have no power over, authority in, responsibility for or even oversight of the laying of charges or the prosecution of cases. Those are matters for the independent service prosecuting authorities, which decide whether a prosecution is warranted in any case referred to them. Hon. Members can form their own opinions about whether we share some of the same frustrations that people who are not in government feel as we regard certain developments, but it is proper—in a civilised, democratic society—for there be a separation between the ministerial code for running the armed forces, in conjunction with the chain of command, and the investigatory and prosecution authorities, which are naturally and properly independent. That is one of the factors that separate a democracy from a dictatorship.

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): My right hon. Friend mentions the proper independence of the armed forces investigatory authorities. Will he re-examine the recommendation from the Defence Committee to introduce a system of independent oversight of investigations by the armed forces, because many families—and not only the Deepcut families, but those from other barracks—are concerned about the way in which the investigations were undertaken?

John Reid: In the case of Deepcut, we have appointed an independent inquiry and investigation, headed by the well known and well qualified QC, Nicholas Blake. In general, we have given serious consideration to the idea of an external, independent—by which, I take it, my hon. Friend means mostly civilian—complaints tribunal. I do not believe that that is appropriate, but I will have something to say about an independent element for the complaints procedure, which will go some way towards meeting the requests of the Defence Committee.

Lembit Öpik (Montgomeryshire) (LD) *rose—*

John Reid: I shall give way to the hon. Gentleman, but then I must make some headway.

Lembit Öpik: My question relates directly to Deepcut. The Bill is the perfect opportunity to try to ensure that the legion errors made in investigating the still mysterious deaths of four young recruits at Deepcut barracks between 1995 and 2002 cannot happen again. I would have expected the Government to ensure that the concerns of parents and relatives and concern for the truth had been considered in phrasing the Bill. Will the Secretary of State acknowledge that there has been enormous resistance to sharing information about the deaths at Deepcut army barracks, and will he outline how the Bill might help to ensure that parents such as Des and Doreen James will never have to face a decade of uncertainty about what happened to their children while they were being trained for Army service?

John Reid: Yes, of course I understand the deep trauma and the tragedy and difficulties faced by parents and loved ones in this case. During the passage of the Bill we will try to introduce a degree of independent element to the complaints procedure. In respect of the insistence on an independent inquiry, without prejudicing anything that may come from the Blake inquiry into Deepcut, it is as well to remember that in the case of Deepcut, with all the difficulties we faced, the investigations were not carried out only by the armed forces. There was an independent element, from first one police force and then a second police force, and now there is a further independent element—a QC. Whatever systems and structures we set up, they cannot inevitably guarantee that such tragedies will have an explanation that is readily identifiable and readily acceptable to everyone. I know that not only from Deepcut, but, as the hon. Gentleman will know, from long experience in Northern Ireland. I fully and genuinely understand the deep feelings of the families involved and the terrible frustration and trauma, added to the tragedy of the loss

of life, of searching for the unknown. I am aware of how difficult that is, but we have to await the outcome of the inquiry.

Pete Wishart (Perth and North Perthshire) (SNP) *rose—*

John Reid: I will take one more question, but then I shall go for a long time without interventions.

Pete Wishart: I thank the Secretary of State for giving way again on this important issue. Will he describe in a little more detail what he means by independence in relation to the complaints commission? There is an expectation among not only the families but the general public that there should be the fullest possible public scrutiny of public bodies, so does the Secretary of State accept that the best way to resolve the issue would be through an independent military ombudsman? The public would then be satisfied that the complaints are dealt with properly.

John Reid: If the hon. Gentleman can indulge me by letting me get beyond page two of my speech I might reach some of the points that are being raised.

I return to the point about the independent service prosecuting authorities who decide whether a prosecution is warranted in any case referred to them. They use the standard evidential test, based on a realistic prospect of a conviction, and the public interest test before they proceed. Another misconception is that military cases may arbitrarily be handed to civilian jurisdiction. That is not true, and I am sorry that the hon. and gallant Member for Canterbury, who raised that issue earlier, is no longer in the Chamber, as it sounded as though he believed it.

In relation to offences committed in the United Kingdom over which both our civilian and service courts have jurisdiction, protocols between the service and civilian police forces apply at the start of investigations. There are also a few offences for which our civilian courts have jurisdiction when the offence is committed by UK citizens abroad—a point to which reference was made earlier. The Attorney-General made it clear in another place that in exceptional cases he has a role in deciding between prosecuting authorities with overlapping jurisdictions, but in no case—no case—has he exercised that role without the agreement of the relevant service prosecuting authority. Therefore, the apparently widespread myth that the Attorney-General or anyone else would intervene contrary to the views of the service authorities, or without consultation or agreement with them, to allocate a case to the civilian authorities is just not true.

Let us be perfectly clear that the Government are committed to retaining a separate system of service law. In our view, and in my view, that is essential to underpin operational effectiveness. The integrity of the system is essential if we are to retain the confidence of those who are subject to it, as well as those who are not. That involves professional and independent investigations into alleged serious offences and decisions on whether to prosecute being taken by an independent prosecutor with an understanding of the service context—the one that I was speaking about earlier—but, moreover, there must be proper safeguards and support for those who face investigation and prosecution in the military system.

Against that background on the major questions, let me turn now to the Bill itself, which is primarily about service discipline. It establishes for the very first time a modern, single system of service law. It defines offences, provides for the investigation of alleged offences and the arrest, holding in custody and charging of individuals accused of committing an offence. It makes provision for service personnel to be dealt with summarily by their commanding officer or tried by courts martial. It will retain the right of service personnel to elect trial by court martial and to appeal to the summary appeal court or the courts-martial appeal court as appropriate. That is all familiar. It is not revolution; it is, if anything, evolution.

The most significant change in the Bill is that there will be one system, not three. In future, under the Bill, armed forces personnel of whatever service will be subject to the same system wherever in the world they are serving and in whatever unit or formation. That will enable the proper alignment of discipline and command, and it will do so across all three services, instead of relying on ad hoc arrangements for joint operations, as we must do at present. Moreover, all service personnel will be subject to the same rights, powers and duties when they are charged with an offence. That is not only clearer but fairer to all those who serve in the armed forces.

Mr. Alan Beith (Berwick-upon-Tweed) (LD): Will the Secretary of State give way?

John Reid: Let me make a little progress, and then I will allow some more colleagues to intervene.

I want to say a word or two about the offences under part 1. All offences under the Bill are service offences. They are divided into two types. First, as now, service personnel will remain subject to the ordinary criminal law of England and Wales wherever they are serving. Secondly, the disciplinary offences that are unique to service law—many of which will be familiar, such as going absent without leave or looting—have been reviewed and brought up to date. We have removed certain offences because they are no longer appropriate or no one is ever charged with them, or because they are more properly charged under other provisions or dealt with administratively. It is not just the offence of scandalous conduct of officers that has gone. Other examples include

"allowing sequestration of aircraft or ship by a neutral state in time of war"

and billeting and requisitioning offences.

I want to say something now about the role of the commanding officer, which has featured in many interventions, before giving way to hon. Members. In our armed forces, commanding officers are responsible for the discipline of those under their command. A large part of the exercise of that discipline is done by example and leadership. Their authority is critical to the delivery of unit cohesion and operational effectiveness. As I said, that authority is primarily exhibited through their qualities of leadership and by inspiring the confidence,

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loyalty and trust of those who serve under them. Those qualities have long distinguished the British armed forces from many others throughout the world.

Ultimately, commanding officers must have the power to enforce discipline throughout the military criminal justice system. The Bill provides commanding officers for the first time with harmonised powers to deal with all people under the command of whatever service. To create such harmonised powers, we are reducing the theoretical extensive summary jurisdiction of commanding officers in the Royal Navy. I use the word "theoretical" because in reality those commanding officers do not exercise their powers over very serious matters, not least because their powers of punishment are far too limited. That might address points that hon. Members raised earlier. We are, however, increasing the powers of Army and Air Force commanding officers to deal with the small number of additional criminal offences that are set out in part 2 of schedule 1 with which, in straightforward cases, Navy commanding officers already deal summarily. There is thus some diminution of powers for the Navy, but a big increase within the armed forces.

The summary powers of commanding officers recognise the importance of not only giving authority to COs but being able to deal with such matters expeditiously. As part of that recognition, we are also harmonising the powers of commanding officers to deal summarily with officers up to the rank of lieutenant-colonel and equivalent, subject to certain conditions.

Part 5 of the Bill sets out the duties of commanding officers in respect of allegations that a serious offence has been committed. Clause 113 provides that a commanding officer will be required to inform the service police as soon as practicable in the event of an allegation of a specified inherently serious offence, or an offence for which certain prescribed circumstances apply. The service police, who may already be investigating the matter, are in turn required to refer the case to the independent director of service prosecutions if they think there is sufficient evidence to charge a person with one of the inherently serious offences. It is the director of service prosecutions who will decide whether to bring charges on the basis of proper tests and a real understanding of the military context. That is the kernel of the relationship among the commanding officer, the investigating officers and the director of service prosecutions.

I stress that the offences that we are talking about are those that are inherently serious; they are ones of which there cannot be a minor example. They include civilian criminal offences such as murder and rape, other serious sexual offences, robbery, terrorism offences and so on. They also include some disciplinary offences that I am sure the whole House would agree are inherently serious, such as assisting the enemy and mutiny. The maximum sentence for those disciplinary offences is life imprisonment.

I want to explain why we are making the changes, so that hon. Members can perhaps understand the way in which they are meant to protect the integrity and independence of the military system. At present, if a person is charged, the commanding officer has the power to dismiss a charge—whether the offence is serious, such as those that I have mentioned, or not—without any form of hearing or evidence. Under existing law the result of such action means that even in extremely serious matters, such as those that I have just mentioned, dismissal excludes any further proceedings in the military system. Thus, the evidence is never heard and no decision in the case is ever taken by any independent service prosecuting authority. The case is dismissed by a commanding officer, no matter how serious, without any hearing, as I have said. That is theoretically possible. It has happened in practice. The case cannot then be tried at any other stage, whatever the misgivings, whatever the feelings thereafter or whatever the decision in the military system.

That, however, is not necessarily the end of the matter. Where civilian courts also have jurisdiction, civilian authorities may take action. The jurisdiction of the civilian courts may come into play as a result of the services being prevented from taking any further action on the matter even if there is afterthought through just such a technicality. That is what I wanted to address and we wanted to address. It is the problem that gave rise to so much dissatisfaction over one particular case.

The Bill will ensure that the director of service prosecutions will decide on serious cases, and that on serious cases a commanding officer's action cannot prevent further action by the services themselves. Some people have attacked the proposal as interfering with hallowed historical powers of commanding officers. It is simply wrong, however, that commanding officers alone must be able to decide whether to charge those under their command with serious offences such as rape or murder, and to do so without any hearing, or to dismiss a charge that has been brought without any form of hearing.

Even if that were not wrong, which I believe it is, it gives rise to allocation afterwards to the civilian courts as the matter is prevented from any further consideration under the military system. I do not think that commanding officers should be placed in that position and have that responsibility placed on them for such offences—and nor do they. As long as they have such responsibility, the services will be open to recourse to civilian law as in the Trooper Williams case, which gave rise to so much antagonism and unease throughout the House, the other place and outside.

I have explained to the House that we have taken these steps to prevent something of the sort from happening again.

Mr. Beith: The Secretary of State has explained well why he has brought the Bill to this point, and I accept his reason. However, does he recognise, as the Constitutional Affairs Committee report indicates, that a problem has arisen? It is that a soldier could be tried for a murder that is alleged to have been committed in the United Kingdom, and convicted by three votes to two. That would not have happened to him if he had gone to the civilian court.

John Reid: I have not given that serious consideration. I understand that that issue has only recently arisen in the light of the report. The matter will certainly be given serious consideration in the course of our deliberations. One of the great strengths of the

manner of investigating as well as debating the Bill is the hybrid nature of the Committee, which compensates for the length of time that is often taken. I am sure that that question will be considered during the course of our deliberations.

Dr. Liam Fox (Woodspring) (Con): It is worth pointing out that a court martial already has the ability to deal with charges such as murder on a 5:2 verdict if they occur overseas, so the position is not entirely inconsistent. Now that there is to be concomitant civil and military jurisdictions, and following further discussions between the Secretary of State and the Attorney-General, where exactly will the priority lie, when there is a choice, in deciding whether a case should be heard by a court martial or a Crown court?

John Reid: That is not a new problem. Joint jurisdiction already operates in such cases. In response to my inquiries, I can tell the House that cases that could be tried under military law have not be allocated to the civilian law courts without the agreement of the service authorities.

Mr. Philip Hollobone (Kettering) (Con): I appreciate the Secretary of State's intention in introducing the Bill, but is there not a danger in complicated cases such as those following incidents in Northern Ireland? In retrospect, Her Majesty's armed forces who were engaged in ambushes on terrorists fleeing the scene could be prosecuted more easily for murder, although they were following the rules of engagement laid down by their commanding officer.

John Reid: I do not think that the situation has changed. Indeed, we want to try to make sure that there is not a blockage with summary dismissal in the military system that prevents it from being considered at any other stage and therefore compels such cases to go to the civilian system. We want to remove that blockage to ensure that, as far as is humanly possible, the person who looks at the evidence with a view to prosecution—the director of service prosecutions—not only considers the evidential test and the public interest but has experience of a military or combat situation. That is more important than ever, given, as I mentioned earlier, the asymmetric nature of warfare. Things that were regarded as unreasonable 20 or 30 years ago may, given the advent of suicide bombers who pretend to be prisoners and given other developments, now be considered reasonable. Actions that were considered beyond the bounds some time ago may now be considered reasonable, because of changed circumstances, not because of changes in the actions themselves. The person who is best placed to weigh the evidence of offence against mitigating circumstances is the director of service prosecutions, which is why I am trying to ensure that, as far as humanly possible, they make those decisions, independent of the chain of command, the Secretary of State and the civilian system.

Mr. Gordon Prentice (Pendle) (Lab) *rose—*

John Reid: May I make some progress before giving way?

As long as we fail to tackle the problem, cases such as the Trooper Williams case could reoccur. I want to try to avoid that, and it is my strong belief that it can be avoided. All offences can be dealt with properly under service law. The court martial is, and will remain, a court that complies with the European convention on human rights. It is right that even the most serious cases should be resolved within the service system once proceedings have begun. As we told the Defence Committee more than a year ago in a proposal that it described as "sensible", the Bill will remove the power of commanding officers to dismiss such serious offences in the manner described, thus protecting the whole military system from gradual encroachment by the civilian system.

Mr. Prentice: Can soldiers who are charged with a serious offence such as murder opt for civilian jurisdiction rather than for court martial?

John Reid: No. They can apply for a court martial on a range of offences, but they cannot opt out in favour of the civilian system. They are members of the armed forces, and are subject to military discipline. We are trying to make sure that that military discipline and the military system itself can, as far as possible, deal with the most serious offences.

Mr. Gerald Howarth: I understand the right hon. Gentleman's desire to keep matters within the military family, so to speak. He said that as a result of the dismissal of the case of Trooper Williams by the commanding officer no further military action could be taken and the case could therefore be handled only by the civilian courts. The Secretary of State wants to interpose the military court instead of the civilian court, but that does not justify taking away from the commanding officer the power, particularly in the heat of battle and in the circumstances that we face in Iraq, to dismiss a case there and then. The right hon. Gentleman is in danger of eliding the two issues, but they are separate. Will he address that?

John Reid: In the heat of battle, the commanding officer would wish to reflect. That, I take it, is accepted. He would wish, presumably, to take advice, to consult, to have a hearing on an offence committed in the heat of battle such as murder or rape or another sexual offence. The problem is that summarily dismissing an offence of such seriousness without a hearing, which is what happens under the present system, creates a situation where, no matter who else in the military may feel that that decision was wrong, it cannot be dealt with further in the military. That is precisely the situation that arose in the case of Trooper Williams, which was the route whereby the matter was referred to the civilian court.

If we contain such serious offences within the military, so that they have to be decided by the director of public prosecutions—*[Interruption.]* Yes, I beg the House's pardon. If we ensure that the director of service prosecutions is the responsible body, we prevent another Trooper Williams case. Incidentally, although this was not the primary reason, the commanding officer is then freed up for the responsibility of giving suceour, support, assistance and advice to his man or woman who is accused of the crime. There is no conflict of

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interest then between the commanding officer's duty of care to the individual concerned and the director of service prosecutions bringing a prosecution. By taking away the summary right to dismiss cases as serious as those described, without even a hearing, we are protecting the system from the course of events that caused the civilian system to intervene.

Mr. Gerald Howarth *rose—*

John Reid: I will allow the hon. Gentleman to intervene, but that is the last time, or there will be complaints that I have taken too long.

Mr. Howarth: I am extremely grateful to the Secretary of State. If, in the heat of battle, the commanding officer dismisses a case—he knows the man, he knows the circumstances and he can see that there is no case to answer—and if subsequently it is perceived that that was a wrong decision which was entirely without foundation, in the present circumstances the case would have to be dealt with by the civilian courts. Why not leave it to the director of service prosecutions, on the basis of information laid by authority, to deal with the matter within the service, still leaving the commanding officer with the latitude to deal summarily with a difficult case?

John Reid: The hon. Gentleman is asking me to square a circle, which cannot be done. One cannot give absolute authority to the commanding officer summarily to dismiss a case and then say that the director of service prosecutions may overrule that authority—one cannot have both things. The ultimate arbiter on serious offences must be either within the armed forces or the commanding officer. If one chooses the commanding officer, problems arise in circumstances such as the Trooper Williams case, because there is no other place in the military where such a case can be tried by virtue of the fact that the absolute powers on summary dismissal lie with the commanding officer.

When the Trooper Williams case was referred to the Attorney-General, the Attorney-General had no recourse other than the civilian courts, and I am protecting us against that occurring again. I accept that in the real world there is no ideal solution that would give the absolute power of decision both to the director of service prosecutions and to the commanding officer. I understand that any decision will have a downside, but I contend that for the armed forces as a whole, including the chain of command, which will be free to give succour and support to an individual accused by the director of service prosecutions under the commanding officer's care of duty, the upside far outweighs the downside. In the Trooper Williams case, the downside was the furore caused by its referral outside the services.

I hope that I have spent sufficient time trying to answer that question.

Mr. Brazier: Will the Secretary of State give way?

John Reid: No. The hon. Gentleman raised the matter, but then he was not present—no doubt for very important reasons—during 20 minutes of my explanation. It is not fair to other hon. Members for him to return and ignore everything that I have said—if he had sat here, he would still have ignored me, but it would at least have given me a degree of generosity towards him, which I do not feel compelled to extend tonight.

I have made it clear that prosecutions will be independent from the chain of command and from Ministers. The investigators in the special investigation branch and the service prosecutors do a professional job, sometimes in the most demanding, difficult and dangerous circumstances—they conduct investigations in conditions in which civilian police would not operate, and they have my admiration and support. The Bill reinforces their relationship with the director of service prosecutions in a similar way to the relationship between their civilian counterparts and the Director of Public Prosecutions.

Where the commanding officer is considering what action to take on offences over which he has powers—the hon. Member for Aldershot has raised this point—legal advice will, as now, be available. Under the Bill, he may choose to deal with an offence summarily, or he may decide to refer the matter to the prosecuting authorities, because he does not want to exercise his summary powers and believes that a court martial would be more appropriate. He may discontinue proceedings, but that would not prevent further action by the services at a later stage, if it were justified.

If the commanding officer deals with the matter summarily and finds it proved, he will go on to award a punishment. Where he refers the matter to the director of service prosecutions, the director will decide whether to bring a prosecution and what the charge shall be. In all cases tried by court martial, the director of service prosecutions will determine the charge, but the commanding officer will bring it formally by notifying the individual concerned, which, as I have said, will free up and reinforce his role in implementing the CO's duty of care in ensuring that someone under his command who is subject to proceedings under service law is properly supported and advised.

I have spent so much time on that aspect of the Bill because it is central to the military criminal justice system. I want briefly to turn to other matters in the Bill that involve further changes to the current system.

Lembit Öpik *rose—*

John Reid: I shall give way one last time, and that is it.

Lembit Öpik: I do not want to start a major debate about Deepcut, but the Secretary of State will be aware that one of the findings in that case involved the question of mindset—the police had a questionable mindset in that they were willing to accept an explanation of suicide on relatively superficial evidence. Will the Secretary of State assure me that he intends the Bill to address the question of mindset? Will he ensure that an objective analysis is made of any accusations with regard to impropriety within, in particular, the training element of the armed forces?

John Reid: I understand the hon. Gentleman's concentrating on Deepcut and its importance. He will understand, however, that the essence of an independent

review; which people constantly demand in such circumstances, is that I do not decide what I am going to do before it reports. Let us wait for that report. I am sure that my hon. Friend the Under-Secretary will pay attention in the course of the debate to the general matters that the hon. Gentleman raises.

The Bill creates two military courts—the court martial and the summary appeal court—to replace existing courts provided for under the Service Discipline Acts. The court martial will be a standing court and replace courts martial convened on an ad-hoc basis to deal with individual trials. Like the Crown court, this standing court will be able to sit in more than one place at a time and to deal with different cases. It is not a single court in permanent session. The main advantages of a standing court are that it will be more efficient by reducing some administrative arrangements and making it easier to arrange for preliminary matters to be dealt with.

In addition, the Bill creates a service civilian court to replace the standing civilian court that was established in 1976. Like its predecessor, this court may only sit overseas. It has powers equivalent to those of a magistrates court when dealing with offences committed by those civilians who are described in the Bill as subject to service discipline. For the court martial and the service civilian court, the Bill creates a more modern and appropriate sentencing regime which primarily reflects changes introduced by the Criminal Justice Act 2003.

Importantly, we believe that improvements in speed and efficiency will come from the changes I have described. At the moment, every single case charged must first go to the commanding officer. He looks into the matter. If he thinks that it should go to court martial, he refers it to higher authority in the chain of command. In turn, higher authority refers the case to the prosecuting authority. However, in serious cases the service police will, while keeping the commanding officer informed—that is important—send the case straight to the director of service prosecutions, who will determine any charge to be brought.

Finally, I turn briefly to two other key areas in the Bill that deal with non-disciplinary matters. The first is the redress of grievance system, which some hon. Members have mentioned. Service personnel will retain a right to complain about any matter where they think themselves wronged. However, the current system takes too long and involves consideration through successive layers in the command chain. We want to improve that. We shall introduce a more streamlined system that will reduce the bureaucracy and provide for the majority of matters that cannot be resolved by the commanding officer to pass quickly to a panel outside the chain of command with powers delegated to it by the Defence Council. Moreover, we have provided in certain cases for a person who is independent of the chain of command, not a civil servant, to sit on the panel.

The second area is that of harmonised provision for service inquiries. We think it essential that the services retain the ability to hold internal investigations to establish the facts of a matter and to make recommendations to prevent a recurrence. That is what boards of inquiry, as they are currently known, are for. As now, much of the detailed procedure and powers of such inquiries will be made in subordinate legislation.

I have spent a considerable amount of time introducing the Bill because I am aware of its importance to the House and to the armed forces. The armed forces deserve nothing less than a fair and modern criminal justice system with all the appropriate safeguards. That is why, on becoming Secretary of State, I ordered a review of the support we give to those accused under service law. Those who serve their country are entitled to be sure that we will carry out the duty of care as seriously as they would wish us to. I have seen the outcome of that review. I am satisfied at present that the support that we give them is of a high order and in the tradition of the responsibility that commanding officers have to those under their command. That level of support must and will continue under a single system of service law.

I believe that the reforms in the Bill should be welcome to those who serve in today's forces. The Bill recognises the special circumstances, risks, dangers and demands that we place on service personnel. Its key purpose is to provide them with a fair, modern system of criminal justice that will underpin their operational effectiveness, of which every Member of this House is justly proud. I hope that the Bill will serve them well into the future. If it serves them as well as they serve their country, it will have been the accomplishment that we set out to achieve. I commend the Bill to the House.

5.55 pm

Dr. Liam Fox (Woodspring) (Con): This major new Bill will have far-reaching consequences for all members of Her Majesty's armed forces. Conservative Members will judge it against the essential criterion that it must reinforce operational effectiveness and reinforce, not undermine, military ethos.

As the Secretary of State pointed out, the Ministry of Defence has been working on the Bill for some five years. It is therefore a little regrettable that we received the explanatory notes only last Wednesday. However, as we will have the opportunity to consider the Bill in some considerable detail in a special Select Committee, taking evidence from witnesses, we shall not oppose its Second Reading, although we reserve our position as regards Third Reading. There are grounds for supporting the Bill's objectives, if not all of its detail—not least where it brings disciplinary procedures into line with operational procedures.

As the Secretary of State pointed out, it is a much-valued tradition in the House that at the outset of each defence debate, whatever the specific topic, we pay sincere and deserved tribute to the courage and professionalism of all the men and women of our armed services, in whom this country can and does take pride.

I have long had an interest in defence matters. Indeed, one of the reasons why I was drawn into politics was the campaign against the unilateralists in the Campaign for Nuclear Disarmament—a battle that I look forward to rejoining in the coming months. I had the pleasure of serving for five years as a medical officer, albeit as a civilian, in the Royal Army Educational Corps tri-service centre at Beaconsfield. That gave me a useful insight into the Army medical services as well as issues relating to welfare provision for service families.

The pride in our armed forces that has already been expressed in this debate rests in part upon how officers and servicemen and women deliver military power with

[Dr. Liam Fox]

self-restraint and discipline. It is greatly to be regretted that there are increasing misgivings among the armed forces about the rules of engagement and the extent to which soldiers, in particular, are being held to account for their actions in extremely difficult circumstances. While we deliberate in this air-conditioned House of Commons, several thousand miles away in Iraq soldiers have to make life and death decisions—a situation made even more challenging, as the Secretary of State acknowledged, by the phenomenon of the suicide bomber. If they hesitate, they may be killed; if they are too hasty, they know that they may face a court martial.

Mr. Hoyle: What is the hon. Gentleman's view on the George Mendonca case?

Dr. Fox: I shall come to that issue later, when it is appropriate for me to do so.

Perhaps the most graphic example of the situation was described in an article in *The Sunday Times* on 6 November, which reported a senior Royal Army Medical Corps doctor saying that in Basra he and his colleagues had been counselling young soldiers who

"feared a military investigation as much they did the insurgents".

Even more alarming is the assertion that

"There doesn't appear to be any overt consideration or understanding of the pressures that our soldiers are under. The unpopularity of the war at home and a belief that firing their rifles in virtually any circumstances is likely to see them end up in court are sapping morale."

The reality of that would undoubtedly be contested but the perception exists, and perception affects behaviour. We must take that into account in our debate.

One corporal said that troops arriving in Basra were confronted with warnings from the Royal Military Police that every incident would be investigated and that, if they shot someone, they would face an inquiry that could take up to a year. Hon. Members of all parties accept that to achieve the goal of maximum operational effectiveness, discipline must be maintained and that, therefore, an effective system of military justice must be in place. The system must support commanding officers and the rights of those serving at every level. That is a difficult balance, but it must be struck.

No hon. Member believes that members of the armed forces should be above the law. Indeed, according to the manual of military law, those in our armed forces are not only subject to the law of the land, but the disciplinary environment is maintained by supplementing the ordinary criminal law and judicial system with a special code of discipline and a special system for enforcing it.

For all our servicemen and women, it is essential that justice is done and seen to be done. That is important not only for the standing of our armed forces at home and abroad, but for their morale. Discipline must be clear, coherent, transparent, efficient and fair. Perhaps above all, there must be a clear link between discipline and command, as several of my hon. Friends have said. If the link is broken, it means that those who have to make life or death decisions on the spur of the moment may worry as much about the legal consequence of their actions as about the actions. That is potentially catastrophic for our operational capabilities. What a tragedy if our serving men and women were to become as afraid of lawyers as of insurgents.

We must always remember that the armed forces are different and need to be different. They are asked, in the name of our national security, to take lives and, at times, to give lives in a way that ordinary civilians are never required to do. The system of discipline that is applied to them and the considerations around it need to take fully into account that those involved are in potentially lethal situations. The position is unique and must be tackled as such.

Ministers have often stated that servicemen and women should reflect or be representative of British society. Although I agree that our forces should reflect the make-up of society at large, I put it to the House that the outstanding success of our armed forces derives from their adherence to a set of values which is, all too often, in short supply in society. Furthermore, when soldiers undertake operations, they operate under a different set of circumstances, which must be acknowledged by the law, and for which the wholesale adoption of civilian legal procedures is not appropriate. The Secretary of State made that point in his opening speech.

Chris Bryant (Rhondda) (Lab): I am grateful to the hon. Gentleman for giving way, not least because I have not been present for the whole debate, for which I apologise.

The hon. Gentleman said that servicemen and women operate in different circumstances. Today, in marked contrast to 30 or 40 years ago, those circumstances include the fact that they nearly always work alongside nationals of other countries and with armed forces of other nationalities. Sometimes, when there is a difference in perception of the disciplinary structure and systems of different nationalities, it may cause distress and further complications. How does he believe that we can reconcile that?

Dr. Fox: Far be it from me to attempt to put words into the Secretary of State's mouth, but it is difficult enough to reconcile the disciplinary position between the three services in this country without trying to reconcile it with the disciplinary procedures for other forces serving abroad. In any case, in some details, for example, in the Falklands and Iraq, our soldiers often operate by themselves and have to be subject to a British disciplinary code that is based on British law. Surely that is the correct position for British armed forces.

The correspondence between the Attorney-General and the Secretary of State's predecessor, which was discovered during a recent legal action, is extremely revealing. An article in *The Observer* on 27 February reported that the Attorney-General wanted to replace the Army prosecuting authority with criminal lawyers from outside the Army, an intervention about which, I am pleased to say, the former Secretary of State said that it

"did indeed cause me concern".

Such a move would be a grave mistake.

Ministers need to understand that, in many parts of the services, there is a general anxiety about the increasing threat to the disciplinary traditions of the

armed forces. Perhaps it was best put by the former Chief of the Defence Staff, Lord Boyce, when he spoke in a debate in the other place on 14 July. He said:

"The Armed Forces are under legal siege and are being pushed in a direction that will see such an order being deemed as improper or legally unsound. They are being pushed by people not schooled in operations but only in political correctness. They are being pushed to a time when they will fail in an operation because the commanding officer's authority and his command chain has been compromised with tortuous rules not relevant to fighting and where his instinct to be daring and innovative is being buried under the threat of liabilities and hounded out by those who have no concept of what is required to fight and win."—[*Official Report, House of Lords*, 14 July 2005; Vol. 673, c. 1236.]

There will undoubtedly be a debate on how true that perception is. However, its existence is debilitating. There is a particular anxiety about the operation of the European convention on human rights and the Human Rights Act 1998 and its impact on service law, of which we had several recent examples. The basic problem is that no set-aside was made for the military. When debating the jurisdiction of the International Criminal Court, my right hon. Friend the Member for Horsham (Mr. Maude), who was then shadow Foreign Secretary, called for us to do as the French had done and exercise a seven-year opt-out. He also called for a watertight opt-out, which would enable Ministers who were confident that a case was vexatious to ensure that a warrant was not executed against a member of Her Majesty's armed forces. Neither proposal was heeded.

Several cases that involve the Human Rights Act or the ICC are causing considerable anxiety, for example, that involving Colonel Mendonca and six other members of the Queen's Lancashire Regiment and the Intelligence Corps—the first brought against British personnel under the ICC. We heard today about the case of Trooper Williams. That raises suspicions in some quarters that the prosecuting authority behaved in a way more compatible with political than judicial priorities.

John Reid: I want to make a small technical, but important point. As the hon. Gentleman knows, I do not make decisions about how to prosecute. I have neither authority nor accountability for them. Nevertheless, we should be accurate. The charges have not been brought against the soldiers whom the hon. Gentleman named or referred to under the ICC. The two pre-existing charges in English law have been brought under the International Criminal Court Act 2001, which is different. The two charges, which are inhumane treatment and manslaughter, already existed. They are English law charges that have merely been incorporated in the ICC Act as the latest relevant measure under which they could be brought.

Mr. Deputy Speaker (Sir Michael Lord): Order. I am sure that hon. Members are well aware of the position with regard to some cases. Some of them are under consideration and I am sure that both hon. Gentlemen appreciate that it would not do to be too precise in those matters.

Dr. Fox: Indeed, Mr. Deputy Speaker. Before you took the Chair, I was careful to say that I would answer a question that a Labour Member asked me but within the scope that I would be allowed in the Chamber.

Perhaps the clash between the legal and judicial purists and the pragmatists is at its clearest in the abolition of the reviewing authority. There, the purist interpretation of judicial function comes into conflict with the traditional way in which service discipline has been upheld. On the one hand, it could be clearly understood that involving the reviewing authority in a purely judicial process could be perceived as anomalous. Indeed, that view has been presented on several occasions—certainly, the European Court holds it.

On the other hand, the Select Committee drew attention to the fact that the reviewing process contributes to the efficient running of service disciplinary procedures, and acts in the interests of promoting justice. There is certainly no case for believing that the reviewing authority is detrimental to the interests of service personnel; it can reduce sentences but not increase them, so there is no concept of double jeopardy. The Government must decide whether to pander to the judicial purists or to maintain a system that has worked particularly effectively in the past.

I shall now come to other aspects of the Bill. The fact that there has been an increase in the number of joint units commends itself to a unified disciplinary code and a tri-service Act. This is the greatest justification for the Bill. Frankly, the alternative—the appointment of separate commanding officers for the different services—could lead to inconsistency and disparity in the treatment of individuals, although it is also worth pointing out that when that happened in the Falklands, for example, commanders in the field were able to work in a constructive and practical way to resolve the issues.

On commanding officers' powers, there clearly has to be a compromise between the Army and the RAF on the one hand and the Royal Navy on the other. That will mean a change in the operational conditions for all concerned. As the Secretary of State pointed out, it will mean a reduction in the summary powers of naval commanding officers, and a concomitant increase in those powers for commanding officers in the Army and the RAF. We are concerned, as was the Select Committee, to ensure that those commanding officers are given the appropriate training to ensure that they make responsible use of their new powers. A system of revision must be undertaken to ensure that discrepancies do not arise in the execution of the new powers.

It is important that, as far as is possible, the commanding officer has ultimate authority over the unit, and sufficient latitude to enable him to deliver operational effectiveness. The commanding officer is at the centre of the system of discipline and is responsible for the behaviour of those under his or her command. It is the knowledge that the CO has the power to dispense summary justice that helps to mould a unit, as well as the leadership to which the Secretary of State referred. The CO's dispensation of justice is a key means of commanding respect, which is part of that leadership. Given the increased number of cases facing the Royal Navy, it is also important, in a practical sense, that expeditious processes result in minimal disruption as a result of the increased number of courts martial that will inevitably happen, especially when witnesses are required who are currently serving on one of Her Majesty's ships. I hope that the Minister will be able to deal with that point in his reply this evening.

[Dr. Fox]

The introduction of a single prosecuting authority is a sensible move in the interests of efficiency, as it will bring the structures of authority in line with the changes in tri-services rules. Likewise, a unified courts martial system is appropriate, with the support authorities also being brought into alignment. We have one concern, however, about the unified courts martial system, and perhaps the Secretary of State could deal with it now. It relates to the Government's almost baffling refusal to allow randomly selected panels.

Most of us in this country believe that randomly selected juries underpin our judicial system and guarantee independence in the operation of the court system. The panel for a court martial being chosen rather than selected on a random basis will create an unnecessary hostage to fortune for those who wish to portray military discipline as having the potential to be influenced by other interests. A randomly selected panel would be a strong bulwark against that false charge being made by those who want to see further interference in military disciplinary procedures. I hope that the Government will consider this matter constructively, and an early answer would be greatly appreciated.

Mr. Brazier: Is my hon. Friend aware that a recent letter from the Adjutant-General, revealed in another place, stated:

"With current legal, political and ginger group interest in the deaths of Iraqi civilians during operation telic: our investigation and subsequent failure to offer for prosecution could become a cause celebre for pressure groups, and a significant threat to the military justice system".—[*Official Report, House of Lords*, 14 July 2005; Vol. 673, c. 1222.]

How right my hon. Friend is.

Dr. Fox: I thank my hon. Friend for making that point. As I said at the outset, the system must be transparent and fair. That means that we must consider all the elements of our civil system that could be transposed on to the military system without in any way debilitating military justice. We must also recognise the elements of military justice that are unique and must be retained, in order for the vital link between command and discipline to be maintained.

Mr. Beith: The hon. Gentleman made an interesting point about randomly selected panels. Did he look at the points raised by the Judge Advocate General in front of the Constitutional Affairs Committee, including the suggestion that the panels should be larger, particularly for cases involving more serious offences? He also questioned whether it made sense for the panels to be involved in sentencing.

Dr. Fox: The right hon. Gentleman raises important issues. One of the advantages of the Select Committee is that so much evidence can be considered and so many weighty issues can be taken into account. That was the correct procedure to use in relation to the Bill, and I hope that the Government will ensure that there is sufficient time to consider this and subsequent parts of the Bill so that the House can fully take into account the breadth of detailed knowledge available on many of these subjects.

The Bill's bringing together the procedures of the boards of inquiry also makes sense, although, unlike the Select Committee, we believe that they should be conducted in a similar manner to the present one, and that there should be no automatic right for any individual, including next of kin, to attend the inquiry at board level. We would continue with the present arrangements, which have served well the interests of the services, of individuals and of justice.

On the question of issuing contracts for armed forces personnel similar to those for civilians, I have already noted that the position of the armed forces is different. Those who are required to operate in exceptional circumstances need to do so on a basis of contractual law that reflects those operational requirements, but which also reflects the fact that they fall within an augmentation of civil law rather than a substitute for it. Those who put their lives on the line cannot be treated in the same way, in terms of contractual law, as those who stack the shelves of our supermarkets.

An important question that the House must consider relates to the timetable for review of this legislation. It has been the practice to carry out five-yearly renewal of primary legislation relating to the armed forces disciplinary code, with an annual order to keep the matter under constant review. The case has been made that the annual review does not give adequate time for the bedding down and assessment of new arrangements. However, the annual review mechanism gives the House a chance to maintain constant surveillance over what is happening. At a time when domestic and short-term issues often crowd the political agenda, the annual review at least affords the House a regular opportunity to discuss what is happening in relation to service disciplinary procedures, and to introduce further primary legislation if required. Recent cases of primary legislation in response to European Court of Human Rights judgments demonstrate why it is necessary to consider this difficult and ever-changing subject far more frequently than every five years. We hope that this issue will be considered in Committee.

This is an important and complex Bill. Many of its measures depend on a complicated balance of judgments, and we shall consider that balance in detail during the passage of the Bill. We need a system of justice that recognises the unique position of those serving in our armed forces, and that gives them the full confidence to do what they need to do in our name. Reform in this field is justified, but it must not be used as an excuse fundamentally to alter the culture of our armed forces disciplinary codes. The armed forces are different, and they must be treated as such. The link between command and discipline is utterly fundamental. Let us have reform, yes, but let us not put the purists before the pragmatists. As we carry out these reforms, let us keep a sense of proportion and of natural justice, and an understanding of just how much we ourselves owe.

6.19 pm

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): I welcome this Bill for the reasons that my right hon. Friend the Secretary of State for Defence set out. It is evolutionary, not revolutionary, despite some of the earlier comments of the hon. Member for Woodspring (Dr. Fox). It enhances at least to a modest degree the provisions for independence, although not to anything

like a sufficient degree, a point to which I want to refer later. In many respects, it builds on the qualities to which my right hon. Friend rightly referred as distinguishing leadership in our armed forces. It also harmonises the law in a way that I think that we all agree is essential in a world in which there are so many joint operations, and in which our armed services face great dangers in the many theatres of operations in which they put their lives on the line for us. In some ways, the Bill maintains and enhances the commanding officer's ability to enforce discipline where that proves necessary. Listening to my right hon. Friend, it also brings clarity to the role of, and relationship between, the service and civilian courts, thereby addressing the problem of cases such as that of Trooper Williams where clarity has been lacking and that has gone on to foster angst and antagonism.

For all those reasons, I welcome the fact that we have at last arrived at Second Reading of a Bill that has been a long time in the making. As a new member of the Defence Committee, I do not want to pretend that I can yet begin to offer a well-informed view on all the 375 clauses and 15 schedules. However, I want first to deal with some issues in the later clauses that were raised by the Defence Committee in relation to the importance of independence in the system. Several hon. Members referred to them in interventions. Specifically, I want to deal with proposals about redress for individual grievances in clauses 330 to 333. Secondly, I want to comment on the issue raised by the Defence Committee most recently in its report to the House on 8 December in relation to clause 371 dealing with the duration of legislation and the provision—or lack of it, to which the hon. Member for Woodspring just referred—for annual renewal of legislation by Order in Council.

On the first of those matters, my right hon. Friend's remarks about the grievance and disciplinary procedure and the explanatory notes are clear. The explanatory notes rightly state:

"the terms of service of service personnel are not governed by domestic employment law"

and that the

"statutory redress system has therefore always been of importance if a service person is to be allowed to complain about any matter where he thinks himself wronged in relation to his service."

Currently, that complaint

"proceeds through a service person's commanding officer, through various layers of the command chain, to the Defence Council. In those circumstances the Service Board of the complainant's Service act for the Defence Council ... These procedures have been found, in practice, to be slow. Service Boards have been overloaded with cases which has led to delay in cases being resolved. The clauses in the Bill are designed to speed up the process."

I welcome the potential offered by clauses 330 to 333 for doing that, because all hon. Members recognise that delay in dealing with individual grievances is one of the most common causes of distress to constituents, not just in relation to complaints in the armed services but to all the many complaints that Members receive in the course of our duties. Those clauses are to be welcomed, especially if, as I understand it, they are to be accompanied by the greater availability of mediation through the welfare services.

Those clauses are perhaps less to be welcomed in their very limited introduction of an independent voice. That is referred to in clause 332(6), which states that the regulations "may"—only "may"—

"require, in the case of any service complaint of a prescribed description, a service complaint panel to include one independent member".

Even with an understanding of the very different culture of the armed services, that seems to be a minimalist and inadequate response to the recommendation of the Defence Committee, repeated in our report to the House of 8 December. We referred to the duty of care report of the previous Defence Committee, which recommended the establishment of an independent complaints commission and set out the general responsibilities and powers that such a commission should have. It should have powers independent of the armed forces, its recommendations should be binding, it should have the power to consider past cases and it should have access rights to all documentation and persons. In their response, the Government stated that they would consider introducing an independent element and the detailed implications of that.

The Bill as introduced to the House provides for the establishment of that service complaints panel, but from the information in the Bill, it appears that the independent element in the complaints system consists only of that single voice on the panel. I hope that that will be reflected on in the scrutiny of the provision in the special Select Committee. Even with an understanding of the very different culture of the armed forces, there is much more scope for bringing an independent voice to such considerations. I hope that my right hon. Friend will reflect on his thinking on the matter and on whether the mechanisms that he will need to put in place for decisions in relation to the independent panel member, even in such a limited, minimalist complaints panel, might turn out to be a sledgehammer to crack a nut. He will have to consider the sort of decision making that will have to be involved, which might become an unnecessary focal point for the continuing concern about the fairness of the grievance procedure.

To some extent, that consideration depends on the numbers and types of complaints that can be expected to be dealt with through such panels. The explanatory notes refer specifically to bullying and harassment as appropriate types of complaints. I wonder how many other types of complaints there will be and whether, if the number is small, the cake will be worth the candle of setting up a process to decide which types of complaint fall into the non-independent category, especially, if it opens up yet another avenue for dispute and delay. It might be simpler just to bite the bullet and ensure that, if there is an independent dimension to the service complaints procedure even to that modest extent, it is at least truly independent.

Certainly, there is no shortage of people with the tools of objectivity and skills in dispute resolution and arbitration. Professional training and accreditation for those who practise in those areas have progressed a great deal in recent years, and the Chartered Institute of Arbitrators and Centre for Effective Dispute Resolution are among a number of good sources. Those are also good sources of knowledge on how a strong framework of mediation can be built into the whole system. Mediation, at its best, is strong, not wishy-washy as

[Linda Gilroy]

some people would characterise it. It can add value to any organisation and can mean a win-win outcome achieved more often. If there is the knowledge that there is an automatic independent dimension further down the line for those cases that reach the complaints panels and mediation is worked into the welfare package, that is likely to help to resolve more cases earlier. That is surely desirable. It might head off difficult situations such as those that arose during investigation of the events at Deepcut. We do not want to resolve such cases when they have gone so far down the line. If the clause in its present form is as far as the Government will go, calls for more rather than less are likely to continue. As the hon. Member for Woodspring said, we need a system under which justice is not only done but seen to be done.

Clause 371 provides for a quinquennial review of the legislation. It is silent, as are the explanatory notes, on the current annual renewal of SDAs in intervening years by Order in Council, approved in draft by both Houses. For the reasons given in the Select Committee report, I see no case for dropping the annual renewal. It is a long-standing constitutional convention. Moreover, as a glance at the *Hansard* record of the annual debates will reveal, it allows for discussion of constituency experience of how the present legislation is working, of Members' experience of the armed services and of their experience of the parliamentary scheme. Matters raised in Defence Committee reports are often brought up during the annual debates, as is progress towards producing legislation. Arguably, after the Bill is passed, it will make even more sense for us to have such an annual opportunity and I do not think that the requirement for delegated legislation is likely to cause much concern to the business managers.

Bob Russell (Colchester) (LD): Does the hon. Lady have any idea who is asking for the annual review to be dropped?

Linda Gilroy: As I said a moment ago, the explanatory notes are silent on that. Perhaps when he sums up, my hon. Friend the Minister will give us some indication of how strongly the Government feel about a matter that I am sure will be closely scrutinised by the special Select Committee. Perhaps at that stage some arguments will be advanced in its favour or perhaps my hon. Friend the Minister will be able to tell us tonight that the Government have an open mind and may table a modest amendment at either the Select or Standing Committee stage.

Along with my colleagues on the Defence Committee, I shall follow closely the progress of this long-awaited and very important Bill.

6.33 pm

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): It is a pleasure to follow the hon. Member for Plymouth, Sutton (Linda Gilroy), both because of the issues that she raised, to some of which I shall return, and because of her work on the Defence Committee. The Committee's work is very important to the quality of our debate. The right hon. Member for North-East Hampshire (Mr. Arbuthnot) is present and he may wish to speak later.

Let me also belatedly congratulate the new shadow Secretary of State for Defence, the hon. Member for Woodspring (Dr. Fox). As ever, he has brought his energy and intellectual sharpness to the debate and I look forward to what will happen over the next few months. At the very least, he maintains the Scottish stranglehold on the defence portfolio on both sides of the House. I apologise for having missed his debut last week when he responded to a statement on a very serious matter, to which my hon. Friend the Member for Colchester (Bob Russell) responded on behalf of my party. It was a reminder to all of us of the seriousness of the context in which today's debate takes place.

All of us rightly pay tribute to the professionalism, dedication and bravery of our armed forces time and again. As was pointed out earlier, as we debate in the safety of the Chamber, they put their lives at risk in many parts of the world. We must never forget that.

The importance of the Bill is obvious from the difficult demands placed on servicemen and women day in, day out. The Secretary of State highlighted that when he spoke of the terrible growth in asymmetric warfare in recent years and the difficulties involved in dealing with enemies and others who do not operate according to the value systems and rules that we observe and expect others to observe. Recent court cases have drawn attention to issues that have been raised here today. I am sure that they will bring some of the Bill's proposals into sharp relief and make our scrutiny all the closer.

Proper service discipline is fundamental to our operational effectiveness and it is fundamental to our role in the world that our armed forces operate within the law and not above it. In considering appropriate legislation for the armed forces, we must try to balance complex and sometimes competing priorities. As others have said, the Bill represents a significant overhaul and modernisation of service legislation and we broadly support it. Given the changing nature of warfare and peacekeeping, which demand interoperability and joint operations, it makes sense to consolidate the Service Discipline Acts and to harmonise legislation with civilian justice where that is appropriate. We support the objective of ensuring consistency and fairness across all the services.

Today marks the start of the long process of passing the new legislation, but the process of scrutiny has been under way for some time. The House is indebted to the work of the Defence Committee, whose first report of the Session on the Bill draws the House's attention to key issues to which I, like others, will return. The Committee's work builds on that of its predecessor in the last Parliament, whose report on the Tri-Service Armed Forces Bill and duty of care report have made invaluable contributions to our considerations. The same can be said of the report from the Constitutional Affairs Committee, chaired by my right hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith), which was published today. We should also express our gratitude to the Library for its rapidly produced briefing paper, which is important to our debate today and to the detailed consideration that will follow.

The one disappointment—here I echo the hon. Member for Woodspring—is the delay in the publication of the official explanatory notes. I join others in paying tribute to the quality and hard work of those responsible for that complex task, but

parliamentary scrutiny is not assisted when explanatory notes are not available for several days after the publication of a Bill.

The unique status and importance of the Armed Forces Bill is reflected in the special procedures allowing its consideration by a Select Committee. The details of the timing and the balance between the Select and Standing Committee aspects are still to be established, but we support the broad thrust of what has been said about the time that will be available between now and the end of April. A single day for recommittal to the whole House for the Committee stage and Third Reading seems barely adequate, but on balance we support the programme motion.

Let me turn to the proposals in the Bill. As past White Papers and recent experience show, joint operations are an increasingly common feature of service life. Training for such missions, and the operations themselves, throw up critical issues. Commanding officers do not have disciplinary powers over all whom they command, and naval commanding officers in particular enjoy different powers from those of their Army and Air Force counterparts. That is unacceptable in this day and age and clearly needs to be changed. We welcome the proposals that have been put forward to do so. The existence of separate Service Discipline Acts makes the use, interpretation and amendment of legislation more complicated than it need be and perpetuates inconsistencies. In that context, harmonisation makes sense.

The Bill is intended to equalise the scope of offences that can be heard summarily by commanding officers and the sentences that can be imposed. At the same time, the CO's ability to dismiss charges for offences for which he or she has no summary powers is to be taken away and investigative responsibility is to be handed to the police, independent of the chain of command. Those are large changes, already the subject of much discussion and debate this afternoon, but we believe that they are right and proper. Like others, however, we will want to look carefully into the detail.

We need to ensure that the operational effectiveness of commanding officers is not compromised by the changes to their roles. As others have highlighted, they will require appropriate training in due course. On a broader plain, we must not overburden any of our armed forces with legal constraints that undermine their ability or confidence to take appropriate action, not least in hostile circumstances in which lives are at risk. However, we also have a duty to those same armed forces to ensure that they are treated in a manner consistent with domestic and international law and a wider duty to observe our international obligations and equip the services with the procedures and disciplines that ensure that they can carry them out. The detail of the Bill will be considered in Committee so that it can be assessed against those tests, but we support its underlying principles in that respect.

The report of the Constitutional Affairs Committee, following evidence from the Judge Advocate General, raises a number of important issues for the House to consider in respect of the administration of justice, which changes significantly under the Bill. It highlights the military court service—currently run by the Ministry of Defence, but recommended to be brought under and resourced by the Department for Constitutional Affairs. The appropriate type of court martial should be chosen, it is argued, by judge advocates, not by the prosecution. Another issue, already debated this afternoon, is for more serious offences to be put through the court martial, which surely creates a strong argument for larger panels, not least for offences punishable by imprisonment of 14 years or more. The Secretary of State's willingness to revisit that issue should be welcomed on both sides of the House. These are serious matters that require close scrutiny and we will listen carefully to the Government's response.

The Judge Advocate General also made observations about the length of time that trials take. In his evidence to the Select Committee, he specifically raised his concern that

"the end to end time taken to dispose of cases remains a serious concern . . . both in major and minor cases."

He recognised that specific issues and unique circumstances affect the timing and length of inquiries, but he identified at least one area that could be improved—the quality of the papers and evidence supplied by investigators to the prosecuting authority. That is partly about procedure and expertise and partly about resources. The Bill should provide us with the opportunity to examine those matters in more detail, but we will surely also have to examine the way in which resources are allocated within the armed forces justice system to ensure that investigations are carried out appropriately and in good time. The Minister of State's written statement last week on the recent 3 Para trial was welcome.

Deepcut, in particular, and bullying and harassment more widely in the armed forces have become a growing cause of concern for us all. In our most recent debate on "Defence in the UK", that was an important area of focus. The latest available Army "Armed Forces Continuous Attitude Survey" to April this year is striking in that regard. As I mentioned in that debate, one key set of findings highlighted that 25 per cent. of soldiers had cause to complain about unfair treatment, discrimination, harassment and/or bullying—and more than half of them were dissatisfied or very dissatisfied with the objectivity and fairness with which the complaint was handled. If ever there were a time to reform the system of redress and grievances, it is now.

The Bill takes steps in the right direction with the creation of the service complaints panel and other measures, but as the Defence Committee stated in its new report—and as highlighted by the hon. Member for Plymouth, Sutton—the proposals fall some way short of the independent complaints authority that the Defence Committee's predecessor Committee advocated in the "Duty of Care" report in the last Parliament. It specifically recommended that the commission should have independence from the armed forces and the MOD, power to look into past cases, access to all papers and relevant people and that its recommendations should be binding. Those tests are not met by the Bill as it stands. Much will depend on the secondary legislation to define what exactly a "service complaint" is and to clarify the time limits and the circumstances under which an independent member of the panel will be appointed.

The new Committee's report argues that

"it remains very difficult to judge at this stage the full effect of the Government's proposals. But it is clear that the Government has rejected the main principles of our predecessor Committee's

[Mr. Michael Moore]

recommendations—the Bill does not provide for a mechanism to deal with complaints that is truly independent of the chain of command."

The Government must, at the very least, publish the draft regulations that will govern this aspect of the Bill. Otherwise, I hope that we will all want to amend the legislation in Committee.

Having set out some specific areas of concern about the Bill, which we will hope to explore further in Committee, I want finally to raise a couple of issues that relate to our role as legislators in this place and Parliament's duties to scrutinise the Executive. The Bill runs to more than 240 pages with 375 clauses and 15 schedules. Notwithstanding its bulk, much detail is absent from the provisions—on the service complaints panel, for example. That leaves us having to take a great deal on trust. Beyond that, there is perhaps a more fundamental issue.

This legislation, as the Select Committee points out, will no longer be subjected to annual renewal or the appropriate consideration by Parliament that goes with it. That represents a major change in the powers of the House and one that we do not believe is right. For centuries, Parliament has placed limits on the Executive's rights in regarding the Army and other armed forces in respect of total numbers and the expenditure that goes with it. We appreciate that, these days, the debate often centres on whether or not we have enough soldiers, but the notion of placing limits on the Executive is still extremely important. In this of all eras, the principle of accountability has surely not become an anachronism.

Other than administrative convenience, the change seems to offer no advantage and there are no new safeguards to give effect to the principles of parliamentary scrutiny and accountability. We will listen carefully to the Minister's response in the wind-up, but hope that the proposal will be rethought in Committee and annual renewal reinstated.

We demand much of the military personnel who serve this country, face dangers that we can barely understand and take risks with their lives that we can hardly imagine. We have a vast duty of care towards them, which, as a minimum, requires that the service discipline and laws under which they operate are clear and take account of the extraordinary things expected of them. The Bill is the starting point for that process. While there is much in the detail that we will want to scrutinise further and amend in Committee, we support its aims and will support its passage in the House tonight.

6.49 pm

Mr. Kevan Jones (North Durham) (Lab): May I begin by saying how pleased I am to be called to speak on this important Bill for the men and women of our armed forces?

As has been said, the current military justice system, although effective, dates back to the 1950s. This is a good opportunity not only to modernise the law relating to it but to combine the three services' disciplinary legislation into one. I want to concentrate on just two aspects of this very lengthy Bill: the proposed introduction of a complaints panel, and clause 371—it has already been referred to—which deals with renewal of service disciplinary legislation.

During the last Parliament, I was honoured to be a member of the Defence Select Committee, and I am honoured to be a member of it in this one. My hon. Friend the Member for Plymouth, Sutton (Linda Gilroy) has already pointed out that, during the previous Parliament, our Committee undertook a lengthy inquiry into the duty of care of trainees in all three of our services. The inquiry was prompted by serious concerns about the deaths of recruits and trainees in initial training establishments, especially those of four young soldiers at the Princess Royal barracks at Deepcut, Surrey, between 1995 and 2002.

Following the publication of Surrey police's final report, our Select Committee thought it right not only to undertake an inquiry that could make a significant contribution to the debate on how to improve Ministry of Defence policy on the duty of care of trainees, but to see what we could do to restore public confidence in military training, especially that given by the Army. We took evidence from Deepcut families and from the families of individuals who had died at the Catterick garrison's infantry training centre.

Mrs. Humble: The Defence Select Committee did indeed produce an excellent report and call for evidence from families beyond Deepcut. Evidence was also taken from the families of those other than trainees, and, given that it was not just trainees who died, does my hon. Friend agree that the duty of care extends beyond the initial training period and throughout the entire time that an individual spends in the armed forces?

Mr. Jones: I agree totally with my hon. Friend, and we did indeed take evidence from those who were no longer trainees, and from the relatives of those who had died and had got past initial training. Although the scope of our inquiry related to the duty of care of trainees, it was evident from the way in which it developed that we also had to examine other areas, and doing so proved invaluable to the final report.

We also took evidence from the Minister of State, my right hon. Friend the Member for East Kilbride, Strathaven and Lesmahagow (Mr. Ingram); from Colonel David Eccles, chief of staff; and from Martin Fuller, director of service personnel policy, service conditions at the Ministry of Defence. It was a long inquiry—it took more than a year—and we visited some 15 different training establishments and took evidence from a variety of individuals in all three services.

The inquiry's recommendations were clear, one of which—the establishment of an independent military complaints commission—is very important and central to this debate. It was worked on in some detail by my hon. Friend the Member for Motherwell and Wishaw (Mr. Roy). He was a member of the Defence Committee at the time but is now in the purdah of the Whips Office, so he cannot take part in this debate. He was keen on this recommendation because a number of his constituents had died while serving in the armed forces, and their families, along with others, led a campaign to highlight the problem of bullying and harassment in the armed forces.

We envisage a commission that would have the authority not only to investigate complaints but to make recommendations that would be binding on the armed forces. It would be for the commission to decide whether to undertake an investigation, but it would take into account only serious allegations. Importantly, its findings and structure would be independent of the MOD and the chain of command. However, we are not suggesting that it should in any way be a substitute for the chain of command. I should stress, as other Members have stressed, that it should be seen as an independent body that people can approach to ensure that serious grievances are dealt with. I came to the view that establishing an independent commission is important because our armed forces, particularly the Army, have suffered terribly in the past few years as a result not just of the Deepcut allegations, but of other deaths in military service. A truly independent scrutinising mechanism would certainly bolster the public's confidence in the armed forces.

Not everyone who came before our Select Committee was in favour of such a commission. General Palmer said:

> "I think that that is a step too far because there is a chain of command. The Armed Forces are a unique set of people—there is no doubt or question about that. They are asked to do things that no one else is asked to do. That respect of the chain of command is vital."

I agree, but the Defence Committee's proposal would in no way cut across the chain of command. The MOD and the military are by their nature very conservative with a small "c"—in some cases, with a big one—but having such an independent commission could do no harm. Without one, there will be serious question marks over isolated but horrific cases such as those that have led to bullying and, sadly, to young recruits taking their own lives. We have heard about many such cases in the media in the past few years. As my hon. Friend the Member for Blackpool, North and Fleetwood (Mrs. Humble) pointed out in an intervention, some people have got through initial training, only to take their own lives because of the way in which they were treated in the armed forces.

I accept that people are criticising me and others for introducing this proposal, but I should point to the example of the UK police force, which, until 2002, was criticised for investigating itself. Since then, the Independent Police Complaints Commission has been created. Importantly, it reports to Parliament, so it is publicly accountable. It is not linked to any Government Department, so its decisions cannot be overruled by politicians; they can be overruled only by a court of law.

Initial reactions to the IPCC's creation were that it would impact on operational effectiveness and impose an additional bureaucratic burden, and that busy-bodies who knew nothing about day-to-day policing would be telling chief constables what to do. Throughout our inquiry, similar arguments were advanced against having an independent commission in the armed forces. By way of contrast, the senior police officers to whom we spoke during our inquiry expressed the view that the IPCC has benefited the police's working practices and led to greater transparency. The most important thing that the IPCC has done is to bolster the public's confidence that the police are not a law unto themselves, and that if complaints are made by individual members of the public, they will be investigated thoroughly and—crucially—independently.

The Government's response to our report—my hon. Friend the Member for Plymouth, Sutton mentioned it earlier—said the following about the creation of an independent commission:

> "We accept that there is a case for introducing an independent element to the complaints system: there are different models for this, in this country and abroad, and their implications need detailed examination. We will carry out this work ahead of the introduction of the Armed Forces Bill planned for later this year."

I was a little disappointed to discover what the Bill says about the establishment of a service complaints panel. The panel would consider a service complaint—although, as has already been said, nobody knows what the definition of a service complaint would be.

I am also disappointed that the independence of the body is still a little sketchy. As I understand it, the panel would be set up by the Defence Council, which would appoint the panel members, but in exceptional circumstances the Secretary of State could appoint an independent panel member.

Linda Gilroy: My hon. Friend has said how important it is that the public should see the system as independent. Does he agree that we too, when we refer our constituents to such a process, want to be confident that it has an appropriate degree of independence, so that we can assure them that they can have faith in it?

Mr. Jones: I totally agree. The Ministry of Defence and the military have to realise that society has moved on. The idea that, in this day and age, people can investigate themselves and still have credibility, not only with parliamentarians but with the general public, is not acceptable. Unless the system is seen as independent, it will not help to put some of the accusations aside. Some wild accusations have been made against the armed forces, but some of the accusations are right, and some very serious accusations of assault and bullying have not been properly investigated.

As I read the Bill, the main duties of the panel would be to investigate service complaints, but we have not yet seen the definition of a service complaint, what time limits would apply to such a complaint, or the circumstances in which an independent panel member would be appointed. However, it is clear that the Government have rejected the Defence Committee's recommendation of independence. That saddens me. The Bill does not provide a mechanism or a method for dealing with complaints in what I—and, I think, most people—would call truly independent from the chain of command.

Before the Bill goes any further, it is important that the definitions and other details should be published. That would be useful for the scrutiny that will take place over the coming months. That is important, because it would be helpful to try to put the issues related to Deepcut to bed. We called for retrospection in our report, because that is necessary to ensure that those issues are taken care of.

More cases involving accusations about bullying leading to suicide are emerging. My hon. Friends may have seen this week's *Sunday Mirror*, in which, under the

[Mr. Jones]

headline "Deepcut II", there is an article that gives a real sense of questions to be asked about the case of two young recruits, Krystle Cookson and Michael Williams, both of whom committed suicide at the Royal School of Signals base in Blandford. Using the emotive term "Deepcut II" helps to make it clear that if we are to get satisfactory answers to some of the questions, the idea of the military investigating itself will not be acceptable to those young people's parents, or to the many others who have already been mentioned.

I hope that the Government will listen to the criticism, because I approach the idea of independence from the point of view that it would improve the Bill. It is also important to secure the public confidence that the system needs. If we go ahead as is now outlined in the Bill, an opportunity will have been missed, and there will not be the added confidence that the public need.

Clause 371, which relates to the duration and renewal of service discipline legislation, has been mentioned by several Members. It restates the requirement for a five-yearly renewal of the Acts by primary legislation, but does not continue the current practice—already mentioned by the hon. Member for Berwickshire, Roxburgh and Selkirk (Mr. Moore), who speaks on behalf of the Liberal Democrats—of annual renewal by an Order in Council approved by Parliament.

It is important that we be given an explanation of why the Government want to move to a five-yearly review. As my hon. Friend the Member for Plymouth, Sutton said, I cannot for the life of me think why that would be advantageous to the Government, or why Parliament should give up a historic right that has its roots way back in the 17th century.

For the sake of public confidence in the scrutiny of disciplinary issues relating to our armed forces, this Parliament must have a say, and an opportunity at least once a year to examine the regulations and raise any concerns that it may have. I do not accept that the business managers are so cramped that that has to be dropped off the agenda through lack of parliamentary time. It is so important that parliamentary time should be made for it.

I welcome the Bill, but I hope that the Government do not miss the great opportunity that they now have to put back the confidence and pride in our armed forces that we should all have. I hope that we can ensure that if cases similar to Deepcut and others arise in future, the independent process that would investigate them would not leave us in the terrible situation that we are in now, with slurs being made against our armed forces, parents and loved ones feeling that they do not have answers to their questions and the general idea that there is something to hide. If we had a proper independent process, a lot of those issues could have been raised within it, rather than having a dripping tap of allegations being made—weekly, it seems—about other horrendous cases affecting our armed forces.

7.6 pm

Mr. James Arbuthnot (North-East Hampshire) (Con): The hon. Member for North Durham (Mr. Jones) has thought deeply about these matters, and over several years he has contributed to the Select Committee along the lines that we have just heard—and he has got it right. I am exceedingly grateful to the members of the Select Committee for the power of the argument that they bring. The hon. Member for Plymouth, Sutton (Linda Gilroy), who has also spoken, has been a powerful advocate on the Committee, and I feel very lucky to be the Chairman of a group of people who work so hard on these difficult issues.

It is not an overstatement to say that we have the best armed forces in the world. One of the reasons that is so is that they are not awash with money, and have to think their way through some of the problems that they face. They are also extremely brave and hard-working, highly intelligent and disciplined. They are so disciplined partly because service discipline, which is essential for the success of the armed forces both in peace and in war, is underpinned by the sort of legislation that we have had in this country over many years.

The system of military law is, however, 50 years old. There is nothing wrong with being 50 years old—I am a little older than that myself. None the less, the services are now very different from what they were like when the system of military law was introduced. In particular, they now participate in joint working, joint planning and joint operations, so to have a system of military discipline that is not joint is no longer justifiable.

The Bill brings together the systems across the services, which is wholly to be welcomed. I wish, if I may, to embarrass the ministerial team and the Bill team who have put the Bill together by congratulating them on a profoundly necessary, if possibly overdue, Bill. The amount of work that they have put into it over four years has been immense, and they have come up with a good result.

The Defence Select Committee produced a report last week that built on the report that our predecessor Committee produced earlier. We highlighted two particular issues. We have already heard from two members of the Committee and I hope that at least two others will catch your eye, Mr. Deputy Speaker. The first matter that our report highlighted was that of an independent complaints mechanism. The Bill will establish a service complaints panel, which modernises the redress of grievance systems.

Several points have already been made about the Bill's proposals. Although I wish to make one or two pernickety points about the independent complaints mechanism, I do not want to undermine the welcome that I give to the Bill as a whole. Some of the points that have been made about the independence of the tribunal that the Bill will set up bear repeating. The hon. Member for Plymouth, Sutton has asked already why the Secretary of State "may" appoint an independent person to the service complaints panel, rather than "must" appoint. Independence has much value, and the hon. Member for Berwickshire, Roxburgh and Selkirk (Mr. Moore) articulately encapsulated the arguments for an independent element to the complaints. There is too little detail in the Bill about when the Secretary of State would make a decision about appointing an independent person to the tribunal. We have to rely on the good faith of the Secretary of State. I have no difficulty with that, but it is essential that before the House makes a final decision on the Bill's progress we

should have much more detail about the regulations that the Secretary of State intends to introduce on when an independent person is appointed.

The whole process does not go far enough. The hon. Lady and the hon. Member for North Durham were right to express their disappointment that we do not have a wholly independent system. A previous Defence Committee called for a proactive body that could, for example, commission research into trends that might cause difficulties for the armed services and then proactively examine those trends. The proposal for a service complaints panel makes no allowance for that to happen.

The previous Committee also raised the issue of retrospection and past cases. We have to face the fact that there are boils to be lanced. The Deepcut boil has not been lanced and will not be lanced by the proposals in the Bill, but it is essential that people have confidence in the reputation of the Ministry of Defence. The hon. Member for North Durham spoke about the need to have confidence in the Ministry of Defence and he pointed out how now that the police had the Independent Police Complaints Commission they were no longer seen as a law unto themselves. The Ministry of Defence is seen that way at the moment. Everybody knows that my view of the decisions on the Mull of Kintyre Chinook crash leads me to believe that the Ministry of Defence is seen to be a law unto itself. There is much to be said for the introduction of a degree of openness and independence, which would build up the Ministry's reputation and self-confidence. The Ministry of Defence would have nothing to lose from that and everything to gain.

Another issue that has been raised by the Defence Committee was that of annual renewal. The quinquennial review will be retained, and that is good, but under the Bill the annual secondary legislation will go. I sense that Ministers are open-minded about that. The Secretary of State for Defence has written to the Committee to say that it is not the sort of ditch in which he would wish to die. I was also delighted by what my hon. Friend the Member for Woodspring (Dr. Fox) and the hon. Member for Plymouth, Sutton said about this issue. An annual consideration of the legislation that underpins the discipline of our armed forces is an essential part of parliamentary scrutiny. The Defence Committee calls on the Minister not to press that change and I hope that he will be able to give us some indication later this evening on that point.

I wish to touch on one or two other issues briefly. The Ministry of Defence does not accept the previous Committee's recommendations about boards of inquiry and, for example, the parents of dead servicemen and women having the right to attend them. The Ministry of Defence says that it is worried that the candour of the evidence could be compromised if a witness sees the deceased person's parents in the room. I understand that argument, but it is one that has to be faced in civilian courts, week in and week out. It does not seem to have a serious impact on the quality of the evidence or the behaviour of the judiciary in civilian courts. Perhaps the parents of dead servicemen or women should not have the right to attend boards of inquiry. I know that tribunals may allow the relations or other people with an interest to attend, and I hope that the possibility is exercised with great humanity. I ask the Minister to put himself in the position of a parent whose child has been killed in an accident but who is not allowed to attend the inquiry into the accident.

Mr. Kevan Jones: When the previous Committee took evidence on that point from parents, the problem was not only that they were not allowed to attend. In many cases, they were not notified of the outcome of, or given notes from, the inquiries. If we are to shine the spotlight on the darker crevices of the MOD, it is vital that parents are allowed the dignity of trying to find out what happened to their children.

Mr. Arbuthnot: That is unarguable.

My next and rather different point concerns offences at sea. The Minister may be able to confirm the point when he winds up, but I understand that harmonisation of the disciplinary procedures will lead to a 50 per cent. increase in the number of naval cases being heard by court martial, as opposed to being dealt with summarily. Is that the case, and will it cause difficulties to the armed forces in terms of operational effectiveness? Is it right that the Bill does not cover administrative action, which is the lowest level of disciplinary process? If that is right, is that also to be harmonised across the services?

I have spoken for long enough, but I have a few points about the procedures that the House will follow when examining the Bill. When the Secretary of State opened the debate he said that one of the great strengths of the Bill was its hybrid nature. He was right. The ad hoc Select Committee will be able to take evidence and examine the Bill line by line, for the first time in public. That follows the recommendation of the previous Defence Committee.

It is right that the detailed wording of the Bill should be examined in public. In fact, all legislation should be examined in that way. Committees should be able to take evidence about the legislation on the wording of which they are about to decide. It is not simply a good method of doing business; it should be a role model for the way we do business in the rest of the legislative process.

I very much hope that there will be a good representation of members of the Defence Committee on the ad hoc Select Committee, and I look to the Committee of Selection to achieve that. That will mean that the Select Committee is very strong indeed.

7.21 pm

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): I am especially pleased to follow so many considered contributions from colleagues on both sides of the House. This is an important debate. Although I am not a member of the Defence Committee, I, like other Members, want to refer to its excellent reports, which should underpin much of our debate.

I welcome the Secretary of State's intention to modernise the law on the armed forces and to bring it into line with the requirements of the Human Rights Act 1998. The Bill is built on the key principle of fairness—to be fair and to be seen to be fair. It is sensible to update our procedures. As has already been said, our armed forces do difficult tasks in increasingly difficult circumstances and I hope that the Bill will give them some reassurance as they undertake those tasks.

[Mrs. Joan Humble]

We all agree that our armed forces do excellent work and are highly regarded. They need the proper investigative procedures outlined in the Bill. The role of the commanding officer is important. Under the Bill, commanding officers have a duty to ensure that matters drawn to their attention are properly investigated. We need to extend that role in other elements of the Bill.

I want to speak from the standpoint of parents whose children have died in peacetime while serving in the armed forces. When my hon. Friend the Under-Secretary of State for Defence sums up, will he clarify how the concerns of those parents can be addressed in the legislation?

My constituent, Lance Corporal Derek McGregor, died in July 2003 at Catterick barracks. His family are waiting for a date to be set for the coroner's inquest, so I cannot comment on the circumstances of his death. I can say only that when I met Derek's father, Joe McGregor, and the parents of children who lost their lives at Deepcut and at other barracks in England, Northern Ireland and overseas, the same phrases cropped up time and time again:

"You have to understand—the Army is a law unto itself"

and

"You have to understand the Army is so arrogant—they think they can get away with murder."

Those are not my words, but those of parents who buried their children in tragic circumstances.

Pete Wishart: I congratulate the hon. Lady on the assiduous way in which she chairs the Deepcut and Beyond families group. I represent the Collinson family whose son was also killed at Deepcut barracks. Does she agree that it is not only families and those of us interested in the issue but the public who are concerned? The general public expect that public services such as the Army are given the closest possible scrutiny. That is why there is great public concern about things such as the events at the marine camp reported recently. The public are owed proper scrutiny of what is happening in the armed forces.

Mrs. Humble: The hon. Gentleman is right. My hon. Friend the Member for North Durham (Mr. Jones) also drew attention to recent newspaper articles. When we are recruiting young people to serve in our armed forces in difficult circumstances, they and their parents need assurances about that essential duty of care. If they do not receive them, it will, without a shadow of doubt, affect recruitment and morale. We need to address that issue and the Bill is the ideal opportunity.

Modernisation of the armed forces means removing the stain of Deepcut. It was once a rural location in leafy Surrey—I have been there—but is now a byword for bullying and cover-up. We must stop that. Modernisation means openness and accountability. Modernisation means that when a fatal incident occurs the bereaved family are entitled to learn the truth. They are entitled to expect justice and to believe that lessons will be learned, to avoid such deaths in the future.

I listened with interest to the remarks of the new Chairman of the Select Committee about informing families. They should be involved in inquiries, because all they experience is secrecy. Only limited information is given to them and they often feel that even that has to be dragged out, and the process goes on for months. When my constituent Joe McGregor and members of other families gave evidence to the previous Select Committee, they described how the visiting officer who came to tell them of the death of their child was often oblivious to their needs. The officer did not discuss with the families what had happened. They often had to ask for the return of personal possessions, which were often returned in a way that caused them even greater distress. Such issues should be addressed by the Committee.

Mr. Kevan Jones: Does my hon. Friend agree that, even when accidents occur or when individuals die tragically in accidents, the culture of secrecy that she describes leads to parents and loved ones thinking that the MOD is covering something up?

Mrs. Humble: My hon. Friend is right. That is why the Deepcut and Beyond group is still asking for a public inquiry. Having tried and tried—for many years, in some cases—to get answers from the Army and the armed forces in general, the families feel that an independent inquiry is the only way to meet their calls for truth, justice and change.

There have been at least five internal military inquiries, as well as two police investigations costing at least £1 million, another police force investigating the integrity of the first, a Select Committee inquiry, a review conducted behind closed doors by Nicholas Blake QC and another inquest by the Queen's coroner. How many more investigations are we to have? To date, every inquiry has been limited by its terms of reference. None had powers sufficient to fulfil the requirements for the necessary public investigation of non-combat deaths. None had the weight and stature to make recommendations for lasting change and none had the authority to restore public confidence.

Linda Gilroy: On the subject of public confidence, does my hon. Friend agree that families want not only to see justice done, but to be sure that things are put right for the future—no doubt, other people who have lost loved ones want that as well—and that only by greater openness and independence can they be sure of that?

Mrs. Humble: I agree entirely with my hon. Friend. I believe that the Bill, as drafted, will miss a valuable opportunity to address the vital issue of accountability. I hope that special attention will be given to accountability in the discussions that will take place after the debate.

I will certainly listen very carefully to the Minister's response to hear whether he has reflected further on Surrey police's recommendation that the armed services should consider the value of establishing a mechanism for independent oversight, which was developed and advanced by the Defence Committee in its inquiry into the duty of care. The model advanced by the Select Committee was that of the Office of the Police Ombudsman for Northern Ireland—a model that, thanks to the skill and leadership of the ombudsman, Mrs. Nuala O'Loan, is regarded universally as a world leader in police accountability.

The Deepcut and Beyond families group supports the proposal for an ombudsman or independent complaints commissioner. The group especially welcomes the Defence Committee's recommendation that any such ombudsman should have the power retrospectively to look at cases on which many families did not get answers—they still have not had answers. The group can also see the merit of an independent inspectorate along the lines of Her Majesty's inspectorates of police and prisons.

Another proposal, which is particularly relevant while the Army continues to recruit under-18s to military service, is to create a system of lay visitors panels, which could carry out announced or unannounced visits to barracks to interview and monitor the well-being of service personnel.

Another issue that I wish to raise is impunity for armed service personnel. We rightly deplore those dictatorial regimes in which security personnel can do no wrong, where brutality, rape and murder during an armed conflict or behind the closed doors of the military barracks goes unpunished. In such regimes, even a conviction in a civilian court may be regarded as a technical matter and temporary inconvenience. The soldier concerned may be welcomed back into the army and even promoted.

It has, as far as I am aware, always been the case for the British Army—this is set out in the Queen's regulations—that in the event of a serious misdemeanour resulting in conviction and sentence to imprisonment by a civil court, the soldier would be automatically discharged. When discussing the Bill with some members of the Deepcut and Beyond group, they drew to my attention two cases in which the Army has sought exemption from that rule on the grounds that the conviction did not bring into doubt "the integrity" of the soldiers concerned. I am informed that one case involved the conviction of two soldiers for murder. Another case involved the conviction of a soldier for manslaughter by gross negligence. If soldiers can be routinely dismissed for the possession of class B drugs, I can find no rationale to allow those who are found responsible for the death of civilians or their fellow soldiers to remain.

Mr. Brazier: The second case relates to Corporal Clegg. The hon. Lady appears not to take account of the fact that, from time to time, it is the soldier's job to kill people. The court ruled in that case—this was eventually quashed a long time later by a second appeal—that in a split-second decision he had wrongfully killed someone. That does not impinge on his integrity.

Mrs. Humble: The hon. Gentleman makes an interesting point. Of course, we are discussing the armed forces, but similar things can be said about the police. In no way do I underestimate the split-second decisions that soldiers must make. Nevertheless, on one hand some of the families whose children have died in the armed forces see action that is veiled in secrecy—they cannot get answers about their children from the Army—and on the other they see the Army defending soldiers in circumstances where they may have doubts about the action that was taken. I am not making any remark about the particulars of individual cases; I am simply drawing to the attention of the House the concerns of families about what might be seen as two rules—one for them and one for other people—and we must have accountability, consistency, fairness and openness in all those decisions.

Mr. Kevan Jones: Does my hon. Friend agree that there is a big difference between actions on the battlefield or, for example, in Northern Ireland, and the actions of individuals who are in charge of soldiers that relate to bullying that subsequently, in some very tragic cases, leads to those individuals taking their own lives?

Mrs. Humble: My hon. Friend is right, but I should like to ask the Minister whether, if the Bill is passed, a soldier convicted of the abuse of power, of bullying, of rape or of murder will no longer be subject to automatic discharge. Will they maintain their rank and position in the armed services throughout their prison sentence? If that is the case, it would certainly cause a lot of concern to many of the families whose children have died—often, they believe, as a result of bullying in the armed forces.

The purpose of the Bill is to update and streamline legislation. It must therefore be fair and it must offer transparency. Without that, the good work that so many of our soldiers do could be undermined. I regularly meet current and former members of the King's Own Royal Border Regiment and the Queen's Lancashire Regiment. Some time ago, I met representatives of the Royal Green Jackets, who are based not too far from Blackpool, and they told me about the excellent work that they had done as peacekeepers in Sierra Leone.

I know of the very good work that is undertaken, but the Bill is an opportunity to reassure military personnel, their families and the general public that, when things go wrong, they will be investigated. Usually, things go right. Members of Parliament do not get people queuing up at our advice surgeries to tell us that everything is going swimmingly; they queue up to tell us when things go wrong. Our responsibility is to ensure that we have an appropriate response when things go wrong. The Bill is our opportunity to do that, so I hope that my right hon. Friend the Secretary of State will reconsider the Defence Committee's reports on independent oversight, because that will give many of the reassurances that many families need.

7.38 pm

Robert Key (Salisbury) (Con): I congratulate the Secretary of State on winning the game of musical chairs that has been running for about 20 years. He is the final Secretary of State to sit on the chair when all his predecessors have been denied one. It falls to him to win the elusive prize of achieving a tri-service Act. That is purple prose in any language. I also congratulate the Bill team at the Ministry of Defence and the parliamentary draftsmen and Treasury counsel on what has been a mammoth operation. With previous Armed Forces Bills, we have heard some quite extraordinary reasons—or should I say excuses?—wheeled out about why progress has not been made. That has never been the fault of the Ministry of Defence, which has always seen the merit of updating service law. So I am absolutely delighted that the Bill has appeared before the House, and I warmly support it.

[Robert Key]

I also support the legislative process that we are about to use. I believe strongly in the value of pre-legislative scrutiny, for the reasons that Members on both sides of the House have already mentioned. I have argued for 15 years that we should use such a process for other legislation because it has enormous advantages, not least because it empowers the citizens of this country to have a direct input in the way in which policy making becomes law. That must be good for democracy, and it might even encourage people to vote.

There is no part of my constituency that is not directed affected by the Ministry of Defence and the military and civilian people whom it employs. It contains Land Command, Larkhill, Bulford, Porton Down, Winterbourne Gunner, Boscombe Down, Salisbury plain training area, Westdown camp and Rollestone camp. There are low-flying zones and artillery ranges, and more than 11,000 Ministry of Defence employees. The Bill is thus important to many of my constituents.

I agree with the conclusions of the Defence Committee in its first report of the current Session. It is important that the Bill establishes

"an independent voice in the consideration of complaints",

but that is not in itself sufficient. I agree with the Committee, of which I have the honour to be a member a second time around, that we should

"urge the Government to table amendments to strengthen the degree of independence"

of the complaints system in the Army—I shall come back to that in a moment.

I agree with the Committee's recommendation that we should encourage the Ministry of Defence to publish

"secondary legislation relating to the Armed Forces Bill, in draft"—

if that is all that can be achieved—to inform our scrutiny of the Bill. We are told throughout the Bill that the Secretary of State will make regulations on almost all matters of detail. We need sight of such regulations, and so do the public.

I also endorse what every person who has mentioned the matter has said so far: there is a need for annual review of service discipline legislation. I understand Ministers being persuaded—probably by the Treasury—that it would save a bob or two if we did not need to have this performance. I can understand the Whips Office saying, "You don't really need yet more legislation, do you? Surely once every five years will do." I hope that Defence Ministers will be able to win the day because I suspect that the idea did not come from them. After all, the House of Commons has reviewed the matter every year since 1689. Parliament should not yield willingly such an important check on the power of the Executive.

Mr. Gerald Howarth: May I reinforce the point that my hon. Friend is making? Under the Bill of Rights 1689, no standing Army may be maintained without the authority of Parliament. Is it not the case that this is the modern procedure by which the Bill of Rights is respected by the House, and that removing the provision would thus have serious constitutional implications?

Robert Key: My hon. Friend is entirely right.

John Reid: I agree entirely with the principle under the Bill of Rights that every Parliament should reauthorise that the standing Army should be maintained. That is why we have agreed that there should be a Bill each Parliament. The question is whether we need to legislate every year. The hon. Gentleman is half right because the suggestion did not originate in the Ministry of Defence, but he was wrong to say that it was the responsibility of the Treasury or the Whips Office.

Robert Key: I am grateful to the Secretary of State. In that case, we shall have great fun working out whodunit.

Like the Secretary of State, I served on each of the previous two Armed Forces Bills. He will recall that those Bills turned out to be Christmas-tree Bills, not only because their Second Readings occurred just before Christmas, but because the original Bill became festooned with more and more decorations. I thus wish to ask Defence Ministers to explain several aspects of the Christmas-tree nature of this Bill.

Clause 35 is titled "Annoyance by flying". The military has to undertake low flying and MPs have to be sympathetic about the situation in their constituencies each year. However, neither the clause nor the explanatory notes gives anything like a convincing reason why we need to put yet another obstacle in the way of military pilots. The clause says that it is an offence if a person subject to service law flies an aircraft so as to annoy or be likely to annoy anyone, unless he can reasonably avoid flying in such a way. Come on, Mr. Deputy Speaker—is this a military matter, or is it not? We are talking about not recreational flying from grass strips, but fast jets, Chinooks and other kinds of aircraft and helicopters that are on military business. If I am fortunate enough to be chosen to serve on the Committee that considers the Bill, I shall be pressing Ministers for an answer to why we need clause 35.

Clause 42 is entitled "Criminal conduct". The Secretary of State touched on an important matter in his opening comments. It is important for people to realise that the Bill does not address torture or any other criminal offence that is not necessarily a military offence. Clause 42 points out that anything that is a criminal offence in British law is an offence if it is carried out by members of HM forces, wherever they are in the world—that is my understanding of the clause, but perhaps the Minister will clarify that. That is important because it means that wherever in the world British service personnel are, they will always occupy the moral high ground when it comes to making decisions of life or death. It will also apply to the behaviour of members of HM forces, whether they are in Ayia Napa or elsewhere in Cyprus. We did not cover ourselves in glory in Cyprus 40 or 50 years ago and did not always occupy the moral high ground. I do not think that we did that with internment in Northern Ireland, or that the Americans have done so in Guantanamo Bay. We want to maintain the honour, courage and bravery of Her Majesty's forces and their personnel.

Clause 51 relates to the jurisdiction of the service civilian court. It is important because many people do not realise that the Bill applies to civilians who are subject to service discipline. Indeed, it can apply to the children of serving personnel overseas. It applies to contractors and service families, so the jurisdiction of

the service civilian court is important. I will want to probe in Committee to find out exactly how the situation changes under the Bill.

Mr. Arbuthnot: While my hon. Friend is in a gap between clauses, may I take him back to a point that he made about clause 35 and the annoyance caused by low flying? I, too, was worried about the clause when I first read it. I am worried that if the Ministry of Defence receives several complaints about low flying from people in a certain area, that might, owing to criminal offence under the clause, give rise to judicial review. People might thus take the Ministry of Defence to court to prevent low flying, although that is essential, as my hon. Friend said.

Robert Key: The analysis of my right hon. Friend is wholly right.

Clause 83 introduces a strange little power: the power of a judge advocate to authorise entry and search. Clause 84 provides definitions for the purposes of clause 83. The matter is important. A point was raised during the consideration of the last Armed Forces Bill following the experience of journalists who were accused of undertaking various underhand acts in the course of their journalistic activities. I recall that there was a case involving a house that was entered and searched by Ministry of Defence police, although no one seemed to know whether they should have been there. I suspect that the measures are designed to tidy up the situation. It is all very strange.

Subsection (4) refers to the terms

"'items subject to legal privilege', 'excluded material' and 'special procedure material' ".

We are told that these definitions have the same effect as those in the Police and Criminal Evidence Act 1984. An example of "excluded material" includes

"personal records (such as medical records and journalist's materials) if held in confidence. An example of special procedure material is a journalist's material not held in confidence."

That has got the journalist both ways.

I seek clarification as I want to find out what is going on. I suspect that all sensible journalists will have gone off to bed or down to the pub, so they will not have heard me tonight. However, if they catch up with clause 84, they might have something to say.

I certainly support clause 99(6). It deals with limitations on custody without charge. I wonder whether the Prime Minister knew that the clause would be put into the Bill. There is a 48-hour maximum allowed in the context of limitations on custody without charge. Custody after charge is limited to eight days. That sounds pretty sensible to me and I am happy to support the provision.

I move on to clause 155(4)(d), which is the constitution of the court martial. This is fascinating. A chaplain cannot be a member of a court martial. Does that apply to other faiths—for example, to religious personnel, to Sikhs and to Muslims? We are delighted that the Minister has invited them to perform some of the roles that traditionally the Christian chaplains have carried out. I want to know why chaplains are specifically mentioned and whether that applies also to "chaplains" of other faiths.

The hon. Member for Blackpool, North and Fleetwood (Mrs. Humble) made a passionate speech. I understood so much of what she was getting at. I would like to know one day what she thinks about clause 162, dealing with courts martial rules. An interesting argument arises. I have been to a few courts martial, sometimes to see constituents who have been involved in them. One of the problems is the mumbo-jumbo. For example, there were swords on tables pointing in particular directions and there was the question of whether headgear should be worn. All these things that have grown up over hundreds of years of military tradition are no more than mumbo-jumbo to ordinary people. I suspect that if some of the mumbo-jumbo was taken out of the process, the hon. Member for Blackpool, North and Fleetwood and her constituents would be reassured and their confidence would grow. Perhaps it is a similar argument to whether judges should wear full-bottomed wigs and so on.

Mrs. Humble: The families that I meet would welcome just being present and just being involved. They could probably cope with mumbo-jumbo. They are interested in getting answers and getting the truth.

Robert Key: No one could possibly disagree with that. I am sure that that is an issue that the hon. Lady will pursue whatever happens.

My penultimate question lies with clause 332, that is headed, "Composition and procedure of service complaints panels". Can an independent member—and I generally agree with this, although it has perhaps not gone far enough—be a naval chaplain? We do not know, and it might be thought that it does not matter. We do not know because so much will be introduced by regulation by the Secretary of State. We know that an Army chaplain cannot be an independent member of a complaints panel because that is provided for in the clause. However, clause 361 provides that naval chaplains, as explained in paragraph 849 of the explanatory notes, "have no rank". So if a naval chaplain has no rank, is he a member of the armed forces? So can he or can he not be an independent member of a complaints panel? This is a detail, but the sort of detail that will somewhere rear its head.

Mr. Kevan Jones: The hon. Gentleman raises an interesting point, but the Deepcut families and others are seeking true independence. These are people who have no connection with any of the armed forces.

Robert Key: Up to a point, Lord Copper. There are people in the armed forces who really value the presence of chaplains in the community. Young members of the forces perhaps tend to be vulnerable and think that they may be being bullied, or are being bullied, and they might turn to a chaplain. The role of chaplains is crucial—and I mean chaplains of various faiths. If a naval chaplain is allowed to be a member of an independent tribunal, that might be important for the person involved and as a principle or precedent for the role of chaplaincy in the armed forces.

Andrew Mackinlay (Thurrock) (Lab): I am focusing on the hon. Gentleman's point. Surely clause 361 covers it. Does it not effectively extend to a naval chaplain the

[Andrew Mackinlay]

rank of officer? That is the way in which I read it. Ipso facto, he or she would have parity of treatment with an Army officer.

Robert Key: There are other circumstances where only certain sorts of non-commissioned officers can perform certain roles, as set out in the Bill. I do not know, and that is why I ask the question in all innocence. However, it is something that we will need to discuss in Committee.

Perhaps we need to look further afield if we are concerned about the true independence of the bodies that we are discussing. There is other experience. For example, there is the inspector general of the Australian defence force. It is an interesting example because his role is to

"identify systemic causes of injustice within the military system of justice covering".

not only

"Australian Defence Force discipline and defence inquiries."

We might look further at the complaint resolution agency in the Australian defence force, which has a particular role if the commanding officer

"declines to grant the redress sought or does not have the authority".

He can request that the redress of grievance

"is referred to the relevant service chief"

and then to the CRA. That is an important example. So is the defence force ombudsman of the Australian defence force. The Canadian military police have a complaints commission which really is independent, so perhaps we should consider its role.

Mr. Kevan Jones: I agree with the example that the hon. Gentleman gives of the Australian defence force. Does he agree that when there is a degree of independence from the chain of command that has not affected in any way the operational capabilities of the armed forces?

Robert Key: Of course the hon. Gentleman is right about operational capabilities, but it does give confidence when things go wrong.

My final question relates to clause 343, which is headed "Exemption from tolls and charges". It is an extraordinary provision. I speak as a former Minister who was responsible for roads. The clause exempts from tolls and charges bridges, congestion charges, toll roads, road pricing and so on a vehicle that

"belongs to any of Her Majesty's Forces".

Does that mean that Corporal Jones, going into Amesbury for a pint on Saturday night, will be exempt from paying a charge—not that there is a charge between Bullford barracks and Amesbury? If there were, what would be the position? I do not know because the provision is so broad. Neither the explanatory notes nor the terms of the clause help very much. We are told that no charge

"is payable in respect of a vehicle"

that is

"in use for the purposes of any of those forces."

There are many loopholes there.

We are talking about the best armed forces in the world. We are talking about a force that is brave and disciplined, based on hundreds of years of tradition and hundreds of years of keeping faith with the people of our islands and the peoples of the Commonwealth and beyond. It is all a matter of trust, and therefore it is a matter of justice. These things work both ways and that is what the Bill is all about. I warmly support it.

7.59 pm

Mr. David S. Borrow (South Ribble) (Lab): I am grateful for being called to contribute to this debate. I apologise to the Secretary of State and the hon. Member for Woodspring (Dr. Fox) for missing most of their contributions as a result of parliamentary business. The two statements affected my timetable this afternoon.

I welcome the Bill and the mechanism for scrutinising and eventually debating it. Several Parliaments use a similar mechanism—Select Committee scrutiny takes place first, then the people involved in that process engage in detailed clause-by-clause scrutiny. If we used that mechanism for more legislation, we would achieve more informed debate in Standing Committee than is traditionally the case. I welcome the way in which the Bill brings together the disciplinary activities of all three services. I was interested to see how the three chains of command have been brought together and to learn what will be dealt with by summary action and what by court martial. Different charges will be dovetailed together.

The right hon. Member for North-East Hampshire (Mr. Arbuthnot) pointed out the effect on naval discipline of the introduction of many more courts martial and the subsequent increase in work load. In Committee, we must look in detail at individual offences and how they will be brought together across the services. I do not wish to judge at this stage whether the Bill, as a result of the consultation with the three services, has got it right. Detailed scrutiny will be required in Committee to ensure that punishments and the way in which each offence is dealt are appropriate. One of our major tasks in Committee will be to ensure that the work behind the scenes to pull the three codes together has been done correctly.

The Bill, together with my eight and a half years' experience as an MP, convinces me about the extent to which the armed forces are separate from the rest of us. We accept that they have a different code of discipline and are subject to different mechanisms in the treatment of complaints and grievances. Both concerns are at the heart of the Bill and we must consider whether we are moving from the traditional procedures of the armed forces towards what is acceptable in civvy street. I have spent two periods with the Army as part of the armed forces parliamentary scheme and I have dealt with a great deal of case work that involved the Ministry of Defence. Throughout, I found it incredibly difficult to persuade the armed forces to accept that a complaint is legitimate. My office tells me that the most difficult Department to deal with is the MOD. It is hard to secure any movement at all from it whenever we make a complaint on behalf of a constituent. That ties in with my off-the-cuff chats with service personnel in previous years, so I am worried about whether we have achieved the right balance of independence for the complaints and grievance system.

It is not simply the main issues—the Deepcut inquiry, bullying and so on—that have concerned Members over the past few years, as the problem extends all the way down the line. Service personnel cannot join a trade union, so we cannot expect them to use the normal grievance procedures used by people who go to the office at 9 am and leave it at 5 pm. In civvy street, we can go and have a grumble, and there are ways of dealing with such problems. There is a chain of command for service personnel that means that we cannot expect complaints to be dealt with in the same way. Sometimes, the military go too far the other way, and it is easy for them to ignore legitimate complaints because of the sanctity of the chain of command.

On the major issues, I was not a member of the Select Committee that considered the previous Armed Forces Bill, but its views on the insufficiency of the mechanism that has been put in place for the independent consideration of complaints were reaffirmed by the current Select Committee. We should seriously consider expanding and enlarging that mechanism, but we must not lose sight of the larger issue so that those young men and women who join the services and believe that they are treated unfairly have a mechanism that will ensure that their complaints, even if relatively trivial, are dealt with legitimately. I often have the impression that it is easy to ignore such complaints and hide behind the chain of command.

The same problems that make it difficult to approach the civilian model when dealing with grievances and complaints apply to disciplinary and judicial procedures. It is a different world for someone who is on operations in Iraq or Afghanistan having to make split-second decisions under pressure and being scrutinised after the event for decisions made in stressful situations. Traditionally, people in the armed forces who know those pressures have made the decision about whether to prosecute and what are the appropriate procedures to use. In the past few years, however, military personnel have moved towards civilian standards regarding the acceptability of conduct. The hon. Member for Woodspring referred to that development when he asked whether we should pursue an idealistic or pragmatic approach to discipline.

A couple of incidents involving my local regiment, the Queen's Lancashire Regiment, are of concern. I am not questioning whether the right decisions were made, but in the Mackenzie case, the newspaper publication of fraudulent photographs put our armed forces at risk. The case has been dropped, but it is not clear whether or not anyone else will be pursued. At the same time, Colonel Mendonca of that regiment is being pursued, not under traditional military regulations, but under the International Criminal Court Act 2001. The case will be decided three years after the initial incident. Both cases, together with several others have affected morale in the services and whether service personnel believe that they are treated properly and are subject to a duty of care.

When the Bill is enacted, we should aim to ensure that military personnel have confidence in the process whereby they are judged and in how prosecutions are conducted. Bringing the prosecution services of the three services together, perhaps with additional resources, may result in a better quality process. The morale of the armed forces has taken a knock in recent years because of the confusion about whether they should be subject to civilian or military procedure. We should be clear about which approach we are taking. If we expect discipline to reflect the fact that service personnel are members of the military their complaints and grievance procedure should run parallel to that expectation. In the Bill, we need to achieve a balance between both those tracks, so that both are accepted as being fair and reasonable and adequately reflect the fact that servicemen and women operating in a 21st-century military service may have different standards and expectations from those of a 19th or mid-20th-century military.

If the Bill is supposed to update military disciplinary and grievance procedures from half a century ago, we need to reflect the modern aspirations and expectations of young men and women who serve in our military today. If we can do that, we can do a good job. That is what I hope will come out of the process. I am not an expert and do not know what that will properly involve, but I ask myself whether, at the end of the process, I will be able to sit in front of young servicemen and women and be sure that we have an updated, modern disciplinary, grievance and complaints procedure in which they can have confidence. If we can do that, the House will have done a good job.

My final brief comment is about whether the legislation should be renewed annually. I remain to be convinced—nothing that I have read or heard or that has been said in the Chamber so far this evening has convinced me—that there is any case to move away from annual renewals. I look forward with interest to the debates and contributions from Ministers in the weeks ahead.

8.11 pm

Mr. Julian Brazier (Canterbury) (Con): In reply to the Secretary of State's justified remark about my absence, may I make it clear that I left the House because I was summoned to the office of my new party leader? There is no announcement resulting from that; I am staying in the same position. I wish to make it clear that no disrespect to the Secretary of State was intended by my leaving a few minutes after an intervention on him.

I take a gloomier view of the Bill than the last few speakers, including two distinguished colleagues of mine. As we debate service discipline, it is important to remember that the grinding overstretch resulting from the four major entanglements into which the Government have taken our armed forces and from cuts in their manpower has led to an exodus of experienced people from the armed services, as well as a rise in the services divorce rate. The men and women who will be subject to the measure that we are debating have seen their pensions attacked when the whole of the rest of the public sector have seen their pensions protected. They have seen the burden of proof raised for compensation claims for injuries incurred on service. They have been infuriated by the Saville inquiry and the Northern Ireland (Offences) Bill.

Behind the Armed Forces Bill lies an ugly trend towards civilianising the military world. Military life, with its risks, hardships and requirements for stern discipline simply is not comparable to that of civilians. I listened with interest to the hon. Member for South Ribble (Mr. Borrow). He will not mind my saying that he ended on the fence. I share many of the concerns that he expressed. The military world is not the same as the civilian world.

[Mr. Julian Brazier]

It would be wrong to disparage the entire Bill. I understand why we are not opposing Second Reading and there are a number of welcome elements. The service complaints panel strikes the right balance in dealing with issues such as Deepcut. We must not have another Deepcut. I agree with my colleagues' comments on the tri-service aspect as servicemen increasingly operate in joint units, although there is a question about some of the special requirements of some naval commanding officers, particularly submarine commanders.

I welcome the modest expansion of powers for the CO in the Army and Air Force regarding summary hearings for lesser offences. It is that aspect that makes other parts of the Bill so hard to understand. Evidently the Government comprehend, at least in part, the importance of the CO and such powers for maintaining not only discipline, but a sense of continuity and community. There is a unique bond between a commanding officer and his men. The strength of that bond underpins the remarkable feats that the House has come to expect of our servicemen and women. As Lord Boyce said on 14 July in the Lords debate on the legality of the chain of command,

"we interfere with the unique linkage between the commanding officer and his men at our peril."—[*Official Report, House of Lords*, 14 July 2005; Vol. 673, c. 1235.]

Why limit that trust now by removing all the powers relating to more serious crimes? We all know why. The Secretary of State made it clear in his speech—the case of Trooper Williams. It is important to remember that that was at a time when there had been a small number of allegations concerning prisoners. It related to something that had happened not in a prison or in a camp, but at a checkpoint in a dangerous area and involved a member of the enemy who was found to be carrying ammunition. The case was initially dismissed by the CO on advice from the Army legal service because of a lack of evidence. The director of the Army legal service then referred it to the Attorney-General for possible trial in the civil courts. After protracted wrangling, the case was dropped by the Crown Prosecution Service following a long delay because of a lack of evidence.

The provenance of the case is disturbing, to say the least. In his statement on 7 April, the Attorney-General referred to the fact that

"the commanding officer had 'dismissed' the charges against Trooper Williams"

and continued:

"The matter could not, because of the actions of the commanding officer, be dealt with by way of court martial. It was referred to me to consider further action."—[*Official Report, House of Lords*, 7 April 2005; Vol. 671, c. WS 92.]

That is in the context of recent remarks by the Under-Secretary of State for Defence, who I see in his place. He stated:

"Discipline is essential, and we depend on service law to enforce it.

A fighting force that cannot obey orders and display self-control in peacetime will not stand up to the much more demanding circumstances of operations."

In a sense, that is platitudinous. We would all agree with that statement. Did the Minister feel that he had to say it? Does he believe that British troops are less disciplined than other armies in any of the theatres in which they have recently operated? There are indeed a very small number of disturbing incidents involving prisoners in Iraq, but overall I believe our forces are the best disciplined in the world. Yet today they face a brutal enemy and an unprecedented blizzard of investigations and prosecutions—prosecutions brought about by Government policy and in which, in a number of cases, the Attorney-General has played a crucial role from the safety of his office in Whitehall.

The Williams case was a protracted, distressing and shameful assault on the reputation of a gallant soldier. It did not happen because his CO had the power to pursue the case but did not do so. It happened because the opinion of the CO was brushed aside in what many in the Army believe—rightly—was a political desire to charge and convict someone amidst all the allegations of human rights abuses in Iraq. Now the Government want to remove the authoritative opinion of the commanding officer, the man on the spot who shares the risks with his soldiers, the man who got it right in the Williams case, and hand that power to the Army legal service.

The Government have learned the wrong lesson. They are keeping the bath water and throwing the baby to the wolves. On 24 March—I quoted this in an intervention on the Secretary of State—the Adjutant-General wrote to the Chief of the General Staff and CIC Land, copying his letter to the brigadier, to inform them that he intended to write to the director of Army legal services to ask him to draw the case to the attention of the Attorney-General for the purpose of having resort to his jurisdiction. In that letter, the reason given was:

"With current legal, political and ginger group interest in the deaths of Iraqi civilians during operation telic: our investigation and subsequent failure to offer for prosecution could become a cause celebre for pressure groups, and a significant threat to the military justice system."

I have no intention of attacking a senior serving officer, but if I were a serving soldier, my blood would run cold if I heard that remark, which was first unearthed by Lord Campbell in July in another place.

The situation is being compounded by the International Criminal Court Act 2001, which my party rightly voted against. All hon. Members oppose war crimes, but the wording of the 2001 Act is so vague that senior officers can be held accountable for actions of which they had no knowledge, simply on the ground that they might have taken steps to prevent them. I do not intend to try your patience, Mr. Deputy Speaker, by repeating my recent speech on the workings of the 2001 Act in relation to the case of Colonel Mendonca, which is now sub judice.

I ask the courts to take into account the point that the 2001 Act works against the chain of command. The long-standing leadership principle in the British Army is that commanders delegate authority to their sub-commanders, let them get on with the job, trust them whenever they can and support them if things go wrong and they believe that their sub-commanders have behaved reasonably, which takes considerable moral courage. The ghastly news that General Peter Wall, who is a fine soldier by any standards, is being investigated

for supporting one of his subordinates in such a situation under very difficult circumstances underlines the ghastliness of the 2001 Act.

Turning to the recent case against paratroopers from the 3rd Battalion of the Parachute Regiment, the case against seven members and ex-members was dropped, because the judge had concerns about the adequacy of the evidence and the integrity of the Iraqi witnesses—reportedly, the case cost £10 million of taxpayers' money. In the Lords debate on the legality of the chain of command, Lord Inge highlighted the fact that British lawyers were hawking no-win, no-fee arrangements around Iraq, promising taxpayers' money to those who would bear witness against British soldiers. So much for the deal, which the hon. Member for South Ribble has rightly emphasised, on the duty of care that we owe to our soldiers.

Why would the Government want to create a new legal apparatus and remove the power of responsible commanding officers at the same time as they are putting the Compensation Bill through the House of Lords? The Compensation Bill is a modest response to public concern about the pernicious and corrosive compensation culture, which often originates in the pursuit of money by a small number of lawyers and which destroys risk taking, personal responsibility and community spirit. It suggests to judges that they can—many of us want it to "require" judges to do this—consider the social harm of awards made against those who take responsibility.

The Armed Forces Bill, however, has the power to compromise the ability or willingness of our armed forces to take necessary action in theatres of action by removing their most important safeguard—the role of the commanding officer. For an individual soldier, the CO represents a trusted bulwark of understanding and common sense who takes account of the differences inherent in active service. Instead of being allowed to intervene, he is now threatened with committing a war crime under the 2001 Act, if he does not actively pursue a prosecution.

The Government have lost sight of the fact that a court martial system is an inquisitorial system, not an adversarial system like the civil courts. When a matter goes to court martial, it is easier to get a conviction than would be the case in a civilian court.

Andrew Mackinlay: On the hon. Gentleman's point that it is easier to get a conviction in a court martial, I understand the need for the swift administration of justice in operational battleground situations, but when an incident occurs in a home base, the case should be proven beyond reasonable doubt.

Mr. Brazier: The hon. Gentleman has made his point well. The standard of proof is, of course, supposed to be the same, but the case is decided not by a jury, but by a group of military officers. All the evidence suggests that it is almost impossible to bring a jury case against soldiers in an active theatre, because most members of the jury would not be willing to take the risk of going out there. The system, which is designed to underpin the chain of command, is inquisitorial and makes it easier to get a conviction, but we have removed the safeguard of COs allowing such cases to proceed and introduced the 2001 Act, which means that a CO may become culpable when something, in which he may not have had a hand, takes place, merely because he has allegedly suppressed evidence.

The Bill goes against a basic, underlying principle in English life. Since the Magna Carta, one of the key principles of our jury system has been trial by one's peers. Who are the peers of a man or woman who has been sent into a combat zone, which may involve a hostile land, being outnumbered or, as the Secretary of State has said, the complicated situations created by modern asymmetric warfare? The answer must be, "Other members of the armed forces." The current system involves a random selection of members of the armed forces being put on to a panel, which provides a degree of independence that echoes a jury trial, albeit within an inquisitorial system. The Bill will introduce a standing court martial, which, bluntly, will consist of a group of case-hardened officers who conduct such cases all the time—it may be that such officers have not seen active service for some time, if they have done so at all. It will make it easier to get convictions.

In a statement about the failure of the case against seven members of the Parachute Regiment, the Minister of State, the right hon. Member for East Kilbride, Strathaven and Lesmahagow (Mr. Ingram), said:

> "This case has shown our determination to ensure that justice is done irrespective of the difficulties."—[*Official Report*, 7 November 2005; Vol. 439, c. 22.]

I think that he meant that justice is being done in a way which will appease left-wing elements in the media, who seem to think that our armed forces are responsible for a chain of atrocities. It is true that there have been a small number of genuine incidents in which there has been genuine public concern, but it should not have led to a situation in which our forces feel under "legal siege"—not my words, but those of a former Chief of the Defence Staff speaking in another place in July.

The Bill includes many measures, some of which are welcome, but three major changes have occurred or are occurring to the balance of probability of a conviction: first, the Bill removes the safeguard of scrutiny by the CO, the man who really understands the situation; secondly, the 2001 Act specifies that if COs do not process the papers on a case, they may be done for war crimes; and thirdly, the Bill contains a ridiculous proposal to move away from a proper selection of officers for a court martial towards the ghastly idea of a kangaroo court, which a standing court martial could easily become, of officers who do nothing else over a long period.

The Government should have heeded the warnings that the six chiefs of staff gave us in July about the pressure that the armed forces feel under from the legal profession at a time when they are being worked extremely hard and facing considerable dangers in Iraq and Afghanistan. It is extraordinary that the Government should introduce a Bill that will increase those pressures and make it much easier for members of the armed forces doing their duty in Iraq to be convicted of offences that in some cases are not even recognised in any previous form of English law.

This is a bad Bill. I hope that we manage to achieve some changes in Committee, but if not, I sincerely hope that we will vote against it on Third Reading.

8.29 pm

Andrew Mackinlay (Thurrock) (Lab): I congratulate the architects of the Bill, who have brought before Parliament a most interesting measure that is worthy of great study. It is highly appropriate to subject it to the innovative Select Committee procedure for examining legislation. Although the House has had that option for some time, it has not used it very often. I hope that this Bill will be pioneering in the sense that it becomes the usual practice, instead of the exception, in dealing with legislation.

Every speech by colleagues—I use that word deliberately because I want to include Members on both sides of the House—has contained some stimulating thoughts. I cannot recall a debate in which I have agreed substantially with so many aspects of the cases that Members have advanced. Their contributions have been not only cogent but fair and legitimate, and they will be good material for the Select Committee procedure that will follow this Second Reading.

I want to raise an issue that is new to this debate. Parliament is very conservative—in a non-partisan sense—about having a representative body for members of our armed forces. I am not suggesting a trade union or a body like the Police Federation, but a unique representative body that can do several things, including giving advice, counsel and support to individual members of our armed forces when they feel in some difficulty. There is a manifest need for that. I am as certain as night follows day that one day this House will enact such legislation, and that after a short space of time people will look back in amazement and wonder what the fuss was about. Of course, that Bill would have enshrined in it safeguards to protect the operational decisions of commanders in conflict situations. That would be writ large and understood. Such a measure would be modernising and sensible, and it will inevitably come. I regret that the main parties do not see it as an innovation that would put us in front of many other armed forces in ensuring that the interests of our servicemen and women are protected.

Such a body would benefit the Government by being a champion of our armed forces in terms of promoting their function, role, ethos and doctrines within the United Kingdom while helping to project them around the world in the positive way that, mercifully, they have always largely maintained. I wish we could begin to contemplate a representative body in addition to an independent complaints body. Indeed, the former could make representations to the latter.

An area that has been omitted from the Bill and has not been discussed, but which we cannot long avoid discussing in the context of military discipline, is the increasing interface of our armed forces with large numbers of people working for private military companies. Only a few years ago, they were relatively few in number and it would have been considered extraordinary that Her Majesty's Government were hiring private military companies.

When the Labour Government took office, the issue first came up in the context of our support for the Government of Sierra Leone. There was an interface with Sandline and other related companies that had the potential to cause embarrassment not only to the Government but to our armed forces, especially when the Royal Navy helped to repair a Sandline helicopter. The ground rules need to be clearly set out for commanders and those who have to make decisions, especially when they are being coaxed, encouraged or given a nod and a wink by the Ministry of Defence or the Foreign and Commonwealth Office to work alongside—and, I fear, collaborate with—private military companies. I am uncomfortable with that.

A few years ago, the Government produced a Green Paper on private military companies. The Foreign Affairs Committee said that such matters should be regulated and that there should be an equivalent of end-use certificates for private military companies. We expressed our concern about rules of engagement and circumstances in which private military companies work alongside or with our regular armed forces.

The other great fear is that Governments—including our Government, albeit unintentionally—are attracted by private military companies because they give an opportunity of denial if things go wrong, or in the case of what would otherwise be perceived as a military offence, such as bad conduct. Those companies also have a capacity to dissolve themselves so that it is difficult to call anybody to account subsequently.

Newspapers reported in the past month how the United Kingdom Government hire and have contracts with enormous numbers of private military companies—I call them mercenary soldiers but I do not want to be provocative—and the costs involved. As sure as night turns into day, some commanders will soon be greatly embarrassed by the fact that, because it is the will of Her Majesty's Government—namely the Ministry of Defence and the Foreign and Commonwealth Office—they have had to work alongside those people.

Unless and until we start to draw up strict ground rules, there are all the ingredients for at least embarrassment and for decent people facing charges and falling foul of the International Criminal Court Act 2001, with which I shall deal shortly. I did not agree with much that the hon. Member for Canterbury (Mr. Brazier) said about it, but there is a danger of people being embarrassed by those whom they have to work alongside, who are unaccountable and not subject to military discipline. That is a matter of grave concern. Perhaps those who serve on the Select Committee that considers the Bill will at least scratch the surface of the subject in their deliberations.

Many hon. Members referred to various clauses. I was interested in clause 25. It is worth drawing the attention of the House—and the royal household—to it. It states:

"A person subject to service law commits an offence if he misapplies or wastes any public or service property."

It refers to

"rows 2 to 12 of the Table in section 163."

That provision sets out all the punishments that would apply if there were an abuse of military material and equipment. That sanction and warning, which is on the face of the Bill, applies to all military personnel from the humblest to those of royal rank.

I listened carefully to the welcome from hon. Members of all parties for bringing together the military law of the three services. It occurs to me that, if and when the Bill is enacted, there will be a compelling case

for our reviewing the service police. I am very much a traditionalist. Indeed, I am displaying tonight a small memento of the Essex Regiment. I had to leave the Chamber briefly when the antique badge was presented to me by Mr. Blake Perkins from the United States earlier this evening. I said that I would be proud to wear it during this debate. That regiment is important to me, as I know it is to you, Mr. Deputy Speaker. I tell the House this story only to emphasise that I am a traditionalist.

I want to maintain the Royal Military Police and the police services of the Royal Air Force and the Navy. However, there are some parallels with the three nursing services of the armed forces, in that the police forces are badged separately but should, operationally, increasingly work together. There would be obvious benefits from economies of scale and from the use of new technologies and the need for specialisms in any police investigatory service. Logically, we should be thinking in terms of an integrated service police force. The police forces should be separately badged, and continue to enjoy the traditions that have endured over the centuries, which should be preserved, but we should bring the separate forces together in much the same way as we have with the nursing services.

I listened carefully to the hon. Member for Canterbury, and I think that his concerns about the International Criminal Court are wrong. He seems to be genuinely confused about the court—an institution that is ever so important—which is embryonic and fragile but which will prove, over the years, to be a great force for good and a sanction against people who are not subject to military law. In relation to our own armed forces, I would remind him that, because we have codified law, both civil and military, it does not apply to us. It provides a catch-all jurisdiction to ensure that some of the bandits around the world, who are not subject to a military code of law, do not get away.

Mr. Brazier: There is an important distinction here. Of course I have no problem with the court; I thought that I had made that clear. My objection is to its introduction into British law. The hon. Gentleman must ask himself whether there is the remotest chance either that Colonel Mendonca would have been charged or that General Peter Wall would be being investigated if it had not been for the enactment of that piece of legislation.

Andrew Mackinlay: On the former case, I am not going to trespass into sub judice. It is inappropriate for us to mention that case, and I do not feel qualified to talk about it in detail anyway. In respect of General Wall or anyone else, the law has not changed. Every commander has an obligation to pursue the conduct of war in accordance with long-established conventions and jurisdictions, and to have due regard to minimising casualties and deaths, civilian or military. That is nothing new. I am worried that the hon. Gentleman is getting exercised about that.

Mr. Brazier: I do not have chapter and verse in front of me, but let me reassure the hon. Gentleman that the provisions of the International Criminal Court Act 2001 produced new offences for commanding officers and senior officers, and they are phrased in such a way that someone can be prosecuted for having failed in principle to do something, by omission. They involve offences that would never have been covered by military law before, which is why they received so much flak in another place.

Andrew Mackinlay: The hon. Gentleman and I can conclude this discussion only by saying that we will have to agree to disagree. I do not accept that there is a new duty. Military commanders have always had to satisfy themselves that they are behaving consistently with United Kingdom law and with international rules. It is interesting that the service commanders sought their own legal advice in relation to the conflict in Iraq. It was sensible of them to do that. As an aside, if the House ever had to return to a similar situation, we should seek our own independent advice, as distinct from that of the Attorney-General, who advises Her Majesty's Government. It seems to me that that is the parallel or the lesson to be learned.

I agree with the concern expressed by the hon. Member for Canterbury and others that there have been prosecutions, or at least investigations, causing great distress to individual service men and women and their colleagues, in circumstances that anyone who stepped back and realised that split-second decisions had to be made would recognise were cruel and unfair. I contrast what happened at a tube station in London, in relation to which no prosecutions, arrests or charges have been made, with what happens to our soldiers, in respect of whom investigations, suspensions and arrests take place. I find the double standard amazing. What happened in a south London tube station has been fudged by the British establishment, the Metropolitan Police and particularly the Metropolitan Police Commissioner, who seems to me to have a disproportionate command and capacity to decide what happens in this country. Individual soldiers, however, who must make immediate decisions where they and their colleagues are clearly under threat—in Northern Ireland, Afghanistan, Iraq or any other area of conflict or peacekeeping—often face arrest. I find the disparity unacceptable and illogical.

I also want to interest the House in one other matter. I have tabled questions during the lifetime of this Labour Government about the Bermuda Regiment. Clauses 359 and 373 contain references to military outfits whose existence arises from the decision or part funding of a legislature of an overseas territory. This is an ambiguous and unsatisfactory area. In essence, the Bill says that where someone in, say, the Royal Gibraltar Regiment or the Bermuda Regiment is alongside, training with or operational with the mainstream British armed forces, he or she is subject to that military discipline. It also indicates that the legislation can be transferred by Order in Council to an organisation such as the Bermuda Regiment. This is unsatisfactory. I think that it suits the Foreign and Commonwealth Office and the Government of Bermuda—I deliberately distinguish between the Government of Bermuda and the Government of Gibraltar—to have that grey area.

That is extremely relevant, because unless there has been a recent change that has not been drawn to the attention of the House, Bermuda has compulsory national service for men. That immediately flags up to Members of the House the fact that there is gender

[Andrew Mackinlay]

discrimination. In addition, those who refuse to serve are not just arrested but taken in chains, United States-style, in jumpsuits, and with both their feet and arms in manacles. I find that humiliating, and it is contrary to our obligations, particularly under the European convention on human rights. Before someone points out to me that Bermuda is not in Europe—I do know that—we still have a moral commitment, as we say that we are signed up to that convention, and Bermuda is an overseas territory, not an independent country. It chose not to go for independence. The Governor of Bermuda, who is the commander-in-chief of Bermuda and therefore of the Bermuda Regiment, is appointed by Her Majesty's Foreign Secretary.

I imagine that this is the first time that the dear Minister sitting on the Front Bench has heard this. He is a decent man and I hope that he will go away and say, "Is what Mackinlay says remotely true?" Grudgingly, those whom he asks will have to say yes. I hope that the Minister will respond by saying that the position is unacceptable, and that the Government cannot tolerate a complete ignoring of our obligations under the European convention on human rights. After all, the Bill carries a certificate—dealt with, I would guess, rather routinely and ritualistically by the Lord Chancellor, or whatever he is called now, and the Attorney-General—stating that it complies with the convention, but it does not in respect of Bermuda.

I think it is time that we decided on the status of that regiment. I made a distinction between it and the Gibraltar Regiment because, owing to the sheer nature of Gibraltar, the men and women who serve in the Gibraltar Regiment are daily closely integrated with the rest of the United Kingdom forces. They share training and a key location, and have done all that they can to identify themselves with the British Army.

Robert Key: Where do the Gibraltar defence police fit into the hon. Gentleman's argument?

Andrew Mackinlay: Nowhere. Since the hon. Gentleman asks, however, let me say that I am very interested in Gibraltar. The Gibraltar Services Police are comparable to the Ministry of Defence police, as distinct from the military police. They wear blue uniforms, they are what I call bobbies, and they are badly served by Her Majesty's Government—again, unintentionally, but on another occasion I shall be having chats with the Minister about them. They do not have a police authority, and they should; they do not have federation rights, and they should; but that is not relevant to the Bill, so, as you will note, Mr. Deputy Speaker, I am not raising it now. Nevertheless, the hon. Gentleman was right to bring it to our attention.

Under the heading

"Review of summary findings and punishments",

clause 151 states

"Where—

(a) a charge has been heard summarily, and

(b) a finding that the charge has been proved has been recorded, the finding or the punishment awarded may be reviewed at any time."

You will recall, Mr. Deputy Speaker, that both under the last Conservative Government and during the lifetime of this Labour Government, when the present Secretary of State was Minister for the Armed Forces, I drew the House's attention to the case of more than 300 British soldiers who had been executed during the first world war on charges set out in part 1 of the Bill: cowardice, desertion, sleeping at post, throwing away arms, and hitting a superior officer. I thought that it was a shade unfair, to say the least, that they had been executed. The present Secretary of State came to the House, and—I deeply regret this—I was rather polite to him at the time. I went away very sad and angry, and decided not to let the matter rest.

I want to be fair to the Secretary of State. He made a speech acknowledging that many of the executions had been unfair, but he advanced a case for not reviewing them. I do not believe that it is a matter of history. The daughter of Harry Farr, executed in October 1916, has taken the Secretary of State to court. Her name is Gertie, and I was privileged to meet her mother. Having checked with the Table Office and the Clerks Department, I find that the matter is not sub judice, and I am pleased to say that I can refer to it.

Some weeks ago, the judge looked over his desk to counsel for the MOD and asked whether counsel would like to reflect on the matter and return in January. We need to know what the Secretary of State is thinking. I raise the issue now because I believe that the Bill's long title, and clause 151, give me an opportunity to table amendments giving effect to a private Member's Bill that I have tabled in the past—it commanded support from all parts of the House—to grant a posthumous pardon to those 300-odd soldiers who were executed during the first world war. It would be much better if Her Majesty's Government took the initiative on this matter. To anyone who says that they will not do so, I have to say that, for reasons that I shall explain, they are thinking about it again.

The New Zealand Parliament has unilaterally granted pardons to members of the Otago Regiment who were executed. Strictly speaking, in respect of our constitution, that is constitutionally irregular. The only Government or Parliament with responsibility for this issue is based at Westminster, because it applies to what were British empire forces. To its credit, I believe, the New Zealand House of Representatives in Wellington decided unilaterally to grant pardons.

The third point—the first being the Harry Farr case, to which the Secretary of State will have to respond in the not too distant future, and the second being the New Zealand case—relates to the Taoiseach who, more than a year ago, made a submission to the Ministry of Defence, arguing that the Irish soldiers among the 300 should be pardoned. Given that the Secretary of State for Defence, when he was Minister of State for Defence, stood before Parliament and said, "No, regrettably, it cannot be done", one might think that he would have sent off a letter to Dublin saying the same thing. However, he has not done so, as I have ascertained from a parliamentary question during the last couple of weeks. The reply said that a response would be given to the Government of the Irish Republic in due course.

The Under-Secretary, currently in his place, has some competence in this matter. I hope that he will not consider it offensive for me to say it, but when I approached him about this matter informally, he suggested that dealing with it was above his pay grade. I can understand that and I took it that he was not necessarily unsympathetic, but I expect someone somewhere to respond to the issue. A response must be given to the Irish Republic—*[Interruption.]* I see the Secretary of State assuming his place. From the bottom of my heart, I hope that he will accept that a compelling case has been made and that public opinion has not abated but grown in support of granting pardons. Consistent with "Erskine May" and our Standing Orders, I believe that either the Bill can be amended to provide for pardons for the 300 or we can establish an independent review panel, as distinct from the Secretary of State, to look into the cases. Now would be great opportunity for him to acknowledge that he is considering the matter.

John Reid: I listened to my hon. Friend's contribution from my office while I was attending another meeting. He will know that, seven years ago, I spent 15 months examining these 306 cases. In 114 cases, I read the files myself. I came up against an apparently immovable obstacle to the granting of a legal pardon. My hon. Friend will also know that I interpreted and extended the word "pardon" to mean forgiveness and understanding. I allowed the names of people who were executed to be put back into memorials and cenotaphs, I abolished the death penalty and I went as far as I could without making a specifically legal case. As I understand it, I am now being asked to consider not a full pardon, but a conditional pardon relating to the sentence. When that matter reaches me, I will reflect on it seriously, but I cannot give my hon. Friend any guarantee that, while looking at the issue sympathetically, I will be any more successful than I was last time.

Andrew Mackinlay: I am grateful to the Secretary of State for that and I hope that he will understand how strongly I feel about this matter. What he said seems to me to leave the door slightly open. He was clearly referring to the court case of Harry Farr, but he cannot ignore the fact that the Taoiseach wrote a formal submission about a year and a half ago. Clearly, the Irish Government expect, and are entitled to expect, a reply in respect of what are loosely called "the Irish soldiers"—soldiers among the 306 who fought in the Irish regiments.

I acknowledge the Secretary of State's work in personally reviewing those cases, but I invite him to consider setting up a judicial inquiry, or appointing a judge or someone of that category to review those cases, rather than a Minister. *[Interruption.]* I have to say to those Members who consider this a matter of levity that there is growing and widespread support in this country for such an idea. We should not deal with this issue just because it is popular, but the fact remains that it is, and I intend—if I am able to do so—to table amendments relating to it, unless the Secretary of State decides, in the spirit of what has been said, to take it on board himself.

9 pm

Adam Price (Carmarthen, East and Dinefwr) (PC): It is always a great pleasure to follow the hon. Member for Thurrock (Andrew Mackinlay), who can be counted on to find a royal angle in most Bills that come before us—congratulations to him on that.

As has been said, this Bill is the most radical revision of military law in almost 50 years, and the Bill team and the Minister should be congratulated on introducing this ambitious set of measures. It provides an opportunity to restore public confidence in the military justice system, which, as we have heard, has been called into question, whether as a result of allegations of abuse in Iraq or at home. Cases have collapsed and some have taken years to be brought to trial; others have been closed because of the inadequacy of the initial investigation. Several successful challenges have been made, moreover, to the military justice system in the European Court of Human Rights.

Whether we are idealists or realists, it is our responsibility as a society, as the Secretary of State said, to find a new consensus on the military justice system that all can unite behind. I should like to propose two general principles. In a modern democratic society, it is no longer acceptable for the military to investigate itself behind closed doors. Secondly, there has to be a timely and effective public investigation by an independent official body, and defendants and victims' families must be kept informed throughout the entire process. We can argue about how to put those principles into action in the particular operational context of military law, but they are the basic ones that I want to propose for our deliberations.

Many elements of the Bill are to be welcomed. It places a clear duty on commanding officers to ensure that cases are appropriately investigated, and it requires that service police be informed about serious cases and that they refer them to an independent director of service prosecutions, who may come from a civilian background. Those important measures are to be welcomed and they are in line with the general trend. In 1996, the previous Conservative Government created Army and other prosecuting authorities that were independent of the chain of command, and this Bill makes some important changes to the role of commanding officers.

As we have heard, however, there is continuing concern about the grievance procedures. The Bill provides a streamlined grievance procedure for members of the armed forces, but it is not clear that it provides one for their relatives or for civilians affected by military action, whether at home or abroad. There is a modernised system for internal service inquiries, but where in the Bill is provision made for an independent inquiry into matters of public concern? Although the Bill continues the trend toward greater independence, it is at its weakest on grievance procedures.

On the commanding officer's role, human rights lawyers have claimed that more than 20 inquiries into alleged abuse have been blocked by Army commanders. It would be useful to have some information on the number of alleged serious offences that have been

[Adam Price]

dismissed at a commanding officer's request. There certainly appears in at least one case to be prima facie evidence of

"a concerted attempt by the chain of command to influence and prevent an investigation".

That is not my contention; I am quoting directly from the Attorney-General's letter to the then Secretary of State for Defence. Indeed, the Attorney-General went on to say:

"In this particular case it was precisely because of the exercise of those powers"—

the commanding officer's powers—

"that I felt it necessary to move the case to the civilian jurisdiction in order to maintain public confidence".

It therefore appears that there is a strong case for the proposed changes to the commanding officer's role.

Other concerns have been expressed by the Attorney-General and others about the quality of initial investigations. We are told that at least six prosecutions have collapsed because of inadequate investigations, and we have also heard about the case of seven members of the Parachute Regiment. We should remember that in that case the judge found that there might be

"sufficient evidence . . . for a court martial board to conclude that Nadhem Abdullah"—

the victim in question—

"died as a result of"—

Bob Russell (Colchester) (LD): Will the hon. Gentleman confirm that no body was ever found, and that there were no hospital records whatever? How could there be a trial in a civil court in this country when there is no evidence of a body, let alone of a murder?

Adam Price: I am quoting directly from the Judge Advocate General, who said that there might be

"sufficient evidence . . . for a court martial board to conclude that Nadhem Abdullah died as a result of an assault carried out by"

the section, but that there was no evidence in relation to any individual defendant, so clearly the case should not have been brought.

The point that the Judge Advocate General was making was that there were serious omissions in the investigation, such as the failure to search hospital records or take DNA swabs, the fact that defendants and witnesses were not interviewed and cautioned until six months after the incident, and that the clothing of the victim should have been seized much earlier. Indeed, he reiterated that general point in evidence before the Constitutional Affairs Committee, saying that there were serious concerns in the Army prosecuting authority about the quality of the investigation.

I know that the Under-Secretary of State has said that the intention is to have closer liaison with and closer early involvement by the prosecuting authority in the investigation, as is the practice with the Crown Prosecution Service, which is now present in most police stations. It would be interesting to hear what specific proposals he can present to improve the quality of investigations, which has been such a problem in many cases.

Many hon. Members have mentioned the length of cases—they take too long to come before a court martial. Simple cases take months and some take more than a year from offence to trial. In the case of Baha Mousa it took, I think, 22 months before anyone was charged with the offence. It would be interesting to hear what the Under-Secretary has to say, as I understand that some of the proposals are intended to expedite cases. There could be a problem with resources—a matter that the hon. Gentleman has touched on in comments outside the House.

The subject of the independence of investigations has been touched on by several hon. Members. There is still some confusion in my mind about the role and jurisdiction of the civilian authorities in relation to serious offences such as rape, murder and manslaughter committed within the United Kingdom. I understand that the Secretary of State said earlier that there had been no change, and that there was already concurrent jurisdiction between the civilian and military authorities.

In his evidence to the Constitutional Affairs Committee, the Judge Advocate General said that under current law, offences of murder, manslaughter and rape committed in the UK were dealt with by the civilian court, and the court martial did not have jurisdiction, although he was of the opinion that that would change as a result of these proposals. I would be grateful if the Under Secretary clarified that matter.

As a general principle, there is a need for clear and unambiguous civilian control of the investigations of suspicious deaths within the UK. Indeed the High Court recently made that point in the case of Kathleen Thompson, criticising the Army's decision to delegate to the Royal Military Police in that case. Of course, a broader point is made by the Deepcut families and the Surrey police, who have reiterated the need for an external review of the investigations, and by the Defence Committee, in its call for an independent military complaints commission.

As we have heard, we have seen the setting up of the Independent Police Complaints Commission and the Police Ombudsman for Northern Ireland. Last year, the independent prisons ombudsman was introduced, so that it is no longer the Prison Service that investigates deaths in custody. In order to achieve public confidence and effective public scrutiny, we have an independent process in all those areas in which the state has a particular monopoly.

Pete Wishart: My hon. Friend makes a powerful point. Does he agree that the military is the last bastion standing against that trend and that it is time to ensure that we have a proper external complaints commission, authority or ombudsman to pursue such matters? When the Army investigates itself, there is a sense of institutional protectionism—it attempts to protect its own interests. We need a completely separate process to monitor and examine complaints effectively in order to satisfy public opinion and the families involved.

Adam Price: I agree; we need an independent process to maintain public confidence. If proper processes were in place to ensure effective public scrutiny, the greatest benefit would be to the armed forces.

In the response by Ministers to the previous Defence Committee's report on Deepcut, the promise was made that the Government would look at the international

models that it mentioned. The hon. Member for Salisbury (Robert Key) also mentioned those models. There is a wide range of international models, all with different elements of independent oversight of procedures. The Government have made some compromise, with an independent member of the grievance panel, but that will not be enough to satisfy the Deepcut families or the wider public interest in independence in the process. External review does happen, and I understand that South Wales police and Lancashire police have occasionally been asked to participate in peer review of investigations. However, we do not have a single, independent body to which families, service personnel or members of the public can make their complaints.

The Judge Advocate General made some additional proposals to improve the independence of the process. For example, he said that the military court service, which is now part of the MOD, should join the civilian court service as part of the Department for Constitutional Affairs; that the administrative staff and those responsible for listing cases should be the responsibility of the judges, as in the civilian system, and not of officials in the MOD; and that sentencing should be done by judges, not by the military panels that currently decide penalties within a bracket set by the Judge Advocate General.

The key point is the need for an independent ombudsman. Otherwise the only avenues available for families or civilians abroad—in areas where we are in military occupation—will be to call for a public inquiry, with all the expense that that means for the public purse, or through the system of tort. It has always been possible, of course, to bring civil proceedings against the British Army, but that requires expenditure by the individuals. Surely an independent military complaints commission or ombudsman would be the most effective remedy, whether for the family of Baha Mousa in Iraq, where we were responsible as the military occupation gave us jurisdiction, for the Deepcut families or in other allegations of abuse. It would allow greater public scrutiny, which is a feature of the American system.

Whatever our feelings about the allegations of abuse levelled at American forces, the degree of public scrutiny by the American authorities is unparalleled compared with the amount of public scrutiny we have been able to effect in the UK. At the last count, there were 12 reports by the American authorities into allegations of abuse in Iraq—Schlesinger, Taguba, Jones, Fay, Kern, Church and so on—on top of the congressional inquiries. There has been nothing like that in the UK. We understand that after the Camp Breadbasket case, the Army conducted an internal review, but we are not allowed to see it. We do not even know whether it has been completed. It covers many issues that are sub judice and we do not need to see those, but a version of the report would inform our debates. We have nothing like the public scrutiny of the military that is undertaken in the United States and other jurisdictions.

I want to make a few points about legal representation. Much opprobrium has been heaped on the heads of human rights lawyers who acted for Iraqi civilians. I do not want to enter that debate, but many of those lawyers operated pro bono publico—in the public interest—and where we deny Iraqis the right to take cases under local law it is our responsibility to ensure that they have adequate legal representation in UK courts. Where there is a status of forces agreement internationally, rather than blackguarding such human rights lawyers, we should consider procedures for providing adequate legal representation for civilians in those areas.

I agree with the point made by the hon. Member for Blackpool, North and Fleetwood (Mrs. Humble): soldiers found guilty of murder, rape or bullying should not be allowed to remain in the Army and to rejoin it on their release. A recent case involving two members of the Guards who were found guilty of manslaughter and allowed to rejoin the regiment caused much upset to the family of Peter McBride, the individual who was killed. Queen's regulations state that a person should be dismissed after a custodial sentence unless there are exceptional circumstances. Will the Minister tell us whether changes are proposed as a result of the Bill?

In relation to the post-appeal remedy, I understand that service personnel have no recourse to the Criminal Cases Review Commission, although Ministers have said that they should have. It is not clear why such a provision has not been included in the Bill. The Minister said that other priorities made it impossible, but perhaps he could elucidate. What are those priorities? Why has not it been possible to include the provision?

9.18 pm

Mr. Gerald Howarth (Aldershot) (Con): This has been a fascinating debate. It is to the great credit of the House that it has been able to conduct such an informed and well-argued debate despite the fact that this 375-clause, 250-page, 15-schedule Bill was made available to us only 10 days ago and the explanatory notes only last week. The debate has been better than we might have anticipated.

In a spirit of generosity, I thank the Under-Secretary for making available himself and his Bill team to brief some hon. Members last Thursday. I should like to add to the compliments that have been extended already to those in the Bill team for the work that they have done. However, it is worth making the point that the Government have had a long time in which to prepare the Bill, that the Defence Select Committee has not had a draft of the Bill and that the Opposition have had even less time.

However, we have had a good debate with a lot of contributions from hon. Members on both sides of the House. The hon. Member for Plymouth, Sutton (Linda Gilroy) welcomed the proposals on the redress of grievances, but she did not think that they went far enough. She, like many other hon. Members who have spoken today, supports the reinstatement of the annual review.

The hon. Member for Berwickshire, Roxburgh and Selkirk (Mr. Moore) broadly supports the Bill. He was concerned that we must not undermine the armed forces. Nevertheless, he thought that a few provisions might be needed that some hon. Members might feel would lead to that effect. He, too, is in favour of an annual review.

[Mr. Gerald Howarth]

The hon. Member for North Durham (Mr. Jones), with whom I had the privilege of serving on the Defence Committee of which he was an assiduous member, argued the case for creating an independent commission, which is very much in line with what the Select Committee has been proposing.

My right hon. Friend the Member for North-East Hampshire (Mr. Arbuthnot)—a former distinguished Minister for Defence Procurement, now the even more distinguished Chairman of the Select Committee on Defence—faithfully argued the cause espoused by his Committee in saying that he wanted an independent commission and an annual report, two things of which the Committee has been strongly in favour. He drew on his own experience of the Mull of Kintyre issue as evidence to support his case.

My right hon. Friend made an interesting point about the tri-service nature of the Bill. It is accepted that a 50 per cent. increase in courts martial is likely in respect of the Royal Navy, as a result of the changes to that service. As a number of right hon. and hon. Members have pointed out, the Royal Navy is the service that is most affected by the proposals. A matter of keen further debate in the Select Committee is likely to be whether we have got the arrangements right and whether the prize of harmonisation, as Captain Crabtree described it in evidence to the Defence Committee, is worth the price that is being paid by the Royal Navy. The jury is out on that issue, and we must examine it in more detail later.

My right hon. Friend drew further on the importance of the Defence Committee being represented on the Committee that will consider the Bill, and I am sure that that will be the case.

The hon. Member for Blackpool, North and Fleetwood (Mrs. Humble) duly praised the Select Committee—always a good start—expressed her concern for the parents who have lost their children as a result of tragedies in the armed services and referred to the need to remove what she called the stain of Deepcut. I do not intend to dwell very much on the Deepcut issue, but I am well aware that it is of very great concern on both sides of the House. Of course, Deepcut lies just over the border of my constituency.

My hon. Friend the Member for Salisbury (Robert Key) made a very spirited contribution. I am extremely grateful to him for the very detailed work that he has done on the Bill and for drawing my attention to clause 35, on annoyance by flying. As an aviator, I have to say that he is absolutely right about the risks that the Royal Air Force could be exposed to by a literal interpretation of that clause. I am sure that that matter will be explored in even greater detail—it certainly will be if I have anything to do with it because, as I read it, even in Farnborough, I have constituents who are likely to be annoyed by anything that flies in the air, and I am sure that the situation is even worse in other constituencies. I think that we will have to revisit that one. I am not sure whether my hon. Friend noticed this, but interestingly enough the penalty for a person found guilty of the offence would be up to and including dismissal from the service. There is thus a pretty draconian penalty attached to the offence.

My hon. Friend drew attention to the crucial role of chaplains. As a churchwarden of the Royal Garrison church in Aldershot, I have the privilege of working with military chaplains. It is entirely right and proper to put on the record the fantastic work that is being done by chaplains, especially Army chaplains, in the difficult theatre of Iraq.

The hon. Member for South Ribble (Mr. Borrow) welcomed the tri-service aspect of the Bill. He wants it to restore morale, which he says has taken a knock on the question of whether a military or civilian approach should apply.

I was sorry that I missed the contribution of my hon. Friend the Member for Canterbury (Mr. Brazier). I gather that he made a typically trenchant speech, and he certainly gave me encouragement during my earlier interventions. He apparently said that behind the Bill lies what he called an ugly trend of civilianising the armed services, and he was right to issue such a warning. He also expressed concern about removing the powers of commanding officers, which is a matter to which I hope to return in a moment. I gather that he would like us to vote against the Bill on Third Reading, but that will depend on the progress that is made during the Select Committee proceedings.

John Reid: On the speech made by the hon. Member for Canterbury (Mr. Brazier), may I clear up something that he has repeated several times that is factually inaccurate? It is not for us to comment in any way on the merits of a case before the courts. However, it is quite wrong to suggest that the charges laid against Colonel Mendonca arise from the International Criminal Court Act 2001—they do not. They arise from section 29A of the Army Act 1955. The offences of which the soldiers are charged in the case pre-exist the International Criminal Court Act because inhumane treatment has been in English law since the adoption of the Geneva conventions into English law in 1957. Manslaughter has been in English law for decades. The fact that the offences were rolled into the International Criminal Court Act does not mean that they were introduced by that Act. I want to place the factual record before hon. Members because there has been repeated inadvertent misleading of the House on the matter.

Mr. Howarth: I am sure that my hon. Friend the Member for Canterbury has noted the Secretary of State's comments. Obviously, I was not in the Chamber when my hon. Friend made his speech.

Mr. Brazier: Will my hon. Friend give way?

Mr. Howarth: I will be delighted to give way to my hon. Friend in a moment, but may I tell the Secretary of State that in the briefing—I am sorry to make the point again that we had no other briefing—titled "Background to the Forthcoming Armed Forces Bill", the House of Commons Library, to which people have

rightly paid tribute, referred to the case of the Queen's Lancashire Regiment and the Intelligence Corps? The briefing said:

"The latter case has attracted particular comment as it represents the first case brought against British Service personnel under the provisions of the International Criminal Court Act 2001 and the first case against an officer for 'negligently performing a duty', resulting from operations in Iraq."

Mr. Howarth *rose—*

John Reid: There is nothing inconsistent between that and my accurate description of the fact that the offences of inhumane treatment and manslaughter for which charges were brought were of long standing in English law—both military and civilian—and existed long before the International Criminal Court Act 2001. In the case of Colonel Mendonca, the charges were brought under section 29A of the Army Act 1955. That is the accurate position. It is up to hon. Members to regret, perhaps, that the offences were incorporated in the International Criminal Court Act, or that the Act was passed, but it is quite wrong to imply that the offences would not have been extant in English law if the Act had not been in force. They would have been in law under the Army Act, English law and the Geneva conventions that were brought into our law in 1957—incidentally, under a Conservative Government.

Mr. Howarth: I am sure that my hon. Friend the Member for Canterbury has heard that. He might wish to intervene.

Mr. Brazier: The Secretary of State has made the point that we are not allowed under the sub judice rule to comment on a particular case, although the investigation currently being carried out in respect of General Wall has not yet resulted in charges, so we could comment on that. The Secretary of State must accept—this is not just me speaking but a number of distinguished and gallant Members of another place—that the provision to which he refers takes us on to entirely new ground. For the first time, commanding officers can in principle be charged for errors of omission which would not have been offences under military law.

Mr. Howarth: I am sure that the House is grateful to my hon. Friend for his intervention.

Lying behind recent cases has been the perception—we all know the importance of perception, and my hon. Friend the Member for Woodspring (Dr. Fox) made that clear—that if it is not the European Court of Human Rights, it is the International Criminal Court that is exerting a pressure. Whether the Secretary of State likes it or not, that is the impression that is being created. It is a serious matter. My view is that it has been wrong that we in the United Kingdom, and particularly we in this Parliament, have been obliged to change the regulations by which our armed forces are governed to meet the requirements of a court.

I see that the Secretary of State shakes his head. The Armed Forces Discipline Act 2000 was directly the result of a ruling of the European Court of Human Rights. One of the reasons why we have a tri-service Bill, if I might tell the Secretary of State why he is introducing the Bill, is because there have been a number of Acts since 1955 and 1957—separate services Acts—arising directly out of decisions made by the European Court of Human Rights, to which the House has felt obliged to respond.

I note that the Secretary of State wishes to intervene. As long as his hon. Friend the Minister does not keep tapping his watch at me, I will give way to the right hon. Gentleman.

John Reid: I am merely responding to the specific allegations about the specific case. It might as well be argued that the Geneva conventions and protocols of 1957 led to the charges against Colonel Mendonca and his men. It is precisely the concept of inhumane treatment introduced under the 1957 Geneva protocols, brought into law by the then Conservative Government, that forms the legal basis that led to incorporation under the later ICC legislation. That puts in context the sort of perceptions that are being encouraged by misleading statements in this area. I do not deny that there is a perception, but part of that perception is being fuelled and encouraged by those who are making misleading statements, inadvertently or otherwise, about the nature of specific charges being brought against specific people.

Mr. Howarth: Clearly, these charges are being brought under English law. Charges cannot be brought in any other way in an English court. The question still arises whether they would have been brought had it not been for the existence of the ICC.

The Secretary of State will be aware that in a debate in the other place on 14 July a number of significant contributions were made. I draw the Secretary of State's attention to the contribution of Lord Campbell of Alloway, who spent five years in Colditz. He is not a man who is unfamiliar with military matters. He drew attention to a letter that had been sent by the Adjutant-General on 24 March to "CGS and CIC Land" in respect of what I think was Trooper Williams' case. My hon. Friend the Member for Canterbury referred to it and it is worth putting it on the record again. The Adjutant-General wrote:

"With current legal, political and ginger group interest in the deaths of Iraqi civilians during operation telic: our investigation and subsequent failure to offer for prosecution could become a cause celebre for pressure groups, and a significant threat to the military justice system."

I submit that it is not a threat to the military justice system; it is a threat to our armed forces. They are being treated in a fashion where they are being used effectively as guinea pigs to satisfy a demand for what amounts to a pretty rough justice. In that letter, one of the most senior generals in the British Army said that we were under pressure to bring prosecutions. That is not acceptable.

Mr. Kevan Jones: I am very fond of the hon. Gentleman, who is a former member of the Defence Committee. However, he is clearly out of step with his Front Bench team, as a consensual mood of politics is supposed to prevail. The Secretary of State clearly explained the position, so efforts to perpetuate anti-Euro myths will not do anything to help the British armed forces.

Mr. Howarth: It has nothing to do with anti-Euro myths or with anything else. Time is short, and I have made that point.

[Mr. Howarth]

The hon. Members for Thurrock (Andrew Mackinlay) and for Carmarthen, East and Dinefwr (Adam Price) both called for independent investigations. The hon. Member for Carmarthen, East and Dinefwr allied himself to human rights lawyers, which was brave of him.

Several hon. Members have referred to written evidence from the Judge Advocate General to the Constitutional Affairs Committee, in which he said:

"There are several cogent reasons for maintaining a unique system of military justice, separate and distinct from the civilian system. These are to:

—support operational effectiveness and morale;

—maintain discipline which is an essential element of command;

—reflect the special and unique nature of the Armed Forces, in which sailors, soldiers and airmen are required to use lethal force to support Government policy, to risk their personal safety, and to be prepared to lay down their lives for their country; and

—extend the law of England and Wales to personnel serving overseas and outside the jurisdiction of the civilian courts.

He continued:

"The limited powers of Commanding Officers to deal summarily and immediately with minor offences are subject to the unfettered right of the defendant to elect trial by Court-Martial or to appeal to the Summary Appeal Court for a *de novo* hearing after the Commanding Officer's hearing. The two tiers together (Courts-Martial and summary dealings) amount to a system which is proportionate, effective, economical, ECHR compliant, and meets the unique requirements of the Armed Forces."

I do not think that any of us could better encapsulate the importance and relevance of a separate military system. Broadly speaking, we support the thrust of the Bill, which is why we shall not oppose it on Second Reading. However, we have a number of reservations. My hon. Friend the Member for Woodspring made it clear that we are concerned about the ramifications for the authority of commanding officers. It is not as though we are discussing these things in a rarefied academic forum. We are doing so against a backdrop of challenges that face our armed forces day in, day out as they make life and death decisions, and I make no apology for repeating that to the Secretary of State. A group of soldiers on patrol do not know whether the man with his hand in the air is holding a grenade or a tomato. We must give our men the benefit of the doubt in those circumstances, because if we do not do so we will destroy the very system in which we take great pride.

There is genuine concern about such matters, which I hope the Committee will be able to address. The two cases in the civilian courts that have been mentioned—the Trooper Williams case and the case involving seven members of 3 Para—both collapsed. It was disgraceful that a lawyer went to Iraq to trawl for Iraqis, who were basically bounty hunters collecting £100 a day from the British taxpayer to denounce our armed forces. That is unacceptable, and I believe the Iraqi Government should apologise for the disgraceful action of those Iraqis, who did nothing to promote the cause of Iraq among the British people. The problems highlighted by those cases must be addressed.

A few final points—first, the Bill makes no reference to rules of engagements, which are of concern to us all. There ought to be some provision for those. Secondly, we must have an annual review, for the reasons that I outlined. There is common consent right across the House that annual review is essential. Thirdly, I hope that the Bill is not a prelude to some sort of Canadian-style merger of all three services. The Secretary of State shakes his head—I take great encouragement from that. One of the strengths of our system is the individual ethos of each service. We are trying to harness and retain the individual ethos within a more procedurally efficient system.

The Bill will be committed to a Select Committee. I am sorry that that will conclude on 27 April. It is a complex Bill, but we have a month longer than was originally offered, so that, at least, is encouraging.

In conclusion, I happened to be in Basra the night that two members of the British armed forces were rescued. I spoke to Brigadier Lorimer the following night, and I know the Secretary of State had phoned to congratulate him on an outstanding operation. The dramatic pictures of those Coldstream Guardsmen getting out of those Warriors on fire went around the world. A couple of days later I happened to be in al-Udeid in Qatar, which is a US airbase where Britain has a significant presence. I was sitting in the canteen watching that on CNN, and the sheer amazement of the American servicemen and women that our armed forces had put up with that level of provocation without a shot being fired said a vast amount about the self-restraint and self-discipline of our armed forces. In that, we should take great pride. It is very important that in the Bill we do nothing that will undermine the power of commanding officers and the bond between commanding officers and their men which led to that self-restraint and self-discipline, which are admired throughout the world.

9.41 pm

The Parliamentary Under-Secretary of State for Defence (Mr. Don Touhig): This has been an important debate, with significant contributions. I shall try to answer as many points as I can, but I hope Members will forgive me if I cannot cover every point.

We place an enormous responsibility on the shoulders of our servicemen and women. We ask them to operate in circumstances that are often difficult, unpredictable and dangerous. We ask them to perform tasks that have no parallel in the civilian world. Sometimes they make the ultimate sacrifice. We, and they, demand very high standards of behaviour, whether overseas on operations or training at home. Discipline is essential and service law is essential to enforce it. Ultimately we all want an effective, efficient fighting force. At the heart of discipline in any military unit is the commanding officer, and as my right hon. Friend the Secretary of State made clear in his opening remarks, this key role is retained and reinforced in the Bill. There is no doubt we need a separate system of law for the armed forces, and it needs to reflect the increasingly joint nature of their work. The Bill delivers that.

I shall cover as many points raised by colleagues as I can. The hon. Member for Woodspring (Dr. Fox), at the Dispatch Box for the first time in his new role, spoke several times about perception and mentioned the Royal Military Police giving warnings in Basra to our troops there. He said that there is a perception that, in Iraq, they will face investigation if they kill or seriously injure someone in battle. This is an important matter and I want to deal with it clearly.

As my right hon. Friend the Secretary of State said, our forces operate within the rule of law and have robust rules of engagement. No soldier has ever been prosecuted for killing an enemy in battle. If there is a credible allegation of, say, murder, it is right that the service police carry out an investigation. The Bill offers protection to the accused in that respect as well. He went on to quote the noble Lord in another place who stated, as was mentioned several times this evening, that our forces are under legal siege. I totally reject that. It is important that we get the message across that there have been 80,000 deployments in Iraq since we have been there. As my right hon. Friend said earlier today, there have been 184 investigations and 164 have been concluded. Our forces are not under legal siege at all.

Linda Gilroy: Will the Minister give way?

Mr. Touhig: If my hon. Friend will forgive me, I want to cover as many points as possible, although I would normally give way.

The hon. Member for Woodspring pointed out that he agrees that perception is a key problem, and I hope that Conservative Front Benchers will join me and my right hon. Friend the Secretary of State in debunking the perception that our forces are under "legal siege", because they are not.

The hon. Gentleman suggested opting out of the European convention on human rights, as the French have done. The French reservation is often quoted erroneously, because it no longer impacts significantly on the French military justice system following legislative reforms in 1982 and 1999 that provided for greater involvement by the civilian courts. The French model does not commend itself to us at all.

The hon. Gentleman asked whether serving personnel are at risk of prosecution by the International Criminal Court, and my right hon. Friend the Secretary of State addressed the matter in his intervention on the hon. Member for Aldershot (Mr. Howarth) a few minutes ago. It would not be right to go into further detail on the case of Colonel Mendonca and others associated with that matter, except to say that my right hon. Friend has clarified the situation.

The hon. Member for Woodspring raised his concern about the reviewing authority. Under review, a person who was not present in court and who has heard neither the accused nor the prosecution can quash a conviction or change a sentence that is decided by the judge and the service members of the court martial, so long as he considers the new sentence to be no more severe. That power has no parallel in any other part of the British justice system, and we think it appropriate that it should be changed.

The hon. Gentleman discussed extra risks to soldiers caused by the extension of military jurisdiction to murder and manslaughter in the UK. A civilian jurisdiction already exists in almost all cases. It will still be right for the civilian system to consider other cases, specifically offences in a purely military context for which a military court may be more appropriate.

The hon. Gentleman mentioned the number of summary hearings. At the present time, 95 per cent. of military justice matters are dealt with summarily, and we believe that that percentage will not change greatly as a result of the Bill.

The hon. Gentleman referred to the randomly selected panel. The important point is that members of the panel are selected independently and that those who are too close to a case are excluded.

The hon. Gentleman and other hon. Members discussed the five-year review and the annual review. The Government will be happy to take the views of the Defence Committee as we consider the legislation, because it is important that everybody gets a chance to have their say.

My hon. Friend the Member for Plymouth, Sutton (Linda Gilroy) raised a number of matters, including the duration of the service discipline Acts, a matter which we are prepared to consider. She also mentioned annual renewal, and if it is appropriate for the Committee to make representations, we will certainly listen to them.

The hon. Member for Berwickshire, Roxburgh and Selkirk (Mr. Moore), who spoke for the Liberal Democrats, expressed concern about the delay in publishing the explanatory notes. I apologise for the delay, which has happened on many occasions to all Governments, which is no excuse, but we felt that the important thing was to concentrate on getting the Bill ready. I am pleased that the explanatory notes were issued a few days after we published the Bill, but I am sorry that they were not available immediately.

The hon. Gentleman and several other hon. Members pointed out that much will be left to regulation, and I understand those concerns, which I have discussed with members of the Defence Committee and others. A great deal of work clearly remains to be done on the regulations, and I have no doubt that hon. Members will press me to provide as much information as possible. The matter is complex, but I understand that when hon. Members are asked to endorse legislation, they want to know exactly what powers they are conferring on the Secretary of State and how the Secretary of State will use them.

The hon. Gentleman asked whether we will produce draft regulations on redress. As I said, we will aim to cover those details in Committee.

My hon. Friend the Member for North Durham (Mr. Jones) asked about the complaints commission. Some, including the Defence Committee, have expressed the view that complaints from service personnel about bullying and harassment are best dealt with by an independent ombudsman. I can see that that might be superficially attractive, but the fundamental problem is that setting up an alternative source of authority would undermine the chain of command. I believe that it is vital for the ethos and operational effectiveness of our armed forces that the role of the chain of command should be preserved. No doubt we will discuss that in Committee.

My hon. Friend mentioned the independence of service inquiries. In some cases, an independent investigation is vital—for example, in inquests and special independent inquiries. That is another matter that we will consider in Committee.

The right hon. Member for North-East Hampshire (Mr. Arbuthnot), who is Chairman of the Defence Committee, welcomed the Bill. I pay tribute to him, his Committee and his predecessors for the pre-legislative scrutiny that they carried out as we prepared the Bill. I thank him for the compliments that he paid to the Bill

[Mr. Touhig]

team. Ministers stand up here in the Chamber, but the people on the Bill team do a huge amount of work behind the scenes. I am grateful to them and to the right hon. Gentleman for his remarks.

The right hon. Gentleman made several other points that I will try to deal with. He expressed concern about the 50 per cent. increase in naval courts martial. In setting the limits of commanding officers' powers and jurisdiction, we looked very carefully at which criminal offences naval COs try summarily and asked the Navy which of those should be included in the Bill. Those that they wanted have been retained for naval COs and given to COs of other services. Eight offences are listed in the Bill. We do not think that that will result in a significant increase in courts martial, but the situation will have to be monitored with the progress of time.

My hon. Friend the Member for Blackpool, North and Fleetwood (Mrs. Humble) raised several matters relating to family concerns. She will fully understand I am not in a position to comment on matters that are still under consideration. She said that everything that the Ministry of Defence does as regards our armed forces should be open to scrutiny. I remind her and other Members that we have five days a year when we debate defence matters in this House, so the opportunities are there to hold Ministers to account.

My hon. Friend asked why the Bill removes the link between imprisonment and dismissal. We think that the current rule is too harsh. If a member of the armed forces is sentenced to imprisonment, he must be dismissed—there is no possibility of looking at extenuating circumstances. In most cases, imprisonment will result in dismissal, but fairness demands that that is not applied rigidly. My hon. Friend asked whether service personnel will retain their rank in prison. The answer is no. In the rare circumstances in which a serviceman is sentenced to prison, he does not retain his rank. The offender will have no rank while in prison. On his release and return to service, he will, having paid his debt, revert to the rank that he held before being in prison. He will of course have lost any seniority that he would have gained during his imprisonment.

My hon. Friend raised the issue of family members attending boards of inquiry, as did the right hon. Member for North-East Hampshire. We recognise that in the past we have not always done well in that respect. That is why we have reviewed how best to meet the concerns that have understandably been expressed. Under the new arrangements introduced last year, we endeavour to ensure that the next of kin are much better informed about the progress and outcome of inquiries. I have no doubt that we shall revert to that matter in Committee.

The hon. Member for Salisbury (Robert Key) was generally pleased with the Bill. He raised several matters that I might answer better as we go through our work in Committee but I shall consider carefully his detailed points and, if it is appropriate, I shall write to him. He specifically mentioned annoyance by flying, which clause 35 covers. Clause 35 will be engraved on my gravestone. The Bill sets out all the disciplinary offences and the clause does not provide for a new offence. At the RAF's request, the offence is being retained. Few complaints of low flying result in prosecutions but I am sure that, if the hon. Gentleman gets the opportunity to serve on the Committee, he will revert to the matter.

I shall examine the comments of my hon. Friend the Member for South Ribble (Mr. Borrow) and, if appropriate, I shall write to him in detail.

The hon. Member for Canterbury (Mr. Brazier) started by saying that the cuts that the Government had imposed on defence were wrong. I am not sure where he gets that information. The Conservative Government's record on defence cuts was shameful. The Government have increased expenditure on defence and we are proud of that. The hon. Gentleman said that he starts out as a sceptic about the measure, and I suspect that he will remain one. Again, he did not help by referring to a blizzard of investigations.

It is important that all we do as a Government is open to scrutiny and criticism in the House but we do the morale of our armed forces no good by suggesting that they are under legal siege or that there is a blizzard of investigations. *[Interruption.]* I do not care about the source of the comments. I simply stress to colleagues that, if they continue to repeat them without any basis in fact, they do great damage to the morale of our forces.

The hon. Gentleman also mentioned the standing court martial. I give him the benefit of the doubt—perhaps he was not in the Chamber but seeing his new leader when my right hon. Friend the Secretary of State referred to the matter. If he reads *Hansard* tomorrow, he will realise that his question has been answered.

The hon. Gentleman said that the court martial was inquisitorial rather than adversarial. Frankly, that is nonsense—it is a load of rubbish. In an inquisitorial system, an examining judge asks questions to elicit answers and reaches a view about whether he is satisfied that the case is proved. The court martial is adversarial because there is a defence and a prosecution. Witnesses are called and it is exactly the same as a Crown court.

The hon. Gentleman also referred to civilianising the military system and removing the powers of commanding officers. I cannot understand how he interprets that from the Bill. He should examine it more closely. Perhaps because of our failure to get the explanatory notes out early, he may need to devote more time to reading it. I suggest that he does that—he will learn a great deal more as a result.

My hon. Friend the Member for Thurrock (Andrew Mackinlay) raised many issues. He mentioned the Bermuda Regiment. When on duty, it is part of the British forces. I note his point about the appointment of the Governor of Bermuda being in the gift of my right hon. Friend the Foreign Secretary. I will mention my hon. Friend's interest and, when there is next a vacancy, perhaps he will be considered for it.

The hon. Member for Carmarthen, East and Dinefwr (Adam Price) made several points. I shall write to him should that be appropriate. Specific reference was made to the Judge Advocate General's views. I have a letter from the Judge Advocate General in which he welcomes the Bill and is pleased to give it public support.

The current military justice system is effective but needs to be brought up to date. Just as training, equipment and operations have been updated since the cold war, we need to modernise the legal system that

personnel use at home and carry with them in operations. The Bill is an historic measure that fulfils a promise that we made in the armed forces strategic defence review. I commend it to the House.

Question put and agreed to.

Bill read the Second time.

ARMED FORCES BILL (PROGRAMME)

Motion made, and Question put forthwith, pursuant to Standing Order No. 83(A)(6) (Programme motions),

That the following provisions shall apply to the Armed Forces Bill:

Select Committee

1. The Bill shall be committed to a Select Committee.

2. The Select Committee shall report the Bill to the House on or before Thursday 27th April.

Committee of the whole House, consideration and Third Reading

3. On report from the Select Committee the Bill shall be re-committed to a Committee of the whole House.

4. Proceedings in Committee of the whole House on re-committal, any proceedings on consideration and proceedings on Third Reading shall be completed at one day's sitting.

5. Proceedings in Committee of the whole House and any proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

6. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion one hour after the commencement of those proceedings or at the moment of interruption on that day, whichever is the earlier.

7. Standing Order No. 83B (Programming committees) shall not apply to proceedings in Committee of the whole House and on consideration and Third Reading.

Other proceedings

8. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further message from the Lords) may be programmed.—*[Mr. Alan Campbell.]*

Question agreed to.

ARMED FORCES BILL

Ordered,

That the following provisions shall apply to the Select Committee on the Armed Forces Bill:

1. The Committee shall have 14 members, to be nominated by the Committee of Selection.

2. The Committee shall have power—

(a) to send for persons, papers and records, to sit notwithstanding any adjournment of the House, to adjourn from place to place and to report from day to day the minutes of evidence taken before it;

(b) to admit the public during the examination of witnesses and during consideration of the Bill (but not otherwise); and

(c) to appoint specialist advisers either to supply information not readily available or to elucidate matters of complexity relating to the provisions of the Armed Forces Bill.—*[Mr. Alan Campbell.]*

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

SOCIAL SECURITY

That the draft Jobseeker's Allowance (Jobseeker Mandatory Activity) Pilot Regulations 2005, which were laid before this House on 15th November, be approved.—*[Mr. Alan Campbell.]*

Question agreed to.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

NORTHERN IRELAND

That the draft Safety of Sports Grounds (Northern Ireland) Order 2005, which was laid before this House on 21st November, be approved.—*[Mr. Alan Campbell.]*

Question agreed to.

COMMITTEES

Mr. Speaker: With permission, I shall take motions 6 and 7 together.

Ordered,

EUROPEAN SCRUTINY

That Rosie Cooper be discharged from the European Scrutiny Committee and Mrs. Sharon Hodgson be added.

PROCEDURE

That Sir Nicholas Winterton be discharged from the Procedure Committee and Mr. Christopher Chope be added.—*[Rosemary McKenna, on behalf of the Committee of Selection.]*

PETITIONS

Council Tax

10 pm

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): I wish to present a petition drawn up by my constituent, Mr. Derek Bunting, about council tax.

The petitioners therefore request that the House of Commons votes to replace Council Tax with a fair and equitable tax that, without recourse to any supplementary benefit, takes into account ability to pay from disposable income, such tax to be based on a system that is free from any geographically or politically motivated discrimination, and that clearly identifies the fiscal and managerial responsibilities of all involved parties.

To lie upon the Table.

10.1 pm

Mr. Alan Duncan (Rutland and Melton) (Con): I rise to present a petition signed by more than 40 of my constituents from Melton Mowbray and nearby, who are enraged by the burden and unfairness of the council tax, and by its doubling over the past few years.

The Petitioners therefore request that the House of Commons votes to replace the Council Tax with a fair and equitable tax that takes into account ability to pay from disposable income. The tax should be based on a system that is free from any geographically or politically motivated discrimination, and should clearly identify the fiscal and managerial respons¹bilities of all involved parties.

To lie upon the Table.

A27 (Improvements)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Coaker.]*

10.2 pm

Nick Herbert (Arundel and South Downs) (Con): I am grateful for this opportunity to raise the need to improve the A27, both in and outside my constituency. I am sorry to detain the Minister this evening, but may I first congratulate him on his recent appearance on "Top Gear", and in particular on his performance as a star in a reasonably priced car? He came 15th among the celebrities, beating Sir Cliff Richard, Jordan and Vinnie Jones, but coming a full two seconds behind Dame Ellen MacArthur. His licence would not be at risk if he were to travel on the A27 in my constituency, however, because the traffic is at a complete standstill for much of the time.

The A27 runs for 68 miles along, or just inland of, the south coast. It links Portsmouth and the M27 in the west with Pevensey and the A259 in the east. It is the only defined east-west lorry route across Sussex. It is part of the south coast lifeline, giving access to the south coast ports and the channel tunnel, and it is regarded as a strategic road in Britain's transport network. Most of the A27 in West Sussex is dualled. The only stretches that are not are in Arundel and Worthing. I shall focus on the A27 around Arundel, because that is in my constituency, but I know that many of my hon. Friends are equally concerned about the lack of improvements on sections of the road in Chichester and, in particular, in Worthing.

Peter Bottomley (Worthing, West) (Con): Just in case the Minister has not been down to the A27 recently, his advisers will tell him that it is faster to go through Chichester than to use the bypass, it is sometimes faster to go through Arundel than to use the bypass, and it is probably faster to go along the coast road than along the national road in Worthing, Shoreham and Lancing. Will the Minister please come and try it for himself?

Nick Herbert: I echo my hon. Friend's request; I hope that the Minister will come and see the problems for himself. He is smiling at the moment, but there is a serious problem.

Plans for the Arundel bypass were first formulated in 1985. Two decades later, the bypass still has not come to fruition. The bypass that exists runs between two sides of the town, cutting off one mainly residential half from the town centre. If one travels west on the A27, having eventually escaped the congestion in Worthing, one will get on to a dual carriageway for a few precious miles, but it simply runs out at Arundel. The flyover is there, and was ready for the dual carriageway to continue, but lies moribund.

That has a serious impact in several respects, the first of which is congestion. Traffic flows are continually rising on the A27. In the six years between 1994 and 2000 alone, they increased by 25 per cent. Traffic flows on the A27 are three to four times more than the designed capacity of the road, which causes long tailbacks. I became personally aware of that before I was elected as Member of Parliament for Arundel and South Downs, when I missed my grandfather's funeral as a result of extended delays, first at Arundel and then in Worthing. The traffic flow on the A27 through Arundel—a town of 4,200 inhabitants—was 27,000 vehicles a day in 2001. As the right hon. Member for North-West Durham (Hilary Armstrong), then a Transport Minister, said in 2000:

"Few can deny that the volume of traffic that passes through Arundel daily has an impact on the quality of life both of local residents and of those who must use this section of the A27 for their journey."—[*Official Report, Westminster Hall*, 7 March 2000; Vol. 345, c. 152WH.]

There is also an impact on safety. The accident rate in Arundel is twice the national average for the type of road and four times the national average for dual carriageways. I saw that again for myself on Friday when there was yet again an accident at Burpham junction, which is a particularly dangerous section of the existing inadequate road. The Highways Agency estimates that off-line improvements to the A27 at Arundel would prevent 425 accidents and 580 casualties over the next 30 years.

Tim Loughton (East Worthing and Shoreham) (Con): I am grateful to my hon. Friend, because he is describing a dire situation on the A27 in his constituency and in mine. According to the Minister's own recent written answer, however, the level of traffic in West Sussex over the next 10 years is predicted to increase by as much as 23 per cent. An increase of a quarter in the congestion that we already have can only lead to those roads being completely gridlocked in the next few years.

Nick Herbert: My hon. Friend makes a good point.

There is an impact in terms of local pollution and an environmental impact as traffic is pushed away from the A27, rat-running through the South Downs area of outstanding natural beauty. However, I want the Minister to focus on one particular impact of the failure to upgrade the road—the economic impact on the whole region.

The Minister will know, as an MP for a costal community in Kent, that while the economy of the south-east is strong, and the economy of West Sussex has traditionally performed well, there are significant areas of deprivation along the south coast, and pockets of long-term unemployment. Poor transport links continue to hamper economic growth and investment in those areas and along the whole south coast. It is estimated, on the basis of figures compiled by Sussex Enterprise and British Chambers of Commerce, that problems with transport infrastructure cost Sussex businesses an average of £29,000 a year. Cumulatively, that is an annual cost of £2 billion to the Sussex economy. The South East England Development Agency highlights the fact that one of the main issues facing the south-east is regeneration. It states:

"Major transport projects of regional significance for regeneration of the coastal South East include the comprehensive improvement of the A27, especially deliverable solutions for Worthing and Arundel."

The Government's house building plans will also be affected by inadequate transport infrastructure. The South East England regional assembly has proposed that West Sussex should provide 58,000 new homes over the next two decades. The Deputy Prime Minister could impose larger numbers still. As West Sussex county council points out, however,

"any further development would depend on infrastructure capacity being available, especially on the A27."

That infrastructure is not available at the moment.

The unhappy history of the Arundel bypass is that broad agreement on it was reached between all parties before the current Government took office. The Department for Transport, the local community, the environmental lobby, the county council and the district council all signed up to what is known as the pink-blue route, seen as minimising damage to the environment. That was for a bypass of just four miles, then costing £23.1 million, which was in the main roads programme. In the Government's 1998 roads review, however, the bypass was de-prioritised. Then, in 2002, the south coast multi-modal study recognised that there was a case for the bypass, and that it should go ahead. It recommended that, along with improvements to Chichester bypass, and consideration of Worthing and Lancing bypasses. Again, however, in 2003, the Secretary of State rejected those on environmental grounds. Since then, successive Ministers told my predecessor that the Government accepted the case for dealing with congestion at Arundel, and that proposals would be brought forward, modified to deal with the environmental objections. Those, however, have been subject to constant delays.

Most recently, the Minister informed me in September that the Highways Agency was working with the county council to find less environmentally damaging options. He also said that as part of the spending review, he would seek regional advice from SEERA's regional transport board on the priority of any emerging schemes. That means that even if the Minister decided to go ahead on the basis of the regional advice, there would not be a consultation until later this year. The timetable has slipped again.

Peter Bottomley: I think I can speak for the other Members whose constituencies are on the A27. We all know that Arundel should be dealt with first. Worthing is important but probably comes second, along with Chichester. If that saves consultation, it probably saves a year.

Nick Herbert: I am grateful for my hon. Friend's recognition that Arundel should come first, but I think that all the upgrades are important for the economic health of the region.

Mr. Andrew Tyrie (Chichester) (Con): What about Chichester?

Nick Herbert: I should of course mention the need for improvement at Chichester. There is already a dual carriageway there, but it needs to be upgraded.

As the Minister will know, all the regional bodies agree. The South East England Development Agency strongly supports the bypass. It points out that road investment in the south-east per capita is lower than investment in any other UK region. SEERA also supports the bypass. Indeed, it strongly condemned the Secretary of State's rejection of the A27 improvements, which it said was "perverse" and risked turning coastal Sussex into

"a social and economic backwater."

The county council is strongly in favour of the bypass. West Sussex Economic Partnership, representing the local business community, is also in favour of it, believing that congestion on the A27 is one of the main barriers to economic regeneration of the coast. Sussex Enterprise supports the upgrades. Last year a poll of its members and other local businesses found that one fifth of businesses would have to consider relocating outside Sussex unless the transport infrastructure, particularly the A27, improved soon. The RAC Foundation has condemned the Government's rejection of the A27 improvements, and says that it believes strongly that the decisions should be reconsidered.

Let me deal briefly with some of the objections to the bypass. I do not believe that they stand. The first relates to the environmental impact. The original bypass route was not seen as a threat to the environment. Indeed, the Secretary of State's own decision on the preferred route noted that it was supported by English Nature, Sussex Wildlife Trust, the Arun branch of Friends of the Earth and the Sussex branch of the Council for the Protection of Rural England.

I recognise that road building is unpopular with those who are directly affected, but I hope that the Government's reticence and reluctance to support a scheme is not being influenced by protesters who began to build tree houses as a decision on the bypass seemed imminent. Decisions on these matters must be made democratically, not as a result of direct action by Swampy's friends. I myself would be anxious to ensure that a bypass did not result in the building of new housing between it and Arundel, thus changing the character of the town irrevocably, but I am assured that that could not happen, as the land concerned would be on the flood plain of the River Arun.

There is also the question of whether the bypass would go through the national park, depending on where the park's southern boundary would be, and indeed on whether such a park is created. I can tell the Minister that the bypass would run not through the downs, but below them. The council points out that the land south of Arundel is not naturally beautiful, as statutorily defined. Indeed, the preferred route does not even run through an area of outstanding natural beauty. The real impact on the national park would occur if traffic continued to be forced up through it and the downland villages. That would constitute an impact on an area of outstanding natural beauty, whether or not the park came into being.

There is also concern about the visual impact of a bridge crossing the River Arun. France seems to deal with problems of this kind very well, as anyone who has driven over the stunning Millau viaduct over the River Tarn will know. It would be perfectly possible to design a bridge that would complement the stunning view of Arundel and its castle and cathedral, which can be seen from the river bank.

I mentioned that the Minister had written to me saying that he was taking regional advice. I am concerned about the ranking of the schemes in relation to the regional transport board. The Government have been responsible for the fact that an Arundel scheme has not been developed. The board has told Arundel town council that the fact that a solution to the problems at Arundel has yet to be agreed on, together with the potential timing of any work, explains the relatively low current ranking of Arundel's bypass. We are in a Catch-22 situation. The Minister will not move until he has regional advice, while the region will not give the scheme

[Nick Herbert]

priority until the proposals are presented. Fortunately, the merits of the bypass are being recognised at the regional level and the sub-regional report submitted to SEERA last week highlights the need to improve the A27.

In conclusion, I would like to ask the Minister how many times we have to make the case for a bypass and for improvements to the A27. Frankly, the economic case is unarguable and I believe that there is also a strong environmental case. We have been waiting 20 years since the bypass was first agreed by the Government. It has strong local support. Of course, there are some exceptions, but most people back it. In a MORI poll commissioned by the South East England Regional Agency last year, 82 per cent. of residents cited traffic levels in the region as an area of major concern—on a par with crime as a key issue. About 72 per cent. indicated a preference for bypasses that would draw traffic around towns. If the Minister is unmoved by the local case, the impact on the regional economy should surely be of concern to him. Now is the time to end the delay and give the go-ahead to improvements to the A27 at Arundel and also at Chichester and Worthing.

10.15 pm

The Minister of State, Department for Transport (Dr. Stephen Ladyman): I begin by congratulating the hon. Member for Arundel and South Downs (Nick Herbert) on securing the debate and on the passion with which he has put his case. I am delighted to hear that he spends his Sunday evenings watching my brief appearance on television. I regard it as no shame whatever that Dame Ellen beat my time very considerably. I do not know whether the hon. Gentleman watched last night and saw that Nigel Mansell did even better, which I put down to the fact that I had lunch with him on Tuesday and gave him a few tips.

I hear the case that the hon. Gentleman makes and I understand his passion and that of his hon. Friends who have intervened in the debate. I rather suspect that, while I am fortunate enough to hold this office, I will hear more and more questions, address more and more Adjournment debates and have more and more meetings with the relevant Conservative Members as we take the process forward.

I remind the hon. Gentleman that he said that it has been 20 years since the scheme was first proposed. By my arithmetic, that means that the Government whom he supported ignored it for 12 years. He might like to take that point up with the hon. Member for Worthing, West (Peter Bottomley), who is in his place behind him and was a transport Minister for part of that time.

Tim Loughton: Let me offer the Minister a truce. Rather than having lots of meetings with me and other West Sussex Members or face Adjournment debates at this late hour, will he agree to come down to West Sussex, as I have requested before, and see for himself at first hand the congestion and problems that occur on the A27 in Worthing, Lancing, Chichester and Arundel? I, for one, would refrain from detaining him here late at night if only he would offer to come and meet some local people who have to face those problems every day of every year.

Dr. Ladyman: I would not rule out visiting the area at some point in the future, but I would like to see the regional advice first and then I will need to prioritise the various visits that I make around the country. I will certainly come down at some point, but I am not promising to do so in the immediate future.

Peter Bottomley: I am grateful to the Minister, who is a good fellow, for giving way. Twenty years ago, I had not yet become the Minister for Roads and Traffic; my predecessor was in office. When I was a Minister and saw what happened at Crossbush, I asked my officials whether it would be right to build the Crossbush section. They said yes, so we did it at Clapham and Patching. I suggest that the Minister ask his officials whether it would be right to build the Arundel bypass and then get on with relieving Chichester, Worthing, Shoreham and Lancing. He might then find that the ratio was right. In my day, Ministers said, "Is it necessary, is it right, will it work? Let's do it."

Dr. Ladyman: That is no different from what Ministers say these days. In fact, that was the reason why we commissioned the south coast multi-modal study, which the hon. Member for Arundel and South Downs mentioned. Our continuing strategy is based on that study. I would ask Conservative Members to acknowledge at least that the area through which the A27 runs is environmentally sensitive. Indeed, for the greater part of its length through the two counties, the A27 is either inside or forms the boundary of the South Downs area of outstanding natural beauty. That was the principal reason why we asked the Highways Agency to work in partnership with local authorities and statutory environmental bodies to identify less environmentally damaging, alternative schemes to those recommended by the SoCoMMS report.

Good progress is being made on all these proposals. The first outcome of the partnership in West Sussex was the public consultation on a package of transport proposals—some road-based and some public transport-based—for the city of Chichester. The public exhibition in November and December 2004 setting out the proposals was attended by 2,600 people and the Highways Agency received nearly 10,000 responses. It has completed its analysis of them and is finalising the scheme assessment, taking on board the views expressed during the consultation.

In East Sussex, the public inquiry into the Southerham to Beddingham improvement to the east of Lewes ended last month. The inspector's report is expected early next year, so I am severely limited in the detail that I can go into, but subject to the inquiry's outcome, that scheme is still on target for a programmed commencement of works in 2006–07. Following the SoCoMMS decision, other ongoing work includes major studies of traffic issues at both Arundel and Worthing. It is generally agreed that there is no simple solution to the problems in those towns.

As the hon. Member for Arundel and South Downs said, the A27 separates the old town centre of Arundel, including the cathedral and the castle, from the more

recent, mainly residential development to the south of the town. Approximately four out of five vehicles on the A27 at Arundel are through traffic—in other words, both their origin and destination is outside the town. On the other hand, the surrounding countryside is environmentally sensitive and borders the South Downs area of outstanding natural beauty. There are also other designated sites near Arundel, so any outer bypass of the town would seriously affect that landscape. That was the case for the proposals recommended by SoCoMMS.

At Worthing, the trunk road route passes through densely developed urban areas, and I appreciate the problems that that brings to the town. However, the proposals recommended by SoCoMMS consisted of a series of four tunnels each up to 2 km long, with major road developments in between—all located within the South Downs area of outstanding natural beauty. Not only was the scheme environmentally damaging, the cost of the tunnels alone would have made it unaffordable. I remind Members present that I recently called for a review of the Stonehenge tunnel when that scheme's cost rose to £470 million. The Stonehenge scheme involved just one 2 km tunnel, not four.

The problems at Worthing are exacerbated not only by the dense urban areas but, as I said earlier, by the fact that the boundary of the South Downs area of outstanding natural beauty comes right up to the urban area of Worthing and Lancing. It is therefore proving to be very difficult to find an acceptable working solution to the problems associated with the A27 at that location.

Mr. Tyrie: I agree that the Minister is a good chap, as my hon. Friend the Member for Worthing, West (Peter Bottomley) said a moment ago, but I really do think that he is slightly off the rails now. He has said four times that the proposed road improvements are close to an area of outstanding natural beauty and that they might cause environmental damage. Surely we need some joined-up government, particularly in the Chichester area but throughout the region. Will the Minister speak to his opposite numbers and do something about the huge amount of house building that is going on, which is creating the demand on the road and generating the pressure? One lot are building the houses while the other lot are saying that we cannot improve the road because it is near an area of outstanding natural beauty.

Dr. Ladyman: I assure the hon. Gentleman that in respect of all the assessments that I have mentioned this evening, I have asked the Highways Agency, in undertaking them, to take account of any proposed house building in the area. The fact that development will take place in the area will be taken into account when the road building decisions are made.

I want to say a little more about the scheme in East Sussex that complements the major Southerham to Beddingham improvement scheme. In line with our announcement on the multi-modal study, the Highways Agency has been working in partnership with the county council and the statutory environmental bodies to identify longer-term improvements to the single carriageway length of trunk road between Beddingham, east of Lewes, and Polegate, north of Eastbourne, including possible bypasses at Selmeston and Wilmington. Again, that is an environmentally sensitive area and it is proving difficult to find solutions.

On the points that the hon. Member for Arundel and South Downs made about the regional funding allocation process, we expect to receive by the end of January 2006 the South East England Regional Assembly's advice on which transport schemes should be given funding priority.

With the exception of the Southerham to Beddingham improvement scheme, which is already committed to, all the A27 improvement schemes that I have mentioned so far—at Chichester, Arundel, Worthing, Selmeston and Wilmington—have been included in the prioritisation exercise. It seems to me, therefore, that the hon. Gentleman would do well to make his representations in the region, to raise the priority of the proposals. He says that the schemes are strongly supported, but is the support strong enough for the region to put them into the top priority category of the schemes that it wishes to move forward most urgently?

Mr. Peter Bone (Wellingborough) (Con): When the regional priorities are identified, is the Minister undertaking to deliver them?

Dr. Ladyman: I have made it clear that the region offers advice, and we do not expect to accept its advice absolutely and always. There may be reasons why the hon. Gentleman himself might not always want us to accept the advice of a region, but to judge it to be flawed—and we have reserved that right. However, we have said that where a region does have a consensual position on which schemes should take the highest priority, and the region and the Government office seem to have done a good job in consulting everybody and taking their views into account, we would certainly pay very strong regard to that advice—and I would be surprised if we deviated very far from it.

In addition to the advice, we are awaiting the inquiry inspector's report on the Southerham to Beddingham stretch. The Highways Agency is also expecting to report back on the consultation on the improvements at Chichester early next year, and a little later it expects to report on its studies at Arundel, Worthing, Selmeston and Wilmington. We will consider the way forward for all those schemes in the light of the advice received from the South East England region about its priorities.

The hon. Member for Arundel and South Downs raised housing as a specific issue, and it was also raised in an intervention. I said that the Highways Agency had been asked to take it into account in its reports back to me. Complementary to that process, the agency is currently working with local authorities as they produce their local development frameworks to ensure that transport issues are fully addressed, and that integrated transport proposals are included in each authority's plan.

In addition to the major improvements, the Highways Agency has a three-year rolling programme of maintenance and smaller-scale improvements to the A27. The agency has just completed modifications to the Stockbridge roundabout on the Chichester bypass, reducing the diameter of the roundabout and improving the approaches, which will improve the flow of traffic through the junction.

[Dr. Ladyman]

At Worthing, signals have been provided at the Grove Lodge roundabout. I know that there has been some local disquiet since the signals were installed, but early indications are that traffic flow through the junction is better.

Several hon. Members *rose—*

Dr. Ladyman: I think that I should give way to the hon. Member for East Worthing and Shoreham (Tim Loughton), as he represents part of Worthing.

Tim Loughton: The Minister mentions the traffic changes on the Grove Lodge roundabout. I carried out a survey recently among residents who use that roundabout, and overwhelmingly they say that the changes have increased the problems on that stretch of the A27. If he is saying that they, along with the other roundabout adjustments at Chichester, are his panaceas for the congestion on the A27, he is sorely underestimating the scale of the problem. When was the last time he came down to the A27 in West Sussex and saw it for himself?

Dr. Ladyman: The word "panacea" never passed my lips. Those small-scale schemes are simply some short-term measures by which we are trying to improve things while we try to move forward on the wider agenda that all the Opposition Members here are keen to promote.

Mr. Tyrie: Does the Minister realise that the idea that the changes to the Stockbridge roundabout will improve the situation whereby a large chunk of my constituency is effectively cut off every day by a huge traffic jam almost an hour long leading into Chichester will be greeted by my constituents with a hollow laugh? What we need is some real road improvements.

Dr. Ladyman: I do not deny the possibility that the hon. Gentleman's constituency may need some major road improvements. My point is that we are making some short-term improvements while we work out the way forward. That is a not unreasonable position to take. We have made several short-term improvements throughout the area.

The proposals and the major road improvements, which have been backed by significant investment, are an indication of the Government's policy of trying to develop sustainable solutions to the transport problems of the south coast corridor. I understand the need for economic regeneration and accessibility to those towns and I understand the frustration of the constituents of the hon. Gentlemen opposite. I undertake to do my best to keep the issues moving forward—*[Interruption.]* I will, as the hon. Member for Worthing, West (Peter Bottomley) suggests, ask whether it is a good thing that we do this and, if so, on what time scale and how fast can we get on with it. If we can make a case, if the scheme is value for money and if the region agrees that it is among its priorities for progress, I am confident that we can get this sorted out—unlike the Government of whom he was a member.

Question put and agreed to.

Adjourned accordingly at half-past Ten o'clock.

House of Commons

Tuesday 13 December 2005

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

SCOTLAND

The Secretary of State was asked—

Scotland Act

1. **Anne Moffat** (East Lothian) (Lab): Whether he plans to amend the Scotland Act 1998. [35557]

The Secretary of State for Scotland (Mr. Alistair Darling): There are no plans to revisit the Scotland Act through primary legislation.

Anne Moffat: I thank my right hon. Friend for that answer and I am glad that there are no immediate plans to look at the Scotland Act. However, will he consider revisiting the Scotland Act when we have the genuine and mature energy review, debate and consultation? If the Scottish Parliament tries to hold up the prospect of having nuclear energy as part of future energy provision, would we perhaps need to examine the Act to take the planning laws away from the Scottish Parliament?

Mr. Darling: No, I do not think that that would be necessary or desirable. I repeat that there are no plans to revisit the Scotland Act through primary legislation. However, I agree strongly with my hon. Friend about the need for a sensible debate on the future generation of electricity not only in Scotland, but throughout the whole United Kingdom. As the Prime Minister has said, that must include a consideration of nuclear energy. I know that many people in the Scottish Parliament have a philosophical objection to that and that others take a more pragmatic view by saying that we must decide how we would deal with nuclear waste. I was interested that the Liberal spokesman, the hon. Member for Caithness, Sutherland and Easter Ross (John Thurso), has said publicly that he has an open mind on nuclear energy, which, as I understand it, represents something of a departure from Liberal policy.

Mr. Alex Salmond (Banff and Buchan) (SNP): On energy, should we not reopen consideration of the Scotland Act to devolve control of the oil and gas industry to the Scottish Parliament? We know that revenues are reaching a record level of £12 billion, but jobs and exploration are likely to reduce as a result of the Chancellor's clumsy tax hike. We know that the First Minister of Scotland was not consulted—no surprise there—but was the Secretary of State consulted about the tax hike that will affect many Scottish jobs, or is he just a cipher of the Chancellor?

Mr. Darling: As the House knows, I have many discussions with my right hon. Friend the Chancellor about a range of matters. On North sea oil taxation, it is necessary to strike the right balance between oil producers and consumers. We want to promote exploration in the North sea—indeed, there has been considerable exploration over the past few years—but it must be borne in mind that the return on capital was forecast to be 40 per cent. for oil companies in 2005 compared with just 13 per cent. for other non-financial companies. The Government have also said that they are committed to making no further increases in North sea oil taxation in the lifetime of this Parliament and have introduced additional incentives to help exploration. I recall that, in 2002, when we last changed the oil taxation regime for the North sea, the hon. Gentleman predicted the end of exploration as we knew it. Since then, exploration has increased and North sea oil activity has proved to be remarkably robust. He is ever the opportunist and ever ready to make the wrong calls, and it is not just us who believe that, but, increasingly, members of his own party.

Mr. Jim McGovern (Dundee, West) (Lab): Is my right hon. Friend aware of the curious alliance that is demanding that the Scotland Act be revisited: a combination of the nationalists, Greens, Trotskyists and *The Sunday Times Scotland*? Does he agree that any idea that gathers the support of such an alliance must be mad, bad and, indeed, dangerous?

Mr. Darling: Talking of alliances, I noticed that the hon. Member for Banff and Buchan (Mr. Salmond) was on the same platform as the Greens and the Scottish Socialists, who want to shut down the North sea completely—as well as capitalism. He has been building an odd pro-business alliance, and, as I said, he keeps making the wrong calls. I agree with my hon. Friend. I see no need to reopen the Scotland Act and it is not the Government's intention to do so.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): I draw the attention of the House to my entry in the Register of Members' Interests.

In answer to the hon. Member for Banff and Buchan (Mr. Salmond), the Secretary of State said that the high oil price justified the high tax. Will he thus send a signal to the industry that if the oil price falls, the tax that has been justified by the high price will fall in line with that fall in price so that investors are encouraged by knowing that there will be a more stable regime in the long term?

Mr. Darling: I thought that the hon. Gentleman was going to explain his policy on nuclear energy, as we have heard the policy of his hon. Friend the Member for Caithness, Sutherland and Easter Ross (John Thurso). As for the North sea, I drew the attention of the House to the fact that the return on capital is 40 per cent. in the North sea oil sector and 13 per cent. for other non-financial companies. The Chancellor made

it clear last week that, having reached a decision, he does not propose to revisit the matter in this Parliament.

Rosemary McKenna (Cumbernauld, Kilsyth and Kirkintilloch, East) (Lab): Without asking my right hon. Friend to speculate on how many women will be selected for safe Tory seats in Scotland, does he agree that one of the great successes of the Scotland Act is the creation of the Scottish Parliament, given the number of women, particularly Labour women, who became MSPs?

Mr. Darling: I agree. It is entirely right and long overdue that the Scottish Parliament should be far more representative of the Scottish population, and I am pleased that our party led the way in making sure that that was the case. The Conservative Front Bench gives a misleading impression of Scottish Tories. While I am delighted to see both the hon. Member for Epping Forest (Mrs. Laing) and the hon. Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell), there is only one Conservative MP in Scotland, so there is considerable gender imbalance. I see in the press that, no matter what the new Tory leader says about having more women candidates, that policy will not apply in Scotland.

Fuel Prices

2. **Mr. Brian H. Donohoe** (Central Ayrshire) (Lab): What assessment he has made of the effect of rising fuel prices on businesses in Scotland; and if he will make a statement. [35558]

The Secretary of State for Scotland (Mr. Alistair Darling): In his pre-Budget report, my right hon. Friend the Chancellor confirmed that he would freeze petrol, diesel and road fuel gases duties this financial year, which will help businesses in Scotland and, of course, elsewhere.

Mr. Donohoe: My right hon. Friend may not be aware of my meeting with three of the five biggest users of gas energy in Scotland, all of whom are experiencing immense difficulties in sustaining their businesses over the winter. Consequently, 2,000 jobs in north Ayrshire could be affected in an already fragile economy. Will he do me the favour of meeting a small delegation from my constituency and north Ayrshire to discuss the matter further?

Mr. Darling: I understand the point made by my hon. Friend. The decision by my right hon. Friend the Chancellor to freeze duties on fuels was a helpful one. The supply of energy is a separate issue and my hon. Friend will know that the Department of Trade Industry, which has the lead responsibility, has taken a number of measures to safeguard supplies this winter and in future years. I will have a word with my hon. Friend after Question Time, but it may be better for him to speak directly to the DTI, which has the policy lead in this area.

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): May I begin in the new way by agreeing with the hon. Member for Central Ayrshire (Mr. Donohoe)? On fuel prices, does the Secretary of State agree with the conclusion of the report by the Select Committee on Trade and Industry on gas supplies that the Government are not doing enough for businesses and the vulnerable? Given the severer climate in Scotland, what is he going to do about that?

Mr. Darling: I welcome the hon. Gentleman to the Dispatch Box. On behalf of the Government, may I say that we are sorry that the hon. Member for Epping Forest (Mrs. Laing) no longer speaks for the Conservative party, but we should all be grateful for her willingness to stand in during her party's hour of need? It was good of her to return today to give the impression that there are two Scottish Conservatives rather than just one.

I have not had an opportunity to read the report by the Trade and Industry Committee but I am aware of it. As I told my hon. Friend the Member for Central Ayrshire (Mr. Donohoe), the Government are taking action to ensure that we have security of supply not just this winter but in future winters.

In the spirit of agreement—it is obviously the new mood—may I tell the hon. Gentleman that the Government, too, are concerned about fuel poverty, but we have been concerned about it ever since 1997? That is why we introduced the winter fuel allowance, which was opposed by the Conservative party, and is worth £200 this year and £300 for the over-80s. We have introduced measures to help to insulate homes, and the Scottish Executive have devoted £64 million to help pensioners and other people. If he really believes that something ought to be done about fuel poverty, he and his party must vote to support such measures. In particular, they must vote for the necessary money to support those schemes. In the past seven or eight years, however, they have opposed just about every single measure that we have introduced to tackle fuel poverty.

David Mundell: Given the likely impact on fuel prices, jobs and the wider Scottish economy of the Chancellor's £2 billion smash-and-grab raid on the oil industry, did the Chancellor consult the Secretary of State on his proposals, and if not, why not?

Mr. Darling: The hon. Gentleman will no doubt learn that one of the problems with prepared questions is that he should have listened to what I said a few moments ago. I have many discussions with my right hon. Friend on a range of matters. I repeat the point that I made earlier: it is important that the Government strike the right balance between the interests of encouraging exploration in the North sea, just as we have done over the past few years, and making sure that there is a fair return for the British taxpayer. Looking at the present level of prices and the return of capital, the Chancellor took the decision that it was right to change the level of taxation. I should point out that the level of taxation in the North sea is less than it is in comparable countries such as Norway, another North sea oil producer, and it is competitive against tax rates in other parts of the world. I believe that the measure was absolutely necessary and it was also the right thing to do. Similar predictions about the future of North sea oil were made three years ago and they were wrong. I suspect that the predictions made now are wrong as well.

Michael Connarty (Linlithgow and East Falkirk) (Lab): May I turn to the serious question of the damaging effect of gas prices on the business community in Scotland and the rest of the UK? Is my right hon. Friend aware that the interconnector with Europe, which can run at 50 million cu m a day, has a flow-through of only 26 million cu m a day at present, and that the liquefied natural gas terminal at Canvey Island, which can take four tankers a month, is unloading only one a month? Shell has undertaken a big maintenance project on the gas flow from the North sea in November and December, thereby forcing the price up. Is my right hon. Friend aware that what we have here is an invidious monopoly where the suppliers also control transmission, and they are hiking the prices that people have to pay on the spot market because the long-term price was 90p per therm when it should probably be 60p, if the gas were only allowed to flow? We are being manipulated by the owners.

Mr. Darling: I am aware that there have been problems in relation to the supply of gas through the interconnector and, as the Chancellor said in his pre-Budget report last year, the Government are making representations to the European Commission because we believe that, for our market to work properly, it needs to be liberalised. It must be possible for people to buy and sell gas across different countries, and for it to be supplied. As I said earlier, the Secretary of State for Trade and Industry and the Minister for Energy are pursuing a variety of measures that, I believe, will increase the supply of oil available to us not just this year, but in the future.

John Thurso (Caithness, Sutherland and Easter Ross) (LD): The cost of fuel for motorists in rural Scotland is as much as 10p a litre more than for motorists in urban areas. The long-term answer to that is probably national road user charging, but that is some years away. Will the Secretary of State consider a short-term remedy: the use of the derogation available under EU directives 92/81 and 92/82, which permit lower fuel tax for remote areas? Will he discuss that with the Chancellor? Why should those who have little or no public transport be penalised in this way, when the Government clearly have a solution to the problem?

Mr. Darling: I am surprised that the hon. Gentleman is so critical of rural transport in Scotland, when after all it is the responsibility of his Liberal Democrat colleague, the Minister for Transport and Telecommunications in Scotland. I am surprised the hon. Gentleman has not made representations to him to try to improve the situation. I am sure that he would be very ready to listen, since they are in the same party.

There would be some difficulty with the hon. Gentleman's specific proposal. Wherever the line was drawn, anomalies would arise with somebody living just outside such a line having to pay more fuel duty than someone living just over it, so that would not provide the solution that the hon. Gentleman has in mind. I appreciate that, in rural communities, especially where people have to travel long distances and there are difficulties with public transport, there are additional pressures, but I do not think that particular measure would help.

Asylum Seekers

3. **Mr. David Hamilton** (Midlothian) (Lab): How many asylum seekers in (a) Midlothian and (b) Scotland have been granted refugee status in 2005. [35559]

The Parliamentary Under-Secretary of State for Scotland (David Cairns): The information is not held in the form requested. However, there were 1,400 grants of asylum in the UK in the first three quarters of 2005.

Mr. Hamilton: Does the Minister share my concern about the view, which is often the result of paranoia, that the United Kingdom has been overrun by hordes of asylum seekers? I cannot think of a single person who is seeking asylum in my constituency, although the relative of an asylum seeker has been to my surgery, and there are very few asylum seekers in Scotland. Is it not time to separate asylum seekers and economic migrants who contribute to the Scottish economy and fill employment gaps—in my area, unemployment is 2.2 per cent.? We must make it clear that we are not being overrun. We should welcome people who have run away from tyrants to come here with open hearts.

David Cairns: I congratulate my hon. Friend on dealing with the issue sensibly and moderately, because the debate is too often characterised by hysteria at the extremes—the hysteria of those who say that we are being swamped by asylum seekers and, at the other end of the spectrum, the hysteria of those who say that any rules on asylum are an affront.

We must deal with the issues separately. Asylum is about the needs of the individual—if someone has a well-founded fear of persecution, we must welcome them with open arms, and we have a long and proud history of doing so. Immigration is about the economic needs of the host country and it is important to have a managed migration system, which we are working towards. My hon. Friend is right to warn of the dangers of blurring the two issues, because immigration and asylum are separate matters and should be dealt with separately.

Philip Davies (Shipley) (Con): According to the Home Office, in 2004, just one in 15 failed asylum seekers were removed from the United Kingdom. Given his previous answer, what is the Minister doing to ensure that failed asylum seekers are removed from Scotland?

David Cairns: The Home Office is making significant progress on removing failed asylum seekers. It is clear that we have an obligation to welcome those who have suffered abuse or the threat of abuse in their own homes and who qualify for asylum. Those who use the asylum system to bypass the immigration system, however, are engaged in an abuse and are illegal immigrants. If their asylum appeals fail, we ask them to leave the country, and if they do not do so voluntarily—assistance is provided—they are removed. The system is sensible and humane.

John Robertson (Glasgow, North-West) (Lab): Does my hon. Friend agree that it is thanks to the friendly city of Glasgow that we have asylum seekers in Scotland? Glasgow is the only city in Scotland that takes in any

asylum seekers and it would be better if other areas did their bit to welcome people from far-off lands, in which case they might understand the problem better.

David Cairns: Once again, I pay tribute to Glasgow city council, which is the only authority in Scotland to take part in the National Asylum Support Service scheme. Although there were some difficulties in the beginning, most people recognise that the scheme has benefited Glasgow. There have been discussions through the Convention of Scottish Local Authorities and others about other local authorities joining the scheme, but they have not come to fruition. However, it is open to any local authority to make such arrangements with the Home Office.

Nuclear Plants

4. **Mr. Philip Hollobone** (Kettering) (Con): What assessment he has made of the level of public support in Scotland for new build nuclear generation plants in Scotland. [35560]

The Secretary of State for Scotland (Mr. Alistair Darling): The energy review will provide the opportunity to assess public support for both nuclear build and other forms of energy generation.

Mr. Hollobone: Is it not the case that, unless a decision is made soon, not only will the pool of talent, knowledge and expertise in the Scottish nuclear industry emigrate from Scotland, but Scotland's carbon footprint will be likely to increase?

Mr. Darling: No, that is not the case. British Energy and others involved in the nuclear industry in Scotland fully support the Government's decision to review our energy requirements and the source of generation. I do not believe that the hon. Gentleman's forecasts are anything like accurate, and I probably have as good an idea about the situation in the nuclear industry in Scotland as he does.

Angus Robertson (Moray) (SNP): First Minister Jack McConnell does not know whether there should be new nuclear power stations in Scotland. The Liberal Democrat spokesman thinks that it might be a good idea, although his party is opposed. What is the Secretary of State's position? Is he in favour of new nuclear power stations in Scotland? Will he resist the temptation from Labour Back Benchers to repatriate powers over the nuclear power planning process and confirm that it is up to the Scottish Parliament to make decisions about whether there will be nuclear power stations in Scotland?

Mr. Darling: I do not know whether the hon. Gentleman was in the House at the beginning of Question Time when I made it clear that we do not propose to amend the Scotland Act 1998. He is right to say that the Scottish Executive are responsible for planning matters. If I were him, though, I would be wary of lecturing other parties on their deficiencies, given that his party's position on wind power is remarkable. It is in favour of it in general but against it if it is anywhere near its constituencies.

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): In light of the interesting question asked by the hon. Member for East Lothian (Anne Moffat), can the Secretary of State explain to the House what the Government would do if a politically motivated Green, Liberal Democrat or, worse still, Scottish National party-influenced Executive blocked the building of a nuclear power station in Scotland?

Mr. Darling: Again, in the spirit of the new consensus, I think that we would both agree that the Scotland Act has to apply regardless of who happens to be elected to the Scottish Parliament. My view is that most sensible political parties, and most people in Scotland, recognise that we need to have a profound debate about the future of energy generation in Scotland, and that to rule out nuclear would be absolutely foolish. This country has very substantial energy needs in future and we must consider what we do with nuclear plants. We should be looking not to the Scotland Act but to the good sense of people in Scotland, who have rejected the nationalists, the Greens and the Trots on every occasion on which they have had the opportunity to vote them down.

Illegal Drugs

5. **Andrew Rosindell** (Romford) (Con): What recent discussions he has had with the Home Secretary on measures to curb the flow of illegal drugs into Scotland. [35561]

The Parliamentary Under-Secretary of State for Scotland (David Cairns): My right hon. Friend has discussions with the Home Secretary on a range of issues.

Andrew Rosindell: The Minister will be aware of reports that, in Scotland, a line of cocaine is cheaper than cappuccino. There has been a 12 per cent. increase in drug-related deaths in Scotland. When will the Government take action to end this epidemic by securing our ports and airports and ending an appalling trade that ends in the deaths of young people?

David Cairns: I have seen in my own constituency the terrible damage that drug consumption does. It ruins individual lives and wrecks families and communities. That is why it is very important to get all the necessary measures in place to deal with it. Of course, such issues are substantially devolved to the Scottish Parliament. I pay tribute to the Scottish Drug Enforcement Agency, which has done a magnificent job since its inception, and to the measures that have been put in place through the Proceeds of Crime Act 2002. Since that was enacted, more than £5.5 million of assets have been seized from suspected drug dealers. That is hitting drug dealers where it hurts them most—in their pockets. A clearer signal might have been sent from this House if the Conservative party had supported that Act.

People Trafficking

6. **Mr. Angus MacNeil** (Na h-Eileanan an Iar) (SNP): What steps the Government are taking to prevent trafficking of people into and through Scotland. [35562]

The Parliamentary Under-Secretary of State for Scotland (David Cairns): The Government are committed to tackling people trafficking, and we have made that issue a priority in our presidency of the EU, resulting in the adoption of a UK-drafted action plan on trafficking at a Council of Ministers meeting earlier this month.

Mr. MacNeil: Does the Minister accept that the see no evil, hear no evil approach is not a sufficient answer to torture flights and people trafficking on Scottish soil? What is he doing to stop such criminal activity, bearing in mind Lord Woolf's words last week about torture being one of the most evil practices known to man? Will the Minister encourage the police to investigate any suspicious flights and not pass by on the other side on this issue?

David Cairns: We have made the attack on people trafficking one of the priorities of our presidency of the EU. Three important strands need to be put in place to deal with it. First, we need domestic legislation, which we now have in place. Secondly, we need the law enforcement agencies to work in a coherent manner throughout the UK; we will do that through the Serious Organised Crime Agency. Finally, we need co-operation across Europe and beyond because many people who are trafficked come into this country not only from the EU but from Africa.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): People trafficking is a big issue not only in Scotland but throughout the United Kingdom. A big problem is the accommodation in which those who are trafficked live. Will my hon. Friend use his influence with local authorities and housing associations to find out whether local authority environmental officers check out people who have been put in local authority housing?

David Cairns: People trafficking is a crime and anyone who puts up those who have been trafficked commits a crime irrespective of the standard of the housing. To that end, we should look to some of the work of Glasgow city council, which is running a pilot programme to examine the impact of people trafficking. That shows the need for a joined-up approach between the various agencies of the council and the law enforcement authorities. People trafficking is modern slavery. As someone once said:

"If slavery is not wrong, nothing is wrong."

We must take every possible measure to stamp out the evil of people trafficking.

Asylum Seekers

7. **Mr. Alistair Carmichael** (Orkney and Shetland) (LD): What discussions he has had with Home Office Ministers about the process for removing failed asylum seekers with children from Scotland. [35563]

The Secretary of State for Scotland (Mr. Alistair Darling): I have regular discussions with Home Office Ministers on a range of subjects.

Mr. Carmichael: Does the Secretary of State accept that there is a genuine consensus between all parties in Scottish politics that a removals policy for asylum seekers who have children that involves dawn raids is irreconcilable with a policy of treating children according to their best interests? Will he assure hon. Members that he will represent that view in Government and ensure that, throughout the United Kingdom, we have a removals policy that is, at the very least, humane in its treatment of children?

Mr. Darling: As my hon. Friend the Minister for Immigration, Citizenship and Nationality said when he visited Scotland recently, it is unfortunately necessary to remove people who no longer have a right to remain in this country and who have exhausted all the appeal processes. No matter what policy is in place, if someone's application has failed, that must be tackled. I agree that, especially when children are involved, we must be sensitive and the policy must be humane. I also agree that the same policy must apply throughout the United Kingdom. My hon. Friend the Minister for Immigration, Citizenship and Nationality made that clear.

CONSTITUTIONAL AFFAIRS

The Minister of State was asked—

Legal Aid

15. **Miss Anne McIntosh** (Vale of York) (Con): If she will make a statement on the review of legal aid in criminal cases. [36642]

The Parliamentary Under-Secretary of State for Constitutional Affairs (Bridget Prentice): An independent review of legal aid procurement by Lord Carter of Coles was launched following the publication of a fairer deal for legal aid on 5 July 2005. Lord Carter will produce a plan to reform the way in which criminal defence and civil legal services are procured with legal aid in early 2006.

Miss McIntosh: As a non-practising Scottish advocate, I follow the question of legal aid for criminal cases closely. Will the Under-Secretary assure hon. Members that, in the rush to save money by slashing the legal aid budget, the legitimate preparatory work that junior counsel in particular perform at the Bar in England will be recognised as well as their travel expenses so that they are not forced into a position whereby they have to withhold their services because their costs are not being met in full?

Bridget Prentice: I do not accept the hon. Lady's description. We have no intention of slashing the legal aid budget. We want to rebalance it. I assure her that Lord Carter of Coles will take into account the position of junior barristers as well as that of everyone else in the legal aid system.

Rob Marris (Wolverhampton, South-West) (Lab): As a non-practising solicitor in England and Wales, I urge my hon. Friend to examine closely, when the results of

the Carter review are produced, the distribution of criminal legal aid between very few highly paid barristers and the junior Bar, which loses out. I urge her to try to get a much better balance for the junior Bar to stop some top counsel making rather a lot of money out of the legal aid system.

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): That is a very good point.

Bridget Prentice: That is, indeed, a very good point.

Mr. Purchase: I also write good scripts.

Bridget Prentice: Perhaps my hon. Friend might write one for me.

My hon. Friend the Member for Wolverhampton, South-West (Rob Marris) refers to an important part of what Lord Carter will tackle. We are well aware of the amount of the budget that is being spent on high cost criminal cases. We are also aware of the position of those who are relatively new to the Bar and those who have been juniors for a long time. Lord Carter has been made aware of all those issues by the Department and through talking to practitioners.

Mr. Jonathan Djanogly (Huntingdon) (Con): The Minister says that she does not recognise the description given by my hon. Friend the Member for Vale of York (Miss McIntosh), although I thought that it was pretty accurate. Let us see if she recognises this one. At the recent Legal Aid Practitioners Group conference, the director, Richard Miller, said in relation to legal aid:

"I am frustrated that apparently rational people can believe that a business can survive when its overheads are increasing and its income frozen . . . In no other business or profession would this be tolerated."

Will the Minister please explain to the House how she intends to save legal aid from collapse?

Bridget Prentice: I cannot give the hon. Gentleman every single detail of that at the Dispatch Box today, but I hope that we shall be able to have that conversation in the course of further debates. I very much intend to save the legal aid budget. However, I do not intend to allow criminal legal aid to grow like Topsy while the civil budget is being squashed. I want to ensure that we rebalance those arrangements. I work closely with Richard Miller and other people from the LAPG, and have long conversations with them about how we can best achieve that.

Vera Baird (Redcar) (Lab): First, the hon. Member for Huntingdon (Mr. Djanogly) was misquoting Miller if he was alleging that he was talking about crime. He was talking about civil legal aid, not about crime at all. Quite rightly, my hon. Friend the Minister has pointed out that there is a coincidence of interest between the Government and the LAPG on that issue. Of course, there has been something of a row between the Bar and the Government about who is responsible for the increase in costs. Will the Minister make the good point to the House that the Government have now accepted that there should be legal aid impact assessments on all new laws, so that it will be clear if a new criminal law—we all need new criminal laws; we all want to get more people convicted—is going to have a knock-on effect on legal aid, so that that can be provided for. The situation would then be clear, and there would be no need for any bitterness.

Bridget Prentice: My hon. and learned Friend makes an important point. We have indeed introduced the legal aid assessment test, thanks to conversations that we have had with the LAPG. Every Government Department will now have to account for any of the funds that would be needed in legal aid, should they introduce any such legislation. Of course, we in the Department for Constitutional Affairs will be happy to help other Departments to find alternative ways of regulating the system so that people may not necessarily have to go through the court system.

Barristers (Industrial Action)

16. **James Duddridge** (Rochford and Southend, East) (Con): What contingency plans she put in place in response to the industrial action by barristers in criminal practice. [36643]

17. **Andrew Rosindell** (Romford) (Con): If she will make a statement on the industrial action by barristers. [36644]

The *Parliamentary Under-Secretary of State for* Constitutional Affairs (Bridget Prentice): We said that we would maintain the judicial system regardless of any action that barristers might take. We have done that. The action was limited, and was managed locally by the courts, the Legal Services Commission and the Crown Prosecution Service using a range of effective contingency plans.

James Duddridge: I thank the Minister for her response. What contingency plans does she have in place in case there are problems and disruption when Lord Carter eventually produces his report? What will happen if barristers withdraw their labour after the Carter report?

Bridget Prentice: I do not want to prejudge either the Carter report or what the barristers will do as a result of it. Since the barristers took strike action, they have co-operated very positively with Lord Carter, and I do not foresee that we shall have to put any contingency plans in place post-Carter. However, if we have to, we will.

Andrew Rosindell: Does the Minister agree that cuts in legal aid pay will have a serious effect on the recruitment of barristers from lower income backgrounds? I thought that that was a recruitment policy that the Government encouraged.

Bridget Prentice: In answer to the second part of the hon. Gentleman's question, he is absolutely right. We do want to encourage people from a variety of backgrounds into the legal profession, both as barristers and solicitors. As I said in answer to an earlier question, Lord Carter is looking at the situation as a whole. He is well aware of where the strains are within the legal aid budget, and I hope that he will suggest some positive reforms that will ensure that people not only from lower income backgrounds but from a diverse variety of backgrounds are able to join the profession.

Keith Vaz (Leicester, East) (Lab): Does not the Minister share my disappointment that members of the junior Bar took this industrial action? Will she assure the House that the Government are continuing to hold a dialogue with them? Will she explain to the barristers concerned that we have a legal aid budget of £2.1 billion, which is up from £1.5 billion in 1997? The Government are seeking not to cut that budget but to refocus it on the areas that clearly need funding, such as the community legal service and the large parts of the country in which one simply cannot find a solicitor prepared to give legal advice. That is why there must be a reshaping of our priorities.

Bridget Prentice: I know full well the amount of work that my hon. Friend did to establish facilities such as the community legal service, and I hope that the House is appreciative of that. I do not accept, however, that there are large swathes of the country where people cannot get legal advice. They can get legal advice, and there are a variety of ways in which we can provide it, whether face-to-face directly with a solicitor, by telephone or on the internet. It is also right, however, that we want to rebalance the increased budget that this Labour Government have put into legal aid—up from £1.5 billion to £2.1 billion, which we should not forget—so that civil legal aid gets its fair share of the pot.

Barbara Keeley (Worsley) (Lab): On the subject of industrial action, will the Minister tell us what might be the impact of the planned industrial action by magistrates court staff?

Bridget Prentice: We are disappointed with the ballot result in the magistrates courts. There is still time for industrial action to be averted, and it is regrettable and unfortunate that we have been unable to reach agreement on a settlement with the unions. I hope that further negotiations and discussions can take place between now and when they wish to consider action.

Jeremy Wright (Rugby and Kenilworth) (Con): The Minister has expressed her concern for the junior Bar, which I share. Does she agree that one of the reasons for the industrial action is that members of the junior Bar in particular have been asked to wait and wait for an indication of what their financial future will be? Had the Government also waited for the Carter review before imposing cuts on fees paid to the junior Bar, that industrial action might have been averted.

Bridget Prentice: The Government, as the caretaker of the taxpayer's money, must behave in a responsible fashion. Legal aid was £130 million over budget, so we had to take some action to ensure that we brought it back into line. It is responsible and proper for the Government to behave in that way. We look forward to the outcome of Lord Carter's review early in the new year, and I hope that the hon. Gentleman and the junior Bar will find it a positive way forward.

David Taylor (North-West Leicestershire) (Lab/Co-op): Stephen Hockman QC, the new chair of the Bar, has stated his view that Carter will recommend fee levels that are likely to be accepted as appropriate. Of the 4,000 criminal barristers in England and Wales, however, increasing numbers are refusing to take on new defence cases, and in some cases declining to take late appointments when other barristers were double-booked in relation to a prosecution. As a result, prosecutions in the courts have been lost. Does the Minister think that that is likely to be an increasing trend before Carter reports?

Bridget Prentice: No, I do not think that that will be an increasing trend before Lord Carter reports. The picture that my hon. Friend has painted might have taken place during the strike action, although no case was lost in court. I do not therefore believe that the scenario that he describes is likely to recur. Lord Carter is well aware of the views of everyone in the legal profession, however, and has had detailed conversations on such matters. I am sure that he will bring forward a review that will allow us to have a legal aid system that is sustainable and appropriate for the 21st century.

Mr. Jonathan Djanogly (Huntingdon) (Con): The Minister fails to face up to the fact that legal aid in this country is in crisis. With barristers striking, at least 25 per cent. of criminal law firms having closed down over the past four years, legal aid rates frozen for eight years and more than 50 per cent. of Crown court legal aid now being spent on just 1 per cent. of the cases, how much further can the Government squeeze the pips of legal aid before it collapses?

Bridget Prentice: It is a pity that the hon. Gentleman did not think about the answers to some of the earlier questions before asking his own question. I have already established that the barristers' strike is over, and that they are co-operating with Lord Carter. It is precisely because 50 per cent. of the budget is being spent on 1 per cent. of cases that we asked Lord Carter to conduct a review and to see how the position could be improved. We have already provided opportunities to manage cases before they go to court, and we are considering ways in which the junior Bar can be helped and supported. A whole range of things are happening. If the hon. Gentleman is to speak from the Front Bench, he really ought to do his homework first.

House of Lords

18. **Mr. Philip Hollobone** (Kettering) (Con): What plans she has to change the composition and powers of the House of Lords. [36645]

The Minister of State, Department for Constitutional Affairs (Ms Harriet Harman): Our plans include clarifying the powers of the House of Lords to entrench the primacy of this House, and giving this House a free vote on the composition of the House of Lords.

Mr. Hollobone: Given the speed with which the Government are advancing reform of the House of Lords, when the Prime Minister eventually steps down, is he likely to be elevated to the upper House, or will he have to seek election to it?

Ms Harman: I think that we are proceeding at an appropriate pace. As the hon. Gentleman knows, we are committed to establishing a Joint Committee of the two Houses to consider and codify the powers of the

House of Lords, so that when we vote in this House on the composition of the House of Lords we shall be in no doubt about what its powers are. Now that the Conservatives have sorted out their leadership issues, I trust that we shall be able to proceed with the establishment of the Joint Committee as soon as possible.

Michael Connarty (Linlithgow and East Falkirk) (Lab): Does my right hon. and learned Friend share, or at least empathise with, my embarrassment over what happened last week when the European Scrutiny Committee visited the Turkish Parliament? When we spoke of people's concern about the fact that the country was run by a religious party, it was pointed out that we have a second Chamber containing 13 representatives of a particular religion. Did they get there by right? According to those parliamentarians, if any member of their Parliament had been found to have given £200,000 to a political party, he would be in jail and not in a legislature.

Ms Harman: Let me respond to my hon. Friend's first point by saying that he will have a chance, as we all will on a free vote, to vote on the composition of the House of Lords. What is important is ensuring that the House is given the choice that it wants, rather than the Government narrowing down the possibilities. In that way the House can play a part in deciding the choice on which it is ultimately able to vote.

I shall pass swiftly over my hon. Friend's second point.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): I welcome the news that the House is to be given a free vote on the composition of the second Chamber. Many of us believe that it should be either wholly or largely elected. However, may I ask the Minister to be very careful when talking about the primacy of this House? What she is actually talking about is the primacy of the Whips Offices in all parties. That is very different from the primacy of an elected Chamber.

Ms Harman: My hon. Friend the Under-Secretary of State, who is a former Whip, says that that sounds perfectly reasonable to her, but I believe that plenty of Members on both sides of the House consider that the Whips do not have absolute primacy—although of course they have powers to persuade and encourage.

When Members of this House vote on the composition of the House of Lords, the vote will be not only free but unwhipped. All Ministers will have a free vote, and members of all parties will have a free vote. What is more, we want to ensure that the House has decided on what choice is before it, so that no Members can feel that they were not given the right choice on which to exercise their votes.

Mr. David Heath (Somerton and Frome) (LD): If the right hon. and learned Lady thinks that we are moving at an appropriate pace, I should hate to see us moving slowly. This is the most urgent issue within the urgent process of democratic renewal that the House needs to undertake. We have waited since last summer for the Joint Committee to be established, and there is still no sign of it. We cannot have the free vote to which the right hon. and learned Lady referred until the Joint Committee has done its work. Has she had any conversations with the Leader of the House as to whether, when we do come to take a decision on the matter, we can do so by a process of exhaustive amendment similar to the process by which you, Mr. Speaker, were elected, so that we have a genuine outcome and not the Whip-arranged score draw that we had last time?

Ms Harman: On the speed with which we are proceeding on constitutional and democratic reform, I remind the hon. Gentleman that we have devolved power to Scotland, Wales and London, we have new electoral systems for Scotland, Wales, London and the European elections, we have introduced the Human Rights Act 1998, the Freedom of Information Act 2000 and we have already undertaken substantial reform of the House of Lords. I would have liked us to go faster in establishing the Joint Committee of the Lords and the Commons, but it requires the agreement of all parties. We are seeking to reach that agreement and to set up that Joint Committee of all parties. We do not want to proceed without the help of a Joint Committee but, if it cannot be set up, we will move on. That will, however, be less satisfactory.

I will be having discussions with hon. Members about the process by which we decide the options on which to have the free vote. I do not think that any of us wants to go through the processes that we went through last time, which people felt were unsatisfactory. We must work out how to get the appropriate consensus of this House reflected in a vote.

Mr. Speaker: Order.

Sir Patrick Cormack (South Staffordshire) (Con): Oh.

Mr. Speaker: The hon. Gentleman knows that I am tied by the rules of the House, which say that I must go on to another matter.

LEADER OF THE HOUSE

The Leader of the House was asked—

Select Committees

30. **Sir Nicholas Winterton** (Macclesfield) (Con): If he will bring forward proposals to appoint a representative of the Select Committee on the Modernisation of the House of Commons to the Liaison Committee. [36657]

The Deputy Leader of the House of Commons (Nigel Griffiths): The House decided on 13 July that the Liaison Committee should comprise members who chair the Select Committees established in our permanent Standing Orders. We do not propose to revisit that matter so soon after that decision was taken.

Sir Nicholas Winterton: The Modernisation Committee of the House of Commons has existed and operated in this House for eight years. Although it is

appointed only until the end of the present Parliament, it has become a permanent fixture of the House, whether we like it or not. Is not it wrong that a major Select Committee that can influence the way in which the House operates should not have a representative on the Liaison Committee, which is the Committee of all the Chairmen of the Select Committees of this House? Will the Minister review the issue as a matter of urgency and fairness?

Nigel Griffiths: The Modernisation Committee may indeed be fairly new in terms of the history of this House and it may indeed, to use the hon. Member's words, be a permanent fixture, but it is not in our permanent Standing Orders. I pay tribute to the valuable role that the Modernisation Committee plays in this place, but there are other Committees whose Chairs are not represented either. It is, of course, open to any Member or any Committee of this House to make direct representations to the Liaison Committee, and I urge the hon. Member to do that.

Pete Wishart (Perth and North Perthshire) (SNP): With all due respect to the hon. Member for Macclesfield (Sir Nicholas Winterton), surely, if there is a place available on the Liaison Committee, it has to go to a representative of the minority parties. Currently, we are completely excluded from that important Committee, and denied the opportunity to question the Prime Minister on key issues of the day. Does the Minister agree that the Committee does not need any more members from the three main parties and that that exclusion must be addressed?

Nigel Griffiths: I have to say to the hon. Member that there is minority party representation, but it is not his party—it is the Liberal Democrats. It is up to him and his colleagues to sort the matter out with them. I have to stress that the deliberations of the Liaison Committee are available to all and representations are taken, as I have said, from Members. I attribute the same importance to every Member of the House, so if the hon. Member wishes to make representations to the Liaison Committee, he should do so.

Sir Patrick Cormack (South Staffordshire) (Con): Is the hon. Gentleman aware that some of us think that modernisation should come to an end fairly soon? Would it not be interesting to allow the Chairman of the Modernisation Committee to sit on the Liaison Committee? Then we could hear the Leader of the House question the Prime Minister in public.

Nigel Griffiths: The issue of whether the Chair of the Modernisation Committee should be on the Liaison Committee has already been covered when I referred to the Committees established under the permanent Standing Orders of the House. It is also important to note that, with the Committee already comprising 30 members and the Chair, there is plenty of scope and plenty of representation across the House. There is no reason why any question that an hon. Member feels is appropriate should fail to be put to the Prime Minister or to anyone else.

Modernisation Committee

32. **Norman Baker** (Lewes) (LD): If he will press the Modernisation Committee of the House of Commons to recommend a procedure for moving amendments to statutory instruments. [36659]

The Deputy Leader of the House of Commons (Nigel Griffiths): No. Delegated legislation covers subsidiary areas of law making that Parliament has already decided should, subject to certain safeguards, be for Ministers to deal with. Those safeguards are laid down in the parent Act and there are opportunities under the negative or affirmative procedure for the House to reject any instrument.

Norman Baker: The Minister is a fair man and he will recognise that on some occasions in Committees when statutory instruments are presented, it becomes apparent that a minor change would be beneficial. Sometimes all parties agree on that, but the Government do not want to take the SI back for further consideration, so it gets pushed through in its unamended and deformed state. Would it not be far better if Members could amend SIs? If that were allowed to happen, the legislation would be better and it would help the Government.

Nigel Griffiths: A number of organisations, including the Procedure Committee, have looked into this matter. The Hansard Society examined it under Lord Rippon and concluded:

> "We see the greatest difficulty in empowering the House or its committees to amend the text of instruments ... and all the advantages of greater flexibility of delegated legislation would be lost."

It is that flexibility that we do not wish to lose and neither do we wish the statutory instrument procedure to become yet another series of whipped votes on issues, which I fear it would undoubtedly become.

Mrs. Theresa May (Maidenhead) (Con): I am interested to hear the Minister's comment that statutory instrument procedure should not become a matter of whipped votes, which, of course, they are when a vote is taken in the Committee considering a particular instrument. Given the number of legislative measures that are enacted not through a Bill but through secondary legislation and given that statutory instruments are debated for a maximum of only one and a half hours under the negative procedure, does not the Minister believe that the time has come for better scrutiny of the statutory instruments and regulations that the Government use as a secondary means of introducing legislation?

Nigel Griffiths: First, I welcome the right hon. Lady to her post as shadow Leader of the House. Having looked into the problem—the Procedure Committee looked into it more recently than the Hansard Society, and it is kept under review by Committees of the House—I do not believe that there is a convincing case for opening up statutory instruments to a different set of procedures from the existing ones that have been used for some time. I have to disappoint the right hon. Lady by saying that I do not accept her point of view on this matter.

Mr. David Heath (Somerton and Frome) (LD): My hon. Friend the Member for Lewes (Norman Baker) is obviously right, but is there not an even more worrying development? Over recent months, Northern Ireland legislation has been introduced by statutory instruments. It is, in effect, primary legislation, but because of the rules of the House, it is unamendable. Will the Minister at least consider the matter further in the context of dealing adequately with Northern Ireland legislation?

Nigel Griffiths: The important point about Northern Ireland legislation is that, as the peace process moves forward, we have to re-establish the Northern Ireland Assembly as quickly as possible. It is important to move in that direction rather than consider temporary measures to cope with what we all hope will be a temporary issue.

HOUSE OF COMMONS COMMISSION

The hon. Member for North Devon, representing the House of Commons Commission, was asked—

Cleaners (Pay Dispute)

33. **Julie Morgan** (Cardiff, North) (Lab): What plans the Commission has to help resolve the dispute with the House's contract cleaners. [36660]

Nick Harvey (North Devon): I understand that the employing company has made an offer to the union representing its work force, about which the union is consulting its membership. To provide further information at this delicate stage in the negotiations would not be helpful to either side.

Julie Morgan: I welcome the hon. Gentleman's response and I am glad that some progress has been made, but does he not think that this situation will continue as a running sore until there is a satisfactory resolution, and that it may be necessary for the House of Commons Commission to involve itself and to renegotiate the contract?

Nick Harvey: The authorities of the House have been actively involved in discussions with the employer company and I am very hopeful that a resolution can now be found. However, given that the proposal is being discussed and negotiated at this very moment, there is a limit to what I can say at this stage if I am to avoid being unhelpful.

David Taylor (North-West Leicestershire) (Lab/Co-op): Can the hon. Gentleman tell the House, despite the acknowledged sensitivity of the negotiations, whether any attempt will be made to bridge the gap between this Parliament and other European Parliaments, in that no other European Parliament allows its cleaners to be paid so little and none allows them to be employed without sick pay or pension provision? Are those two issues also under discussion?

Nick Harvey: I am not party to the negotiations but I believe that the issues to which the hon. Gentleman refers are indeed under discussion. On comparisons, he will have to accept that employees in central London are employed in a local market here, and that comparisons with other markets in other countries are not really valid for the purposes of concluding a contract negotiation.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): I am absolutely delighted that progress is allegedly being made. That said, there are stories circulating that the trade union involved is flexing its muscles, but nothing could be further from the truth; rather, it is defending basic, principled rights and representing people who are among the most vulnerable in our society. That is what trade unionism is about, not flexing muscles.

Nick Harvey: I have not heard such suggestions and I am sure that the trade union involved is doing its best to represent its members. As I said, I am hopeful that a conclusion can be arrived at before long.

Points of Order

3.32 pm

Miss Anne McIntosh (Vale of York) (Con): On a point of order, Mr. Speaker. I briefly gave notice yesterday of this point of order, which relates to the answer given to a question from me by the Minister for Policing, Security and Community Safety, the right hon. Member for Salford (Hazel Blears). It appeared in *Hansard* on 29 November, and on 8 December, she wrote to me to point out that it was inaccurate—through, I am sure, no fault of hers—in two substantive respects. She then wrote to me to correct the two inaccuracies and has confirmed that a copy of the letter has been placed in the Library. As you know, Mr. Speaker, the inaccurate answer remains on the record in *Hansard*. May I ask you to use your good offices to ensure that the record is reprinted with the full text of the amended written answer, including the corrections to those two inaccuracies?

Mr. Speaker: I am pleased that the Minister has clarified and rectified the situation. If the hon. Lady is very keen to ensure that the content of the reply that she received is on the record, she can table an identical question and the answer to it will tie in with that reply. That is the way to do it.

Andrew Selous (South-West Bedfordshire) (Con): On a point of order, Mr. Speaker. I wonder whether you can advise Ministers on the correct procedure when answers given in this House are not correct. If I may, I draw your attention to the differing practices of the Treasury and the Foreign Office in this regard. When I asked a question during Treasury questions on 10 November, the answer given was incorrect and a letter was then placed in the Library of the House. However, I noted from yesterday's Order Paper that when the same thing happens in the Foreign Office, it is good enough to include a written ministerial statement on the Order Paper. Given these differing practices, can you advise Ministers on the manner in which you expect inaccurate answers to be corrected?

Mr. Speaker: May I say to the hon. Gentleman that that would be a matter for consideration by a Committee of the House? It is not one for me to intervene in.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): On a point of order, Mr. Speaker. Today, I have read on a BBC website that a £100-million contract for new coastguard helicopters has been awarded. One of the coastguard bases that will benefit is at Stornoway, in my constituency. I raised this matter in a point of order last Thursday, when I asked whether the relevant Minister would come to the House and make a statement about the contract. Will hon. Members have an opportunity to question that Minister about the matter?

Mr. Speaker: The hon. Gentleman can put down questions for the appropriate Question Time. He can also submit written parliamentary questions to find the information that he seeks.

Road Traffic Signs (Enforcement Cameras)

3.35 pm

Dr. Nick Palmer (Broxtowe) (Lab): I beg to move,

That leave be given to bring in a Bill to require all road traffic signs which show the routes where enforcement cameras are from time to time in use to include information on the speed limit in force on such routes.

The Bill is very simple, and I do not expect to detain the House for my full 10 minutes. My proposal would mean that signs indicating the location of a speed camera would also include information about the speed limit that drivers are expected to observe. So, a sign might say, "Speed camera 30", when 30 mph is the limit at that spot or, "Speed camera 40", when the limit is 40 mph.

In many places—and there are some in my constituency—drivers joining a larger road from a side road will pass a speed camera before being informed about the relevant speed limit. I am not at all opposed to the use of speed cameras to enforce reasonable speed limits, and I speak as one who has been fined. Cameras have the effect of restraining those of us who might be tempted to go beyond the appropriate limit, and certainly I am always especially careful when I see a camera.

I think that speed cameras work; but surely it is in the interests of law enforcement and common sense to require camera signs to inform drivers about what they are expected to do. That would be in drivers' interests, too: on seeing a camera sign, all they would have to do is glance down at their speedometers to make sure that they were within the limit displayed on the sign, and then proceed.

Really, that is all that there is to the Bill. It has widespread, all-party support, for which I am very grateful. Its implementation costs would be negligible, as existing signs would merely have to be amended. The hon. Member for Chichester (Mr. Tyrie) has asked me to stress his view that there are too many signs already, and that he would like efforts to be made to reduce other signage if the Bill were passed. I accept that that is a reasonable point.

In this House, the tradition is that Bills that merely offer practical improvements are given a fair wind. I hope that hon. Members present today will give it that fair wind, and that it meets the same treatment if approval is given for its Second Reading on 14 July.

Rob Marris (Wolverhampton, South-West) (Lab): Full speed ahead!

Dr. Palmer: I am very grateful to my hon. Friend for his encouragement, and I hope that the House will allow me to bring in the Bill.

Question put and agreed to.

Bill ordered to be brought in by Dr. Nick Palmer, Mr. Andrew Tyrie, David Lepper, Mr. Fabian Hamilton, Andrew George, Dr. Howard Stoate, Mr. Rob Wilson, Mr. Andy Reed and Mr. Paul Truswell.

ROAD TRAFFIC SIGNS (ENFORCEMENT CAMERAS)

Dr. Palmer accordingly presented a Bill to require all road traffic signs which show the routes where enforcement cameras are from time to time in use to include information on the speed limit in force on such routes: And the same was read the First time; and ordered to be read a Second time on Friday 14 July, and to be printed [Bill 102].

Orders of the Day

Criminal Defence Service Bill *[Lords]*

[Relevant document: The Fifth Report from the Constitutional Affairs Committee, Session 2003–04, HC 746, on the Draft Criminal Defence Service Bill.]

Order for Second Reading read.

3.40 pm

The Parliamentary Under-Secretary of State for Constitutional Affairs (Bridget Prentice): I beg to move, That the Bill be now read a Second time.

The Bill seeks to establish a legal aid system that balances fairness with administrative simplicity and that is based on affordability yet is sensitive to an applicant's individual circumstances. In order to achieve that, we will transfer the power to grant legal aid representation from the courts to the Legal Services Commission, and we will introduce a test of financial eligibility.

The Bill and the scheme that it seeks to deliver are a straightforward evolution of the founding principles of legal aid as they were first expressed by the Rushcliffe report in 1945 and by the subsequent Legal Aid and Advice Act 1949—introduced by a Labour Government. From its earliest design, legal aid was intended to be a wider expression of the beliefs that lay at the heart of the welfare state. A "judicare system" was to be established whereby the services of lawyers could be made available to the poor as well as the rich. The Bill reasserts those founding principles, as well as creating a robust and sustainable legal aid system that is not only capable of responding to the demands of the modern justice system, but of enhancing and supporting it. It also builds on an existing raft of reforms that have already had a significant impact in the area. The Access to Justice Act 1999 modernised the legal aid system and, since then, we have continued to improve and refine the performance of legal aid.

But costs have continued to rise: as indeed they have throughout the history of legal aid. In 2004–05, spending on legal aid as a whole exceeded £2 billion, a rise of £513 million since 1997–98. To put it simply, year on year, the cost of legal aid has risen, on average, at almost twice the rate of inflation. That trend cannot be allowed to continue.

Since 1997, there has been a large growth in criminal legal aid where expenditure has risen by £458 million. There is little doubt that a good proportion of that spending has proved invaluable in protecting the rights of the vulnerable, ensuring access to justice and maintaining the efficiency of the criminal justice system, but the Government also have a wider responsibility to protect the interests of the poor, the socially excluded and, ultimately, the law-abiding members of society. Legal aid resources are finite and only one part of our social agenda, which includes health and education.

David T.C. Davies (Monmouth) (Con): I have listened with great interest to what the Minister has said, but is not she saying—in a roundabout way—that the Government got it all wrong a few years ago and that they are now making a gigantic U-turn?

Bridget Prentice: The system that was in force before we came into government was decrepit, convoluted,

complex and overly bureaucratic. We introduced a system that swept all that away, but we were not aware how many people would take advantage of the new system. That is why we need to look again at the issue. We have an obligation to live within our means and to ensure that the available funds are targeted in the fairest and most strategically beneficial way.

We must make our money work for us and the Bill seeks to do just that by rebalancing and refocusing legal aid expenditure to ensure that we not only protect the rights of those who find themselves prosecuted under the criminal law, but we fund law-abiding citizens who may find that they need to protect or enforce a civil right.

Despite the refinements to the proposed scheme that the Bill empowers, the core principles of the policy, and the Bill itself, remain largely unaltered from the draft that the House saw originally.

Mr. David Burrowes (Enfield, Southgate) (Con): The Government refer to the fact that they are focusing funds. Although the Bill seeks to make further savings of £35 million in respect of the lower courts, has not the Legal Services Commission already accepted that those costs are under control? Indeed, the Department for Constitutional Affairs has predicted that they are on the decrease. One respects the fact that legal aid costs in general have increased, but the budgets of lower courts are under control, so should not the true target for cost-cutting be high-cost cases?

Bridget Prentice: The hon. Gentleman may have been in the Chamber during Constitutional Affairs questions, in which case he would have heard me say that we are targeting high-cost cases. The Bill tries to ensure that we have a much fairer system in both the lower and higher courts. The Bill will also cover the Crown Court.

There are two key enabling powers: first, the power to grant representation is to be transferred from the courts to the Legal Services Commission and, secondly, a test of financial eligibility is to be reintroduced. Clauses 1 and 2 confer those powers by amending schedule 3 to the Access to Justice Act 1999. Clause 3 creates a power to require defendants to make contributions towards the cost of their legal aid, which will be a central component of the Crown court scheme. Clause 4 makes consequential amendments to other legislation.

The scheme to be developed through those powers will consist of three distinct elements: transfer of the power to grant; means-testing in the magistrates court; and means-testing in the Crown court.

Mr. Philip Hollobone (Kettering) (Con): Will the Minister explain to the House why she had to sign a certificate to ensure that the legislation complies with the European convention on human rights?

Bridget Prentice: We all sign certificates to ensure that we comply with the convention. It is a good thing to do and that is why we do it. Every Bill that comes before the House has to have such a certificate. That is part of the law that we introduced and I am puzzled about why the hon. Gentleman is asking that question. Perhaps he would like to explain.

Mr. Hollobone: I am grateful to the Minister for allowing me to intervene again.

I understand from the helpful explanatory notes that there are particular difficulties with clauses 2 and 3, such that the Minister had to sign a certificate under section 19(1)(a) of the Human Rights Act 1998. I am not aware that that has been necessary with other recent legislation.

Bridget Prentice: I can only reiterate that it is part of the law of our country that we comply with the Human Rights Act, and we are ensuring that the Bill does so. I am happy to have signed up to the Act according to those provisions—*[Interruption.]* I am informed that all Ministers taking Bills through the House sign according to the same provisions in the Act. There is nothing unusual about the Bill in that respect.

I want to explain some of the things that the Bill will not do. I must emphasise that it will not affect the existing interests of justice test, which will remain an important feature of the legal aid system and all applicants will need to satisfy it. The test allows for several factors to be taken into account; for instance, whether the applicant is likely to lose his liberty when determining if it is in the interests of justice for legal aid to be granted.

It is an inescapable fact, however, that, as matters stand, every Member of the House would qualify for legal aid provided they passed the interests of justice test. I doubt that I need to remind Members about the unfortunate stream of well-publicised cases in which apparently wealthy individuals are able to claim legal aid under the current scheme. Few would disagree that such a perverse system needs to be tackled and that is precisely what the Bill sets out to do.

David T.C. Davies: Surely, we made those points four or five years ago, when the hon. Lady's Administration changed the rules and brought an end to means-testing.

Bridget Prentice: I am not aware that the hon. Gentleman was making any of those points four or five years ago, but if some of his colleagues were doing so, I was not aware of it. When the scheme was introduced four or five years ago, it was seen to be much simpler and more straightforward than what had gone before. We recognise that we made it much easier for people to obtain legal aid when they would not otherwise have chosen to do so. We are trying to get the balance right.

Under the Bill, the grant of legal aid will cease to be a largely judicial function administered by court staff and, instead, become an administrative function with judicial oversight. Responsibility for the grant will be given to the Legal Services Commission. However, the Government's intention is that court staff will remain responsible for the scheme's day-to-day operation. That arrangement will be regulated by a service level agreement between Her Majesty's Courts Service and the Legal Services Commission. A right of appeal to the court on the interests of justice test will still remain.

Jeremy Wright (Rugby and Kenilworth) (Con): The Minister has made it perfectly clear that the Government's intention is to reduce the demands on the criminal legal aid budget, but I am sure that she will accept that delay in the criminal justice system is a

[Jeremy Wright]

problem. What measures will the Government take to ensure that means-testing, and all that goes with it, does not delay the bringing to court of criminal cases?

Bridget Prentice: The hon. Gentleman makes an important point, which I shall come to later in my speech if he is prepared to bear with me.

The transfer of grant will allow the Legal Services Commission to exercise greater control over legal aid expenditure, as well as ensuring consistency and certainty for applicants. The proposed means test in the magistrates court will be quick and simple to administer. A simple initial filter that consists of upper and lower thresholds will be applied. Applicants whose income falls below the lower threshold will automatically qualify for legal aid, while those who exceed the upper threshold will not be eligible.

To enhance the scheme's sensitivity, however, those thresholds will not be set at a single level; they will be weighted to take account of household composition. For instance, for a childless couple, the upper threshold would be set at £34,000 and the lower one at £19,000. However, a couple with a three-year-old child would have an upper threshold of £40,120 and a lower threshold of £22,420.

For applicants whose income falls between the two thresholds, a more detailed assessment would be carried out to determine disposable income by incorporating a system of allowances covering actual housing, child care and maintenance costs. Applicants whose disposable income, when so calculated, is below a set level would be eligible for legal aid. At the moment, we believe that the disposable income threshold should be in the region of £3,156—close to that used in the civil legal aid scheme.

To place that in context, under that two-tier model for the means test, a couple with a three-year-old child and a joint gross income of £24,000 would probably be granted legal aid after completion of the detailed assessment, but a childless couple, with a similar income and therefore a far higher disposable income, would be unlikely to pass the detailed assessment and therefore would not receive legal aid.

The means test will include assets held by the applicant's partner. Since the test makes allowance for the increased cost of a two-person household, it is fair to recognise not only the full cost, but the full income of the household. However, we acknowledge the concerns of those who argue that unfairness may arise in cases where the partner has a clear contrary interest—for example, in a domestic violence case. For that reason, we will build safeguards into the new scheme to deal with such situations. Once legal aid has been granted, it will cover the entire cost of the defence.

We are aware that such a system can never take account of all possibilities. It has long been a central objective of the scheme that it is sensitive to individual circumstances and considers not only an individual's income, but his capacity to pay. To achieve that, tightly drafted regulations will detail when an applicant can request that special consideration be given to his circumstances. For example, account would be taken of the circumstances of applicants who had especially high outgoings and were genuinely unable to pay for their defence, perhaps because they cared for a disabled relative.

It is also a prime objective that the scheme causes minimal disruption to the justice system. Information on a defendant's means will be collected at the earliest opportunity after entry into the criminal justice system. In some cases, that will be as soon as an applicant is charged with a criminal offence.

Mr. Burrowes: Will the Minister give way?

Bridget Prentice: I am just about to respond to the point made by the hon. Member for Rugby and Kenilworth (Jeremy Wright).

In a second measure to reduce delay, defendants will be able to apply for legal aid under an extended advice and assistance scheme running up to, and including, the first hearing, when a means-tested representation order will come into force. Qualification for the scheme will be determined on the interests of justice alone. That will ensure that the new system does not introduce any delay and that full advantage is taken of the natural pauses that already exist in the criminal justice process. For example, if a defendant who is charged with a relatively serious criminal offence for which he faces imprisonment is held on remand, he will appear in court immediately for a bail hearing. Should the defendant intend to plead not guilty, his trial will be adjourned to allow the defence and prosecution to prepare fully for the trial. Legal aid could then be sought in the period before the full trial started.

Mr. Burrowes: Given that it is likely that the Bill will increase the burden on magistrates courts' staff, does it not highlight the present damaging pay dispute involving such staff? Magistrates courts have great difficulty recruiting and retaining high-quality staff, which has a profound effect on the quality of justice. Such staff will be considering the interests of justice test and implementing the Bill. Unless the Government try to resolve the problem of the pay dispute, there is a worry that there will be a profound effect on local justice.

Bridget Prentice: I hope that the pay dispute does not result in industrial action and that there will be an opportunity before the time at which that action is supposed to take place for all parties to come together to find a constructive solution. I am well aware of the situation that magistrates courts' staff face.

Magistrates courts' staff do the administration for the scheme, and their jobs will be enhanced by giving them responsibility. They perform their roles under judicial supervision at the moment. It is important for us to say to them, "Here is an administrative job that you are doing very well, and we want you to continue to do so."

Vera Baird (Redcar) (Lab): The hon. Member for Enfield, Southgate (Mr. Burrowes) is wrong to suggest that the Bill is likely to increase the administrative burden on magistrates courts' staff. Although they will have more calculating to do, which is a skill that they are used to using—despite what the hon. Gentleman said, staff in magistrates courts are actually of a high calibre—it is expected that there will be between 10 and

20 per cent. fewer applications because the means test will screen out an awful lot of people. The Bill is thus administratively neutral.

Bridget Prentice: My hon. and learned Friend makes an important point. We think that the Bill might well screen out more than 10 to 20 per cent. of applications—perhaps up to 30 per cent. of applications. I am happy to reiterate her important point that the calibre of magistrates courts' staff is high. As I said, they already carry out similar work at the moment and that is likely to continue.

The proposed Crown court scheme will use a combination of powers within existing legislation and new powers under the Bill. Applicants for legal aid in the Crown court will be assessed on financial eligibility as well as the interests of justice. In contrast to the magistrates court scheme, individuals who fail the means test will still be eligible for legal aid. However, they will be expected to contribute towards the cost of their defence. Another notable difference between the magistrates court and Crown court schemes is the proposed capital test, under which liquid assets in excess of £8,000 held in cash accounts at bank and building societies are the subject of a single, one-off contribution. As with the magistrates court scheme, aggregation of means is a feature of that model. The Government propose a phased introduction in which the magistrates court scheme is introduced first and allowed to bed in before the Crown court scheme is launched.

Mr. David Heath (Somerton and Frome) (LD): What is the reference date for that assessment? It would be all too easy for someone to ensure that they do not have liquid capital assets available for means-testing at a Crown court hearing if they knew that that would be a sensible thing to do in preparation for such an appearance.

Bridget Prentice: The hon. Gentleman makes a valid and important point. We will ensure that the assessment is made at the earliest opportunity, possibly at the point of arrest, before people have a chance to try to disperse their assets. I am happy to hold further discussions, however, about the best time for assessment.

Adam Afriyie (Windsor) (Con): We are right to be concerned that people with limited financial means should have access to advice and legal aid, but what measures has the hon. Lady considered introducing, especially in complex criminal trials involving large assets, to deal with someone from a wealthy family who may have an offshore trust or who may be the beneficiary of another trust with assets that are not necessarily visible in the UK?

Bridget Prentice: As I said, we will look at liquid assets in an individual's personal bank and building society accounts. We should think carefully about whether we want to introduce a more complex system to assess assets, as the aim of the Bill is to try to keep things as simple and straightforward as possible. In the regulations we will make sure that we can identify those assets as easily and simply as possible. As the hon. Gentleman will know, there are other laws to deal with the proceeds of crime and so on if someone is found guilty.

The new scheme is outlined in greater detail in the supplement to the framework document accompanying the Bill. In developing the Bill, the Government have not only listened to, and acted on, the findings and recommendations of the Select Committee on Constitutional Affairs on an earlier draft, but we have taken into account the considered opinions of a wide range of stakeholders. We have worked particularly closely with the Law Society to refine the means test model and produce a scheme that is both fair and sensitive to the circumstances of individual applicants without placing an undue burden on those responsible for administering the system.

We have addressed and, we believe, satisfied, early concerns voiced by the judiciary about the original appeals process. We firmly believe that there should not be an appeal to the court on the basis of financial eligibility, but we are satisfied that the case has been made that there may be an appeal to the court based on the interests of justice. However, an amendment accepted in the Lords removed the power to review decisions on financial eligibility from the Bill. Those decisions will now be subject to a full appeal to the court. That is unacceptable. Not only is it a misdirection of the courts' resources, but members of the senior judiciary agree that the means test is a wholly administrative assessment that does not require judicial oversight, apart, of course, from judicial review. We will seek to overturn the amendment in the Commons.

The Government believe that the Criminal Defence Service Bill is both innovative and practical. While we have placed a high value on measures to develop an administratively simple scheme, we have given equal importance to measures to ensure that defendants are treated fairly and consistently. The scheme will be transparent and measures will be taken so that it can be easily understood by defendants, solicitors and the court-based teams responsible for its administration. By streamlining legal aid and cutting bureaucracy we have created a strong, flexible legal aid system able to withstand the rigours of the modern criminal justice system. The new scheme will allow legal aid to continue to safeguard the rights of the vulnerable, but will also achieve maximum value for the taxpayer. I therefore commend the Bill to the House.

4.5 pm

Mr. Jonathan Djanogly (Huntingdon) (Con): I begin by declaring any interests that I may have as a practising solicitor.

The Bill allows for the power to grant rights to representation to be transferred from the courts to the Legal Services Commission, introduces a means test for the grant of such funding and, where the test is met, provides for contribution orders based on means. Several amendments were made to the Bill in another place, and I pay tribute to the significant progress that was made there.

We, the Conservative Opposition, feel that access to justice is a serious matter that requires full and detailed consideration. Through the determined efforts of our noble Friends, such detailed consideration has already been possible. We welcome the restoration—by amendment in the other place—of responsibility for legal aid matters to the Lord Chancellor, as we welcome

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the amendments that have been made relating to appeals. I was sorry to hear the Minister say that she will attempt to overturn those at a later stage.

Vera Baird: I am interested to know the views of the Opposition. It is undoubtedly mostly a matter of arithmetic to establish whether somebody is in or outside the financial eligibility criteria. Is the hon. Gentleman suggesting that judicial time could be appropriately used on an appeal against that, or does he have some alternative model in mind?

Mr. Djanogly: I intend to discuss that in greater detail, so if the hon. and learned Lady will wait, I shall come on to it. It is important that the court should be able to hear appeals on the interests of justice test, as well as on the eligibility test, and should be able to consider those matters afresh.

The Conservative party has long been in favour of many of the measures in the Bill, in particular means-testing for those who can afford it, which the Government abolished in 2001. We opposed the abolition of the means test during the passage of the Access to Justice Act 1999, which the Bill amends. Now, after four years' experience, the Government wish to bring back means-testing. It has taken them eight years to bring back the NHS internal market and eight years to bring back grant-maintained schools, so perhaps we should be impressed that it has taken them only four years to do a U-turn on legal aid and means-testing.

The measure is basically right. Those who can make a contribution to their own defence costs ought to do so. However, we need to ensure that those who cannot make such a contribution are still properly represented and not disadvantaged within the criminal justice system. That second aspect is conspicuously missing from the Bill. The proposed means test involves a calculation to derive an adjusted level of income for the purposes of considering eligibility. Various deductions are made on a proportional basis from overall household income to reflect a client's costs. As the Minister explained, if a client's adjusted income falls between a higher and a lower threshold, a more detailed assessment is required to establish whether the client qualifies. Clients will not qualify for public funding in the magistrates court if their calculated disposable income is above £3,156 a year.

The Department has suggested that the abolition of the means test has contributed to the rising costs of criminal legal aid. As the draft Bill and consultation paper put it in 2004,

"Since the abolition of the means test many who previously would have been privately represented or who choose to represent themselves have applied for public funding."

It stated that the

"re-introduction of the means test will focus the resources on those that need help the most."

All that led the Constitutional Affairs Committee—rightly, in our view—to question whether there is enough joined-up thinking, principally between the Department for Constitutional Affairs and the Home Office, in the overall approach to criminal justice policy. It concluded at paragraph 46:

"We recommend that the Department should ensure that initiatives rolled out by other Departments, especially the Home Office, are properly costed so that their impact on the Criminal Defence Service budget can be taken into account. This is an essential feature of 'joined up Government' and needs to be done so that the Government can consider the causes of rising costs, rather than merely relying on the Department to tackle the symptoms".

It would be helpful if the Minister could give us a progress report on how that recommendation is being carried forward.

Bridget Prentice: I am happy to give the hon. Gentleman a progress report: we have introduced a legal aid impact assessment test, which is part of the regulatory impact assessment that every Department conducts when it introduces legislation. If any legislation introduced in this House impacts on legal aid, it must be funded or another way must be found to deal with it.

Mr. Djanogly: I thank the Minister for explaining that all legislation requires a regulatory impact assessment, which I shall discuss later in my speech.

The press briefing that the Government published in May at the time of the Queen's Speech estimated that the Bill would lead to annual savings of more than £35 million. We sincerely hope that it will, but it would be useful to hear more about how the Government reached that conclusion. After all, the original justifications for abolishing means-testing back in 1999 were that the system was too bureaucratic, which led to delays in cases being brought to trial and added significantly higher costs, and that it applied to less than 1 per cent. of applicants. It would be interesting for the House to hear how the Labour party, which abolished means-testing as a cost-saving measure, is going to reintroduce means-testing as a cost-saving measure.

In its response to the draft Bill in 2004, the Constitutional Affairs Committee concluded:

"We do not think these proposals have been properly costed. The Department has produced no convincing evidence demonstrating that reintroducing means testing would result in substantial cost savings".

We support the Bill in principle, but we want to see more convincing evidence that it will have the desired effect. Will the Minister provide more detail on the projected savings?

We want to address several other issues in Committee. For instance, concern remains about the perverse incentive for defendants to choose the Crown court in cases that may be tried either way in order to ensure a more favourable position on legal aid. That serves only to increase costs, and the matter requires further review. We are still concerned about a related aspect of the Bill, which seeks to translate the magistrates court regime in a modified form to the Crown court simply by delegated legislation. We are of the opinion that separate regimes should be introduced simultaneously for magistrates courts and for Crown courts through primary legislation to avoid uncertainty in the drafting of the

regulations and the perverse incentives that I have just mentioned. We believe that those points outweigh the benefits of first appraising the magistrates court scheme.

Despite our welcoming the Bill in principle, it is a very small step towards the desperately needed reform of the legal aid system, which the Government have allowed to fall into disrepair, and much more remains to be done. The Minister's speech was short on detail on the Bill's impact—for instance, what percentage of the population will have their access to legal aid restricted by the Bill? That is why I want to address some of the broader legal issues.

The soaring cost of legal aid in England and Wales forms the background to the Bill and this debate. The problem is not new, and I concede that it is not exclusive to the current Administration, because Governments of both parties have grappled with the cost of legal aid over the past three decades or more. It is clear that the problem has become acute since this Government entered office: in 1997, the total legal aid budget stood at around £1.5 billion; this year, it is more than £2 billion, which is an increase of some 35 per cent. while this Government have been in office.

More than half of that £2 billion is spent on criminal legal aid, the cost of which has risen dramatically. Since 2000–01, there has been a significant rise in the cost to the criminal defence service of criminal legal representation in the magistrates courts. By contrast, spending on civil legal aid, excluding the cost of asylum, has fallen in real terms by 24 per cent. since 1997. That in turn has forced many high street solicitors to go to the wall, restricting access to justice for many of the most vulnerable in our society. For example, as I found out through a written question earlier this year, the number of high street solicitor firms offering representation for legal aid and family cases has decreased by more than one third in the past five years.

That is despite the Government's ambition, as set out in the 1997 manifesto, to reform legal aid and achieve value for money for the taxpayer and the consumer. Meanwhile, at this year's election the Government promised to reform legal aid better to help the vulnerable. Their predicament seems to have led to a state of paralysis, and regrettably the vulnerable are being hit the hardest due to their inability to access lawyers who take on legal aid cases.

We agree that the growth in spending on the criminal defence service has to be checked. In the words of Lord Justice Judge in his evidence to the Select Committee on Constitutional Affairs, which reported on the draft Criminal Defence Service Bill in 2004, and to which the whole House is indebted for its work in this area,

"we simply cannot work on the basis . . . that there is a tree at the bottom of the garden full of ten pound notes. There is not, and therefore there has to be some control exercised."

As the Magistrates Association put it,

"there is a large and continued increase in the amount of money spent on legal aid, and we accept that the amount available is not infinite."

We agree.

The fundamental legal aid review was announced by the hon. Member for Tottenham (Mr. Lammy) in May 2004. On 19 July this year, I made a request to the Department of Constitutional Affairs under the Freedom of Information Act 2000 in relation to the review. The relevant DCA press release stated that the review would be

"a far-reaching study into the underlying legal aid system, which will focus on how best to provide legal help to those who need it in the longer term."

Some of its conclusions were set out in the July 2005 paper, "A fairer deal for legal aid", but the Minister decided on the basis of public interest to withhold the detailed responses and conclusions contained in an internal report. I called for an internal review of that decision, which resulted in certain limited material being made available. Nevertheless, the contents of the internal report remain elusive. That is entirely unsatisfactory, and one has to query why such information is being withheld. It seems only to add further weight to the concern that the legal aid system is in a state of crisis. The fact that fewer than two fifths of the population now qualify for legal aid sits rather uncomfortably with the concept that everyone is entitled to access to justice so that they can enforce and defend their legal rights and so that the Government and other powerful bodies can be held to account or contested where necessary.

The ridiculous extremes of bureaucracy involved in the legal aid process must continue to be broken down, and where savings measures are introduced, the savings must be real. The Government give in to the ever-present pressure to come up with short-term reforms designed to control the budget, but what is needed is a long-term strategy, particularly to reduce the amount spent on high-cost cases. The following figures represent the crux of the problem, which the Government are not adequately addressing. The half dozen most expensive criminal legal aid cases in 2003 amounted to no less than 25 per cent. of the total criminal legal aid budget. One per cent. of the highest cost cases amounted to between 40 and 50 per cent. of the total criminal legal aid budget.

The problem is not that the Government are spending too little money but that cases need to be managed more efficiently. There needs to be clarity about what legal aid is spent on. The Crown Prosecution Service needs to manage cases more effectively, as do judges. Dealing with the management issues at an early stage will help to avoid even bigger problems and spiralling costs later on. Yet the Government seem utterly unable to get to grips with the problem, which is not new.

Vera Baird: The hon. Gentleman is making a very poor point. He said that very high-cost cases accounted for between 40 and 50 per cent. of all criminal legal aid spending. That is so, as it was in 1996, when the Conservatives were in office. Since then, it has gone up from 42 per cent. to 49 per cent., but we are tackling it, whereas the hon. Gentleman's Government did nothing whatever.

Mr. Djanogly: Eight years later, here we are talking about what needs to be done, and the best that the hon. and learned Lady can say is that the last Conservative Government did not get it right.

Vera Baird: Would the hon. Gentleman like me to tell him over what period of time the same proportion of high-cost cases took up criminal legal aid? It was for many years while the Conservative Government were in

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office. We are trying to tackle that, I repeat that the Conservative Government did nothing about the problem for 18 years. We are trying to do something. How can he accuse us?

Mr. Djanogly: With barristers and magistrates going on strike, law firms closing down week after week—

Vera Baird *rose—*

Mr. Djanogly: No, I shall not give way to the hon. and learned Lady again.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. We cannot have two hon. Members on their feet at the same time. The hon. and learned Lady must know whether the hon. Gentleman who has the Floor is giving way to her.

Mr. Djanogly: Thank you, Mr. Deputy Speaker.

Vera Baird: Will the hon. Gentleman give way?

Mr. Djanogly: No, I shall not. The hon. and learned Lady has already intervened several times. The fact that the Government have to have a Home Office Parliamentary Private Secretary as the only Labour Back Bencher in the Chamber reflects the Labour party's attitude to legal aid and the crisis in the system.

Vera Baird *rose—*

Mr. Djanogly: I shall not give way.

I repeat that the Government appear unable to get to grips with the problem. It represents a significant failure on the part of the Department for Constitutional Affairs. It must know that the reintroduction of means-testing will not solve the problem or make significant savings in relative terms.

The Law Society said in its submission to the fundamental legal aid review of January this year that early skilled diagnosis would have the most benefit in controlling the budget and prevent straightforward issues from becoming more significant and therefore a greater burden. It recommended the early identification of problems, and access by clients to appropriate services through a single point of entry offering legal aid services at different levels, or planned referrals. That will enable firms and advice agencies that already exist to take on extra rolls and expand their business. Does the Under-Secretary agree that that is a sensible way forward? If so, will she assure us that something will be done to implement it?

Work needs to be done on proposals for competitive price tendering. If such proposals are to succeed, we cannot have a system that runs a high risk of being no more than a cost-cutting exercise, which will inevitably reduce access to justice and the quality of advice and representation that is available to legally aided clients. Given the range of quality accredited suppliers already in existence, where is the justification for jeopardising quality purely to save costs? Representations have been made to us that small, often ethnic, inner-city firms will have to close shop because of the proposals. The high street criminal practice could become almost defunct.

The graduated fee scheme could have the perverse effect of encouraging barristers to drag out cases so that the longer they last, the more money they receive. It is also worth pointing out that, although civil and criminal legal aid constitute different pots, the Government appear to want to examine the whole. Losing control of criminal legal aid budgets has meant a collapse in civil legal aid, excluding asylum, by 24 per cent. in real terms since 1997 as criminal expenditure has risen by 37 per cent. We need imaginative solutions to achieve a sustainable legal aid system and an application of basic management skills to criminal case management.

Another concern is the falling number of solicitors who choose criminal law defence work as a career. Work needs to be done to increase participation. The number of solicitors' offices that provide criminal defence services has fallen by 25 per cent. from 3,500 in April 2001 to 2,651 in September this year. Legal aid practitioners should be of a high quality and receive proper compensation. In a survey that the Law Society conducted, 50 per cent. of trainee solicitors said that, all things being equal, they were likely to pursue a career in legal aid work. However, the practical reality is that only 8 per cent. said that they were indeed likely to pursue a career in legal aid. Financial uncertainty is a particular problem for young barristers, who have not even the guarantee of a meagre salary.

Given that legal aid rates have not increased for approximately eight years, the idea of attaching the tag of "fat cat" to the average criminal lawyer is perverse. Indeed, the problem is so bad that criminal practitioners tell me that very few wish to practise criminal law. Of those who do, many want to become prosecutors, who get a decent salary.

Perhaps the Under-Secretary could describe the pilots for state defenders. I understand that they are even more expensive than private defence solicitors. Firms also need some predictability in their businesses. Many face immense pressure as they try to deal with new proposals and the complexities of the current system in a hostile environment.

In relation specifically to criminal law, the increased complexity of the law as well as trial length must be taken into account, as the Bar Council has argued that those are the central drivers in increasing costs. It has cited annual criminal justice Bills and other legislation, which, over the past decade, have produced major changes in almost every area of legal practice and procedure. Two important examples are the Human Rights Act 1998 and the Proceeds of Crime Act 2002.

Changes to sentencing guidelines and the increase in the number of offences that carry a prison sentence are further factors. In cases in which imprisonment is the likely consequence of a conviction, the interests of justice test in assessing entitlement to legal aid is more likely to be satisfied, causing more frequent grants of rights to representation. Imprisonment is increasing; indeed, the prison population today stands at about 77,000, an increase of 28 per cent. since 1997.

The effects of the Government's overall criminal justice policy must also be taken into account. For example, targets to increase arrest rates and the creation

of a vast number of new criminal offences are contributory factors. That point was made by the hon. and learned Member for Redcar (Vera Baird) in her very worthwhile comments in a recent Westminster Hall debate. Surely the message is that, if we are going to charge more people, send more people to Crown court trials and lock more people up, the costs of processing the accused—including legal aid costs—will rise.

Criminal solicitors are threatening to close up shop and criminal barristers have gone on strike, yet the Government seem unable to see that we need provisions to address the legal aid problems that are handicapping some of the most vulnerable and disadvantaged people in our society. What is needed is not simply to restrict the number of people being helped by the legal aid system, as the Bill proposes, but what was proposed in the Government's own report, "A Fairer Deal for Legal Aid", which was published in July this year. That is, a legal aid system that will be

"fair and effective, providing access to justice for all who need it".

Why can the Government not respond to their own message? If the Minister thinks that we, or the legal profession, will accept the Bill as the answer to the legal aid crisis, she will have to think again.

4.27 pm

Vera Baird (Redcar) (Lab): I congratulate the Government on the Bill, which I welcome. I also congratulate those in another place who did a very good job of teasing out the Bill's problems and giving them a good airing so that they could be addressed. It is not appropriate to arrogate that activity to just one side, which the hon. Member for Huntingdon (Mr. Djanogly) sought to do. It is perfectly clear that the Liberal Democrats played a role, and that the hon. Gentleman's colleague and the Liberal Democrats in the other place were very complimentary about my noble colleague, Baroness Ashton. It seemed to have been a job well done all round.

It is a pity, therefore, that the atmosphere of trying to bring the Bill to fruition in everyone's interests cannot be maintained in this House, and that there has to be inaccurate cat-calling from the Conservative Front Bench. That is utterly unnecessary, and the hon. Member for Huntingdon really does get a great deal wrong. It is odd to hear him talk about the virtues of means-testing—the Conservatives usually speak of its evils—when its purpose is to get people out of poverty. The Tories took the extraordinary line only a few years ago of criticising the Government when they were doing their best to improve bureaucracy by abolishing a means test.

I also want to put the hon. Gentleman right on another point. There are plenty of applicants for the criminal Bar. My own chambers has hundreds of applicants per year.

Jeremy Wright: Will the hon. and learned Lady give way?

Vera Baird: I will in a moment. I know that the hon. Gentleman has an interest in this matter.

My chambers has hundreds of applicants every year, and I am aware of a number of young people who have now done all their training for the criminal bar and who would desperately like to get into it. They also have an ethic of public service, which helps. I wonder whether the hon. Member for Rugby and Kenilworth (Jeremy Wright) is aware of that.

Jeremy Wright: I certainly am. The hon. and learned Lady is right to say that I have an interest in these matters. I practise, as she did, at the criminal Bar. I understand that plenty of people might apply to chambers such as hers, to be at the criminal Bar. However, as my hon. Friend the Member for Huntingdon (Mr. Djanogly) said, the issue is how many people are going to be able to afford to practise at the criminal Bar, when there are many more lucrative options elsewhere in the legal profession. Does not the hon. and learned Lady agree that we should be attracting the brightest and best to criminal law, rather than allowing them to go elsewhere?

Vera Baird: If the Bar, made up as it is almost totally of white, upper-middle-class males, had some years ago paid attention to attracting the best, from whatever sector of society, the current imbalance in the Bar and judiciary would not prevail. The hon. Gentleman's point is not without foundation, however. There has been an understanding that because the rewards at the top of the Bar are good—as he knows—women and men together should just tolerate what there is at the bottom. That is not really a practical picture any more, but the Government have their eyes on that. In my debate in Westminster Hall, on which the hon. Member for Huntingdon commented and which the hon. Member for Rugby and Kenilworth attended, there was a clear understanding on all sides, particularly in the Minister's response, that what she called the "baby Bar" should, in the eyes of the Government, be given improved circumstances. That, of course, is what we all want.

There is a certain amount of agreement, and it is false to sow, as the hon. Member for Huntingdon did over the preceding 20 minutes, some sort of queer animosity about matters that are not in the Bill. That causes a fair amount of concern. He talked, for instance, about it being the Government's fault that there is a perverse incentive for barristers, who are paid a refresher for every day longer that a case continues, and who therefore have no interest in shortening it. Of course, that is not the Government's fault; it is the basis on which barristers have been paid for a long time. I recall it from when I went into business as a barrister, roughly at the time, in an unfortunate coincidence, that Lady Thatcher became Prime Minister. I noted then that it was a curious way of paying people at the Bar. It needs to be attacked, but it is nothing to do with this Government.

The hon. Member for Huntingdon must face the fact that many of the things that he highlighted, such as the way in which barristers are paid and the excessive amount that very high-cost cases take from the criminal legal aid budget, go back many years. It is not sufficient for him to say that the Government have not tackled those issues over the past eight years when his Government did not even try to tackle any of them. He shakes his head, but I am willing to sit down and listen to him tell me in an intervention exactly what his Government did about very high-cost cases, recruiting

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people of all classes to the Bar and trying to remove the perverse incentives about which he now complains. I am waiting for his intervention.

Mr. Djanogly: It is not a question of what this or that Government did, but of how we can move things forward. The hon. and learned Lady misrepresents what I said in my speech. I did attack the Government where they needed attacking, but I also provided a series of pointers to how the position can be improved. I think that she agreed with me to that extent. Perhaps we can move forward now.

Vera Baird: If the hon. Gentleman reads his speech he will realise that he said that magistrates are on strike, which is utter rubbish, and that the Bar is on strike, which is utter rubbish—strike action was threatened for a very few days but it was accepted that Lord Carter of Coles understood their interests. The hon. Gentleman misrepresented that. He also blamed the Government for the way in which those at the Bar are paid. It was a lot of rubbish and it was quite unnecessary. I do not know why he cannot focus on the issues, which are that the Bill will promote some savings but a good deal more fairness. He ought, like his colleagues in the other place, to welcome and try to include it.

The Bill provides a reasonably simple formula, which, in magistrates courts, where costs are quite low, will exclude from legal aid those whose income is above a particular level. The hon. Gentleman did not appear to have digested the fact that there is a separate system for the Crown court, which is now in a supplement to the framework document. That different model will allow for the much higher costs in a Crown court, with a barrier over which one cannot get legal aid and a barrier under which one gets it whatever, with those in the middle being dealt with through a refined and fairly reasonable, on the face of it, basis of means-testing. That comes with the important proviso, on which everyone should be able to focus, that someone who is acquitted, all other things being equal, should be entitled to a defence costs order. That is also subject to the proviso that there must be an interests of justice override where the sheer mathematics are such that the interests of justice are not represented in giving a grant of representation.

There is also the issue of fairness—fairness to us all because we all pay in the end, and legal aid must be well organised, and also an element of fairness in the establishment of equivalence with civil legal aid. There have always been contributions on a means-tested basis for the purpose of civil legal aid, but that has not always applied to criminal legal aid, which seems slightly odd. The theory may be that because criminal defendants have no option but to be in that position, they should not be required to contribute, but defendants in civil cases often have no option either. It is odd that both groups have not always been subject to means-testing.

The other important aspect of fairness is clear: no one who needs representation should not be given it. I am very pleased that in the House of Lords everyone coalesced around the interests of justice test, and that it is to stay.

The hon. Member for Monmouth (David T.C. Davies) levelled a criticism at the change of heart, but I do not think that it should have been a criticism. The idea behind the scrapping of the means test was pretty simple. The costs in magistrates courts are very low. The state probably pays less if it bears them than if it must engage people to calculate a means test on a very complex basis in order to recover a small amount at a rate of perhaps a pound or two a week. That must have seemed a very reasonable position to take. Moreover, there was a huge increase in legal aid certificates that could not rationally be linked to the changes, almost as if there had been carte blanche for everyone to receive a certificate. That has led to anomalies. No one could possibly cheer when well-paid footballers receive legal aid for antisocial behaviour without making a contribution, and there is clearly a need for change.

Mr. Burrowes: When I was practising as a criminal solicitor, it was proposed that means-testing should be abolished. Solicitors did not propose its abolition; they, indeed all practitioners, were saying "Let us deal with the implementation and administration of the scheme." It was the Government who went ahead and abolished it. We, or anyone else, could have told them that applications would increase. It does not require sophisticated judgment to conclude that once those accused of drink-driving offences, for instance, are allowed legal aid there will be an increase in the number of certificates.

Vera Baird: I am afraid that the hon. Gentleman is completely wrong. The notion that the Government made the change without consulting the professions and other stakeholders widely is totally incorrect.

Mr. Burrowes: Did they listen?

Vera Baird: Of course they listened. I cannot comment on whether members of the hon. Gentleman's branch of the profession said what he tells us they said, but I was active in the magistrates court at the time.

Mr. Burrowes: It was made clear to me, as a member of the London Courts Solicitors Association, that the problem related to the practical implementation. The position is improving greatly, but the Government seemed to decide, no doubt in the interests of finance, to abolish means-testing without considering what the effects might be. That is symptomatic of their tendency to pigeonhole decisions—to make them at one end without seeing the probable outcomes at the other.

Vera Baird: It really was not as clear as that. If the hon. Gentleman shows me some brilliant document from the London Criminal Courts Solicitors Association suggesting a better mechanism for means-testing, I shall be very surprised. There was undoubtedly wide stakeholder consultation on the proposal, and it was a realistic possibility that it would be cheaper not to means-test than to means-test. However, there was inconsistency in the ways in which various magistrates courts were granting certificates. In some areas, it was seen as an invitation to open the floodgates; in others, that did not apply to the same extent. A number of

certificates were issued that would not have been issued before, but there was no match between the change and the increase.

Mr. Heath: Surely at the time there was a trade-off between increasing the speed of legal proceedings by removing what was seen as an obstacle and a potential increase in costs. The view taken at the time was that removing the means test was likely to involve more benefit than disbenefit. Now it appears that the opposite view has been taken.

Vera Baird: Yes, that played a significant role but, in addition, removing that layer of bureaucracy was intended to be cheaper. Clearly, there are unacceptable occasions when someone who is very well to do receives legal aid, which has pointed to the need for a new look at the whole system. I hope that we will end up with a smarter, slicker, neater means test. It should not hold back justice significantly, especially given the high calibre of the people who will implement it through the service level agreement. The scheme should be coherent and consistent. The LSC has the background responsibility, but it will be delegated to those on the front line who have the practical skills. Therefore, one hopes for consistency and simplicity of application, so that we can get the best out of it.

I said that I thought that the scheme was a combination of fairness and savings. The savings are estimated to be around £35 million. Of course, they are well worth having. I guess that they will come from exclusions, from 10 to 20 per cent. fewer applications and from contributions. I do not know whether there will be any administrative savings as well, but it is key that, essentially, the same people will be involved, who will have the knowledge. I know that the Bar was worried about handing over the decisions on merits to the LSC when it was not front-line, court experienced. I think that that has been managed sensibly through the scheme.

As I have mentioned, it is imperative that we use legal aid in the civil system to ensure that we attack social exclusion. We have to disperse our available legal advice and other advice about debt and so on, and ensure that the poor, who cannot in another way obtain such advice, are resourced to get it. Many poor people do not know their rights. They are at the bottom economically, with no power of that kind to fight back. They can be pushed around by authorities, those who have better resources, organisations, Government and local government, because they do not have that power. Their rights can and will be abused if they are not given sufficient resources to have, as it were, a friend on their side who can advance their case. That imbalance must be addressed and legal aid in the civil sector is an important part of that.

It is also important that there should not be any lessening in the adequacy of support in the criminal sector. We are getting more cases to court. Surely everyone welcomes that. The conviction rate is getting better. We have better investigation, charging and review of charging. There is support for witnesses under the no witness, no justice scheme, so that witnesses have more confidence to come to court. That is what we all want—to catch more criminals, to bring them to court and, we hope, to play a role in reducing crime and the fear of crime.

That is all very good. It will inevitably increase legal aid costs, but we must keep the matter in proportion. There must not be any diminution of input into legal aid. I fear that, occasionally in these discussions, we lose sight of the fact that often people who come to court are not guilty and they need support to make their case. They can be found not guilty for a range of reasons, from mistaken identity or scientific evidence to having a legal defence. They may have been put into the frame by some criminal to get himself out of it. I have defended innumerable people who, on the face of the papers, I did not think would be easy to defend. I have found that I have been right to fight very hard for their cause because, in truth, they were not guilty. One cannot always see from the papers that that is the case. Therefore, do not let the savings be automatically allocated to civil legal aid if that is going to mean that there is inadequate resourcing of people on the criminal side.

The Longford lecture was recently delivered by Baroness Hale, the first Law Lady. She made another point that emphasises the importance of adequate criminal legal aid. She drew attention—her lecture was about women in the criminal justice system—to the fact that about 30 per cent. of women in prison have suffered from long-term domestic violence. About a quarter have been raped or have suffered sexual abuse—conviction rates for both offences are low—and they are highly unlikely to have received any justice. About half had either psychiatric or addictive behaviours in the year before they were taken into custody.

It is reasonably clear from that—though it would be a great jump if one were doing a research thesis—that trauma and chaos have been thrown into these women's lives and that they often turn to crime as a way of dealing with their poverty or with other problems. They have already been failed once—society has let the abuse be inflicted on them and given them no justice—so it is important that they are not failed again by not being provided with enough money to defend themselves.

David T.C. Davies *rose—*

Vera Baird: That was my last word, but I will give way to the hon. Gentleman.

David T.C. Davies: The hon. and learned Lady is extremely generous in giving way on her last word. I share her concern about the levels of domestic violence, but is she aware that the statistics show that married couples are a quarter less likely to be involved in domestic violence than those who are either co-habiting or single? Does that not suggest that the Government should offer more support to the institution of marriage?

Vera Baird: The hon. Gentleman is incorrect. The figures show that there is more reporting of cases by non-married than by married people. He cannot rightly draw the conclusion that he has drawn. One worries that people hold on to marriages longer than they should because of the institution of marriage, but that is a very different debate.

I want to end by saying that the new fairness is very welcome, that the savings are very welcome and that I look forward to them being used even-handedly and wisely across the range of legal aid.

4.46 pm

Mr. David Heath (Somerton and Frome) (LD): It is a pleasure, as always, to follow the hon. and learned Lady. As is also very often the case, I agree with a great part of what she said. In particular, I agree that we should not be ashamed of legal aid; rather, we should rejoice in it. I am one of the few non-lawyers—either practising or non-practising—who is contributing to this evening's debate, but I want to make it absolutely plain that legal aid is unequivocally one of the most important pillars of the welfare state. It is as important in its way as provisions for education, health or social security, because allowing people access to justice is the mark of a civilised society—and that means ensuring that they are properly represented if they find themselves before a court of law.

Our debate has encompassed the whole of legal aid rather than the specifics of the Bill on Second Reading—I think that that is entirely appropriate in the present circumstances. It is important that we say how important both the criminal and civil legal aid systems are. It is right to acknowledge how the criminal legal aid budget has unfortunately squeezed the civil legal aid budget to an unacceptable degree. We should recognise the Government's difficulties in controlling the budget. Of course we recognise that dealing with it presents a problem for them, but it is not unreasonable also to say that we do not entirely agree with the way in which they have addressed the problem, notwithstanding what is contained in the Bill.

What I have found particularly distressing about Government propaganda recently is the constant concentration on so-called fat-cat lawyers to the exclusion of those who provide day-to-day services throughout the country to people who truly need the support of a solicitor or junior barrister in the courts. The more the attention of the press, the media and the public is drawn to a very small number of QCs operating at the Old Bailey or elsewhere to the exclusion of the rest of the profession, the more we do a disservice to the totality of the profession and the legal aid that is provided. It is a diversionary tactic that is intended to provide a hate figure for more easily led colleagues. They say, "We have got to do something about these very rich lawyers," without recognising that there is a very thin dividing line between reducing the excesses of some and reducing the effectiveness of the whole.

Adam Afriyie: Legal aid is incredibly important to the least well-off and most vulnerable in society, but does the hon. Gentleman agree that an absence of legal aid practising solicitors is equally iniquitous?

Mr. Heath: The hon. Gentleman is right and I will deal with that point in a moment. We rightly always draw attention to the most vulnerable and the least financially able to make a point, but this issue affects a much wider swathe of individuals. It is a truism to say that nobody—and certainly not the articulate middle classes—thinks about legal aid until they themselves are in a court and have no access to a solicitor at the point of need. One of the difficulties in arguing the case for legal aid effectively is perhaps that so many people assume that they will never be in that position until they are. Then they realise just how important its provision is.

Much has been made of the idea that fees to lawyers are a substantial part of the problem, but in fact the evidence suggests the reverse. Remuneration for the large bulk of those providing legal aid is not excessive by any means and fees have been frozen for some time. The legal aid budget has risen inexorably simply because of the volume of business being pushed through, which is largely the result of the huge number of prosecutable offences that have been put on to the statute book. I do not know the precise figure, but the last time that I looked, this Government had created some 700 new offences. I suspect that the figure is now approaching 800. The legal aid impact test is now being applied to new legislation, but it is 800 offences too late: the damage has already been done.

New offences are included in Bills with monotonous regularity; sometimes, they are included before the offences that they are replacing have even been implemented. That provides work for lawyers but is of no advantage to anybody else. We must ask ourselves what the consequences are of such an approach. One way to reduce the legal aid budget is to have a sensible prosecuting policy and not to prosecute such absurd offences as reading out a list of names by the Cenotaph. In the first instance, we need sensible laws and offences that do not unnecessarily restrict free speech.

The attempt to get other Departments to share the legal aid costs associated with the offences that they put on the statute book is laudable, but I shall believe it when I see it happen. I fear that the Department for Constitutional Affairs does not have the clout within Government and the Cabinet to make this idea work. It could have worked, had my and others' proposal come to fruition to replace the DCA with a full-blown ministry of justice that takes significant powers from the Home Office. If we had that big player in government, perhaps more account might be taken of this idea. When I see the Home Office divesting itself of a significant part of its budget and handing it over to the DCA to pay for the consequences of the offences that it has put on to the statute book in this year's criminal justice legislation, this year's asylum and immigration legislation or this year's anti-terrorism legislation, perhaps I will believe it. Until that happens, I fear that this is a fruitless endeavour.

We have also heard about the management of cases, but that cannot be swept aside as irrelevant, as it is critical to the amount of costs incurred. If we managed prosecutions better, we could manage defence cases better. At present, the evidence is that the management of cases, and of high-cost cases in particular, is lamentably poor in many instances, with the result that costs are higher.

The hon. Member for Huntingdon (Mr. Djanogly) mentioned early intervention. Although he was speaking more about civil cases than criminal ones, I agree that early intervention can prevent matters going to court that otherwise would have to and that the effect is to reduce costs overall.

I shall give some examples of how not to deal with the expanding legal aid budget. First, we must be very careful about the thresholds that are applied. I pay tribute to the Government for having listened to the Liberal Democrats' departmental committee on this subject, and to the views of my noble Friends in another place. The system that has emerged has a built-in

sensitivity that might not have been expected. A steep or sharp threshold would mean that there was a point at which a person's income would suddenly require him or her to pay the full costs of defence, even though that person had not had to pay anything before that point was reached. That would be inappropriate, whereas the tapering that is in place is entirely appropriate. However, the test is whether people are denied access to justice by their means, and that is a test that we cannot yet apply.

The second way not to deal with the matter is to reduce the service that lawyers can provide to clients. An example of that is evident in the immigration service, where the whole thrust of previous immigration legislation has been to cut costs by reducing what lawyers can do for their clients. The effect has been to drive good practitioners out, and to allow poorer practitioners to be the sole defence resource for those who need it.

We must also be careful about reducing fees. The Government have chosen a very arbitrary way to reduce fees, especially for junior counsel, but the number of people practising at the Bar and as solicitors is falling. It is very difficult to find legal aid solicitors in large parts of the country and, if we are not careful, the result will be that some places will become advice deserts. Often, the most deprived areas are not the worst affected: perversely, people in the most affluent areas are less likely to have legal aid practitioners. It is probably the worst thing of all to be poor in an affluent area, as such people have no access to services that they have a right to expect.

The House needs to be aware of how few practitioners there are in the less affluent and rural parts of Britain. As I have said many times, my town of Frome has a magistrates court but only one practitioner in one practice providing criminal legal aid. He can do so because he is cross-subsidised by the rest of the practice, but his colleagues' patience about that cross-subsidy may not last for ever. It is often reported that Frome magistrates court will close and that it will move to a new location 35 miles away. If that happens, I am sure that the patience of the other partners in the practice will be exhausted, as they will not want their colleague to be out of the office all day, every day, on visits to faraway magistrates courts. The result will be that there will be no one to represent people who require criminal legal aid in the magistrates courts in my area.

That is a huge concern. It is bad enough to have only one practitioner, given the obvious potential for a conflict of interest to arise. For example, the practitioner in Frome often represents interesting young gentlemen—I shall not say "thugs"—and in their defence makes a familiar speech, telling the court about the extraordinary behaviour that a break-up with a girlfriend occasioned, and about the remorse that the young gentleman in question has expressed. However, that might coincide with his client having a fight with another young gentleman, whose story is suspiciously similar. That could involve a conflict of interests. If we do not have such practitioners, how will we provide the service?

I am dubious about having a public defender service as a matter of course, which seems to me to be the direction in which we are inexorably headed. If that happened, the state would investigate the crime, mount the prosecution, try the crime and defend the defendant. I am not sure that that is how criminal justice should work in this country, and we need to be cautious about reaching that situation.

Jeremy Wright: Does the hon. Gentleman agree that not only would a criminal defence service be not necessarily better for the defendant, but—on the evidence we have so far—it would be no cheaper either?

Mr. Heath: It would almost certainly be more expensive, because we would no longer have the cross-subsidy that I mentioned earlier. It is more and more difficult to maintain that cross-subsidy anyway, as aspects of solicitors' general practice are hived off to other professions. The conveyancing that used to provide a large part of practices' income is now done by others, and other parts of the job are being done by other professions. That means that many towns do not have general practices providing all the services. That may not be a problem in a large city, which will have a variety of practices specialising in different areas, but it is certainly a problem in market towns and rural areas, which have a limited number of solicitors who have to provide a wide range of services.

Vera Baird: The hon. Gentleman makes the point well about the lack of cross-subsidy and the possibility that heavier costs will follow as a consequence. I am interested in his notion that because the state finances a criminal defence it might not be so good. I have done a case in which the criminal defence representatives were able to mobilise the Criminal Cases Review Commission to order the police to seize some evidence in a way that I am convinced that no high street firm would have been able to mobilise an organ of state to do. That may have been because the defence representatives were funded by the state, albeit at arm's length, and had some extra clout in some situations. They certainly did in that case. Is the hon. Gentleman interested in that as a counter-argument?

Mr. Heath: I am certainly always interested in counter-arguments and I do not wish to cast aspersions on the professionalism of lawyers employed in that capacity. Indeed, the source of funding is the same in either case. The question is whether a person is under contract directly to the state—as barristers are not—in a way that would be an innovation in our legal system.

The point that the hon. and learned Lady makes gives me cause for concern in the other direction, because I would not want us to have an elite defender system any more than I would wish us to have a substandard defender system. If it is true that a state defender would have more clout with the prosecuting authorities than other defenders, something would need to be done to prevent that from happening.

Vera Baird: In the case I mentioned, it was the Criminal Cases Review Commission, not the prosecuting authorities. The defence was able to mobilise that independent third party, and I wondered if it was because it had the clout of being directly financed by the state. It was to the defendant's huge advantage.

Mr. Heath: I am glad for the defendant, but the CCRC needs to look carefully at its independence if it

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considered more favourably a request from a particular source than one from an equally valid but alternative source.

Much has been said about the Carter review and what it will achieve. If it achieves everything that is expected of it, it will be a remarkable review indeed. I have some expectation that something will emerge from it. I have a jaundiced view of Government reviews as a rule, because it is this Government's way of saying mañana to establish a review, or a review of a review, or a review of a review of a review. In this instance, however, as the issue is urgent something is likely to emerge. I hope that it is not scuppered, like the Turner review, by the Chancellor of the Exchequer before it is even published. That would be extremely unhelpful.

I fear that an increase of costs will be involved, so there is a real prospect of that happening but I hope that the DCA will be able, and want, to stand up for itself and say that legal aid and legal services can never be provided on the cheap. They must be effective, but there will always be a cost, and to return to the point with which I began, in response to the hon. and learned Member for Redcar (Vera Baird), we should be proud of the fact that we provide those services to our citizens.

We shall support the Bill. There is nothing exceptionable in it. I am deeply disappointed that the Minister wants to revisit the issue of appeal, as the sensible amendment proposed by my noble Friend, Lord Goodhart, in the other place commended itself to Members there. The Minister says that the eligibility rules are simply a matter of arithmetic. I disagree. There is of course a large element that is arithmetic and it would be nonsense to require it to be appealed, but there is also the complex issue of whether, in a relationship or partnership, another person's financial position and arrangements should be taken into account as part of the eligibility criteria. That is properly a matter for appeal.

The previous appeal system was not overused and I do not think the proposed one would be. There would be no significant issues in terms of either costs or delay. At the end of the day, we are talking about the interests of justice. If someone is denied representation who feels that they should have it, it is per se in the interests of justice that we look into why it has been refused, if it is anything other than an incontrovertible case based on simple arithmetic.

Adam Afriyie: If it is simply a matter of a mathematical calculation, there is no reason why the existing court system cannot undertake it.

Mr. Heath: I would not expect an appeal to be heard on a challenge that someone had done their sums wrong. That would not be grounds for appeal, but where the issue is more complex, I would expect the court to take an interest in how the calculations had been made, because that is in the interests of justice. That is the distinction that I want to make, and in Committee I shall argue that point.

Vera Baird *rose—*

Mr. Heath: I have spoken for longer than I intended and to be fair to other Members I shall not give way again.

I was interested in the Minister's response on the relevant date for assessment. I think she suggested, perhaps off the cuff, that it should be the date of arrest, which might be difficult to manage. The date of charge might be rather easier to manage as the relevant date. As that provision will probably appear in regulations rather than in the legislation, it might help if careful consideration were given to it before Committee, so that we have some idea of the Government's thinking.

I should be interested in exploring the mechanism for the contribution paid. Are we intending that practitioners should be paid, presumably under contract from the commission, irrespective of whether the required contribution had been returned to the commission? Perhaps the Minister will be able to satisfy me on that point in due course.

We need to consider whether the Bill will achieve the savings that the Minister presumably expects from it. If they can be made, will they come from the contributions that more affluent people make to the cost of legal aid or from reducing the eligibility of those who are less affluent to legal aid at the bottom end? The House needs to be able to understand that important distinction in allowing the Bill to make further progress.

We have not yet had a satisfactory answer about a basic trade-off. A few years ago, we were told that the reason for abolishing the means test was effectively to produce a quick, efficient system that would obviate the need for lengthy means tests, which were getting in the way. We are now told that the Government's view is that we must reintroduce the means test because that is an effective way to produce a quick, efficient system that will save money for the taxpayer. Clearly, there is a trade-off between the speed of the process and its cost. I appreciate that the Government are trying to find the balance, but they must be clear about where the balance of advantage lies. However, I certainly do not wish to oppose the Bill this evening.

5.10 pm

Jeremy Wright (Rugby and Kenilworth) (Con): I do not propose to detain the House for long. I declare an interest as a non-practising criminal barrister and as a distinctly thin cat, rather than a fat cat, in the course of my practice. I have two concerns about the Bill. First, it does not perhaps address in the way that the Government hope it will the fundamental problem at the heart of the criminal legal aid budget. Secondly, in trying to address the problem in that way, the danger is that the Bill will damage the criminal justice system.

Following the remarks that have been made by other hon. Members on the first issue, I have two points to make. First, within the parameters of my experience as a practising criminal barrister, I can think of very few of my clients who would be caught by the scope of the Bill and who would have to pay any contribution to their own legal costs because their incomes would come below—in many cases, well below—the limit that the Government propose. I therefore wonder whether a sizeable percentage of those who were my clients would save us any money at all if they were invited to contribute a proportion of their own costs.

The other issue, which goes to the heart of the matter, and to which other hon. Members have drawn attention, is that the Government do not address in the

Bill the very high-cost criminal cases that form a significant part of an unacceptably ever-growing criminal legal aid budget. Until something is done about those cases, the budget will not be brought under control. In fact, I suggest that the situation is worse than that: the danger is that those who practise at the junior end of the criminal Bar get the blame and must carry the burden of those who cause the real problem at the top end of the criminal Bar. That problem is not addressed by the Bill, which, if anything, perpetuates the myth that lawyers and, indeed, their clients in the criminal justice system are mainly responsible for the overspend. In my view, they are not.

Whether the criminal justice system operates at too high a cost is a genuine concern—it very clearly does—but the reason why it does so is not mainly, substantially and certainly not entirely due to the fact that criminal legal aid is paid in too high amounts to lawyers and their clients. Many other things in the criminal justice system need to be addressed, such as why cases do not come to court as quickly as they should and why there are innumerable adjournments. That has to do with a range of things—the hon. Member for Somerton and Frome (Mr. Heath) referred to a few of them—including failure to disclose evidence in time and problems relating to witnesses and defendants who fail to attend courts. There are even problems, I am sorry to say, relating to defendants not being produced on time from the prisons where they are on remand. That causes delay, and delay causes cost. If the Government chose to do an analysis of costs, I would not be surprised if they discovered that a good portion of the overspend that they correctly describe in the criminal justice legal aid system results from that sort of problem.

The other difficulty that I have with the Bill is the fact that in the course of attempting to save money, the Government may do damage to the pursuit of criminal justice. It is inevitable that some people who do not receive criminal legal aid because their means are too excessive will choose to represent themselves. The Government have accepted that that will happen in a small number of cases, but I venture to suggest that it might happen in a substantial number of cases. In my experience as a lawyer, when that happens a case inevitably takes longer, and when a case takes longer, it costs more. When the Government calculate the amount that they hope to save through the Bill, they must take account of the lack of saving—if I may put it that way—that will result if more people choose to represent themselves.

The problem that arises when people represent themselves is not only monetary. It is of course right that such people, as non-trained lawyers, might not be able to get to the heart of the matter as quickly as a legal representative could. Cross-examination also goes on longer. However, in a substantial number of cases, it is profoundly undesirable that those who represent themselves should be permitted to cross-examine witnesses. One can think of several examples of such cases, including neighbour disputes and, worse yet, cases involving a child as a victim or a witness. If prosecutions are conducted in such a way that defendants represent themselves and thus cross-examine witnesses, the process not only takes longer, but detracts from the nature of justice and affects the tone of the case.

Although I do not object to the substance of the Bill, it fails to address the concerns that I have cited. I hope that the Minister will carefully examine not only what the Bill covers, but what it does not cover. As the hon. and learned Member for Redcar (Vera Baird) said, when we deal with criminal defendants, we are often dealing with vulnerable individuals in their most vulnerable moments. It is important that they receive the assistance that they need so that they are represented properly. If they become inclined to defend and represent themselves, as I suspect that they will in some cases, it will not enhance the nature of British justice—quite the reverse. I hope that the Minister will take my points on board and bear them in mind when she thinks about other matters that the Government might wish to address when considering the criminal justice system as a whole.

5.17 pm

Mr. David Burrowes (Enfield, Southgate) (Con): I am grateful for the opportunity to follow my hon. Friend the Member for Rugby and Kenilworth (Jeremy Wright). I wish to follow on from his experiences at the Bar with my experience—I declare an interest—as a practising criminal solicitor-advocate.

The titles of Government Bills have tended to be more descriptive in recent times. For example, we recently considered the Violent Crime Reduction Bill. Perhaps a more descriptive title of this Bill would be the "Return of means-testing following our mistake in abolishing it Bill". The Government must have the humility to acknowledge that the will to abolish means-testing was theirs. They have realised that they made a mistake, so they are trying to reintroduce it.

I was a practising solicitor at the time at which we had the means-testing application forms. We all realised the administrative burdens and the problems and delays that the system caused. However, the problem was not means-testing per se, but the way in which it was administered. I remember the delays vividly. When clients applied for legal aid—as it was called before the representation orders came into being—they were not necessarily the most reliable of sorts. They were required to provide documentary evidence, but they were often self-employed. It took a great deal of time for their statements of accounts to come before the courts, or to get the wage slips for 13 weeks that were needed. There were weekly adjournments, and we went through the process of trying to get blood out of a stone to get the next wage slip to get up to the magic mark of 13 so that we could eventually reach a position at which legal aid could be considered. We certainly knew that the system needed to be changed to take account of those delays and problems.

Another problem arose due to contribution orders. Clients were often required to make a contribution of a matter of pounds a week, but failed to do so over several weeks. Just before the trial—indeed, in some cases, it was on the day of the trial itself—an order would be issued to revoke their legal aid order because they had not paid their contribution. The trial process ended, and we went back to square one. That must change, and I urge the Government to be cautious about the implementation of the new contribution orders so that we do not return to the bad old days when contribution orders were a spanner in the works for the trial process

[Mr. David Burrowes]

and the criminal justice system. There is certainly support for a much more simplified, straightforward form of means-testing. It should be less bureaucratic and burdensome, so I welcome the proposals in the Bill.

I am concerned about the rationale of the proposal to transfer responsibilities for granting representation orders from the courts to the Legal Services Commission. I am not aware of any justification for that proposal, and while I welcome the devolution of powers in the Bill to court staff—notionally, there will not be any changes in administration—the fundamental principle that the courts are the proper place for the judicial function of considering the merits of legal aid should be retained. The hon. and learned Member for Redcar (Vera Baird) referred to complaints about inconsistency after the means-testing scheme was abolished, and spoke about a flood of applications. She sought to criticise the courts for their inconsistency in granting certificates, and suggested that their decisions were wrong. I have not seen any research or statistics to justify such an assertion. From a practitioner's point of view, as soon as the means test was abolished it opened the way for problems for people charged, for example, with driving offences, who could not produce their payslips or a statement of accounts, and thus could not receive a legal aid certificate. Those people now fall within the range for the granting of legal aid, which, in the past, was often granted to people who had the means to pay for representation. The number of certificates increased, but that had little to do with a more liberal approach by the courts towards the granting of certificates. In my years of practice, I did not encounter any inconsistency in the granting of certificates by the courts, so that argument does not provide a proper rationale for seeking to transfer the primary responsibility for granting legal aid from the courts to the Legal Services Commission.

Recently, however, concerns were expressed when the commission became much more involved in the budgets of individual courts. Court staff were anxious about the targets they had to meet, and the decisions that were made were arbitrary, and not in the interests of justice. Inconsistencies, unfairness and injustice arise when the commission is involved in decision making, so it is worrying that the Bill should confer powers on it. I accept that those powers will be devolved to court staff, but the Bill refers to monitoring by the commission, apparently to deal with the problem of inconsistency. Courts should have a proper residual power to grant legal aid. There is no such provision in the Bill, but it was mentioned in the other place, where Members were anxious about human rights compliance and the need for proper safeguards. In Committee, the Government should accept that the appeal process for legal aid should comply with human rights provisions. Moreover, they should go a step further and retain the principle of residual power for courts to grant legal aid.

My hon. Friend the Member for Huntingdon (Mr. Djanogly) spoke about the prospect of defendants charged with either-way offences electing to plead in such a manner that means they will not be encumbered by contribution orders. I have represented clients who have been primarily concerned with the financial consequences of legal aid, and they have thus elected to plead in a certain way. At present, they must submit a statement of means, so they run the risk of contributing to defence costs. The reverse could well be true if we stagger, as we seek to do, the implementation of means-testing by magistrates courts and Crown courts. In either-way cases, many defendants will base their decision about whether to be tried in a magistrates court or in a Crown court on the issue of which court is less expensive for them. Plainly, there needs to be some reconciliation between the two procedures. We need to avoid the eventuality that I described, which could well increase the costs.

Finally, I wish to talk up the role of the criminal solicitor.

Mr. Oliver Heald (North-East Hertfordshire) (Con): Hear, hear.

Mr. Burrowes: Thank you. I am obliged for that support.

It is easy, as has been mentioned in the debate, to stereotype legal aid debates and talk loosely about fat-cat lawyers and so on. Solicitors generally provide a good service, offering high quality advice at unsocial hours. If the solicitor is lucky, he sees his client in an interview room. If he is unlucky, the meeting takes place in a smelly cell. Clients are often the most vulnerable in our community and are often dangerous. Their liberty is at stake.

Solicitors up and down the land fulfil that role. They are under great pressure, not least because of the Government's proposals and the pigeon-hole approach to legal aid that the Government have taken. The Bill is a symptom of that approach to the criminal legal aid service. We all recognise that there has been an increase in criminal legal aid. The situation in the lower courts is largely under control, as the Legal Services Commission has recognised. The Department has predicted a decrease in that budget. It is estimated that the Bill will make savings of £35 million.

Taking all those factors together—a budget under control, solicitors properly administering the contracting process, and case management procedures in courts having their effect—we should get off the back of solicitors, who seek to provide a good service throughout the country.

We still face the prospect, which is no doubt under review, of competitive tendering, which could go to the heart of local services. It could drive out local firms, and black and minority ethnic firms in London could be disproportionately affected by such proposals. It is high time the Government took price competitive tendering off the agenda and removed solicitors and the lower courts from their gaze. No doubt high cost cases are a proper target. My hon. Friend the Member for Rugby and Kenilworth (Jeremy Wright) mentioned that delays are endemic within the system—delays caused, for example, by a prison van routinely failing to turn up. No doubt the courts could examine the 1 per cent. of cases that make up 25 per cent. of the criminal legal aid budget. There is certainly no basis for focusing on solicitors, who are trying to do a good job and are keeping proper control of the budget.

Although I welcome most of the Bill, I ask the Government to examine in detail the forgoing of the important principle of the interests of justice being

properly determined by the courts, to look in the round at the cost of criminal legal aid budgets, and to ensure that they provide a good service to solicitors and defendants alike.

5.28 pm

David T.C. Davies (Monmouth) (Con): I am delighted to have the opportunity to speak in the debate. I join my hon. Friends in giving a cautious welcome to the Bill, with certain caveats. I am not a lawyer, but one does not need one when reading through the Bill to realise that it represents a giant U-turn on the Act that the Government passed in 1999.

The Minister said the old system was decrepit and in need of change, in which case one must ask why she, or rather her colleagues, did not change the system. What they did was tear it up and start again. The Government insisted that means-testing would have to be abolished. They were warned at the time that abolition would mean an exponential growth in claims and legal aid bills, but they dismissed that on the basis that the extra claims would be more than offset by the increase in efficiency as a result of dispensing with the service for the calculation of contributions.

Legal aid spending has increased by 34 per cent. since 1997. The Government's figures suggest that the increase in costs is because people who would previously have paid for legal aid are taking advantage of the fact that they can now get it—the example involving a professional footballer who earns £40,000 a week is simply the tip of the iceberg. *[Interruption.]* I would be happy to take an intervention by the hon. Member for Workington (Tony Cunningham).

The Government introduced the 1999 Act in the face of warnings, and they made an error that cost millions of pounds and that possibly denied people access to justice. However, we must not be too hard on them, because any creditable system of justice should give a little credit to an offender who admits to having made an error and who wants to put that error right. Although we have not heard an apology from the Minister yet—perhaps we will get one shortly—the Bill is a way to make amends and reverse the errors introduced by the Labour party, and it will therefore receive cross-party support.

Vera Baird: I do not know whether the hon. Gentleman has read the *Hansard*, but there was not a squeak from any Conservative Member when that change was made.

David T.C. Davies: I have not read the *Hansard*, but I have read a number of reports, which make it clear that warnings were given to Ministers that the cost of legal aid would increase. It is for Ministers, not the Opposition, to take such decisions, and today they have admitted that they took the wrong decision. All I want is for them to accept that they took the wrong decision.

The Government have said that money will be saved, and they have discussed the figure of £35 million. I shall echo the hon. and learned Member for Redcar (Vera Baird) and ask about the form in which we will see those savings. Will legal aid bills reduce by £35 million, or will the money simply be spent in different ways, in which case the legal aid bill may continue to rise?

To pick up on a point raised by my hon. Friend the Member for Windsor (Adam Afriyie), how will the Government police the mechanism for ensuring that people do not submit incorrect information when they claim legal aid? My hon. Friend has discussed the possibility of hiding funds in offshore costs, and it would also be easy for people to take out their savings, which is the asset that will be examined, to pay off the capital on their house or to buy a new car. What steps, if any, will be taken to police the mechanism and ensure that people provide accurate information? The Minister keeps saying that the Government will come up with an efficient system, but one cannot help but wonder whether the Government's definition of efficiency simply entails accepting on trust applications made by people who are already in the courts having been charged with other offences.

The hon. Member for Somerton and Frome (Mr. Heath) rightly drew attention to the point that one reason why legal aid bills are increasing is that the Government keep creating ever more offences. He discussed the example of a young lady who was arrested simply for reading out the names of British soldiers killed in Iraq. I do not suppose that that young lady is a paid-up member of her local Conservative association, but I fully support her right to speak out. Apart from the increase in legal aid bills, I find it extraordinary that such cases are being brought. The Government are going to try to be tough on legal aid spending, but they are not going to be tough on the causes of legal aid spending.

The Government could dramatically reduce costs in one or two other areas. Returning to asylum and immigration cases, more than £200 million was spent on legal aid for such cases in the financial year 2003–04. All hon. Members believe that genuine asylum seekers should be given all possible help in order to stay in this country. As the Government's figures show, however, the vast majority of those who claim asylum are making false claims and are not genuine asylum seekers. It is unacceptable that £200 million is being spent in this way, thereby funding legal advice to people who are making bogus claims. I know that all Members, many of whom are lawyers, are honourable, in and out of the House. However, I am concerned about the immigration and asylum lawyers who are, frankly, filling their boots with taxpayers' cash by launching one appeal after another in cases that are demonstrably hopeless. I suggest that the Minister should consider how legal aid for asylum and immigration is funded and even explore the possibility of withdrawing legal aid from people whose claims will clearly be false because they come from countries where there should be no danger to their lives.

The Government should examine the way in which sentences are imposed. One of the reasons legal aid bills are so high is that we have a system whereby offenders are able to keep reappearing on various offences because they have never been sentenced properly in the first place. If people were given adequate prison sentences, they, first, would not be free to go around breaking the law and causing more misery to members of the public, and, secondly, would not be causing a rise in legal aid spending by reappearing in court and making the British taxpayer responsible for their defence.

[David T.C. Davies]

It is utterly perverse that those who are in prison are able to claim legal aid in order to get out on early release. There was much self-congratulation in the establishment a few weeks ago when the murderers of Anthony Walker were given the supposedly draconian sentence of two life sentences—a double life tariff. But if one reads the small print, it is clear that those two murderers will be out walking the streets within 15 to 20 years. By the time one of them is aged 35, he will be able to go before an early release board with legal aid in order to get himself out of prison again. That is outrageous. If such people were given the sentences that they deserved, they would never walk the streets again, and they would certainly not get legal aid in order to qualify them to do so.

The Minister has a long way to go before she solves the problem of rising legal aid. She said that she is going to come up with a new system that will be simpler, more cost-effective and more efficient. Those phrases were all used a few years ago when the Access to Justice Act 1999 was introduced. I was not here in 1999—if I had been, I would be suffering from a case of déjà vu—but I would not be at all surprised if in five years' time we were not back here again having found that legal aid costs have once again soared and that the whole system is falling apart, with the difference that I fully expect that by that time those of sitting us on the Opposition side will be sitting on the Government side, and we will have a Home Secretary who will be able to put in place a proper system that will last us for many years to come.

5.38 pm

The Parliamentary Under-Secretary of State for Wales (Nick Ainger): I thank Members on both sides of the House for participating in a useful and constructive debate on this small but extremely significant Bill. I do not believe that there is a great deal of disagreement in the House about the key principle that lies at the heart of the Bill—that those who can afford to pay for the cost of their own defence should in normal circumstances be invited to do so. I think that we are on common ground in seeking to ensure that the legal aid budget is managed on a sustainable basis.

Several Conservative Members, particularly the hon. Member for Huntingdon (Mr. Djanogly), suggested that the reintroduction of a means test could threaten access to justice. However, it is not about denying the right to representation but about determining whether it is right and proper that the state should meet the cost of that representation in all cases.

Mr. Djanogly: I did not intend to intervene on the Under-Secretary, but I should be grateful if he would explain precisely when I said that the measure would deny access to justice.

Nick Ainger: That is my recollection, and I apologise if I am incorrect. A theme that ran through the debate was the concern that individuals could be denied access to justice in some cases, but we must accept that means-testing has been an integral part of the welfare state in ensuring that those who can pay do so. Successive Governments have tried to ensure that valuable budgetary resources can be accurately and fairly allocated to those who most need them, and that argument applies to the legal aid budget. Far from restricting access to justice, means-testing will actively help to promote access for all.

Several hon. Members asked questions about or doubted whether the savings to which the supporting documentation refers would occur. The calculation of a £35 million saving comes from detailed work, which shows published thresholds of £19,000 for a couple without children up to £34,000. Of the approximately 30 per cent. of people who currently receive legal aid, two thirds will be eligible and a third will not be eligible. It is then a relatively easy calculation to establish that, on current budgets, that means a saving of £35 million. The figure relates to thresholds in the supporting documentation. We accept that, as we progress through Committee and when orders are laid, the thresholds could be adjusted. That was one of the points that the hon. Member for Somerton and Frome (Mr. Heath) made.

Several hon. Members accused the Government of a massive U-turn in the Bill, given that the Access to Justice Act 1999 abolished the means test. However, it is worth referring to the Second Reading debate on that measure. The Opposition tabled a reasoned amendment to Second Reading that did not mention means-testing in its lengthy objection or in the grounds that it set out for voting against the Bill. I have read all the speeches by Opposition Members and not one mentioned the abolition of the means test. My research so far suggests that, even in Committee, Conservative Members did not object to it.

David T.C. Davies: The Under-Secretary knows that I was not here in 1999 because I was serving in the Welsh Assembly. I can assume only that so much else was wrong with the Bill that Conservative Members had other things on their minds.

Nick Ainger: Nice try. However, it is clear from the debates in 1999 that the issue was not perceived as controversial. The abolition was accepted for the reasons that the hon. Member for Somerton and Frome (Mr. Heath) and my hon. Friend the Under-Secretary of State for Constitutional Affairs gave. There were clearly serious problems, which the hon. Member for Enfield, Southgate (Mr. Burrowes) identified, in that the processes involved in the means test added significant delays to the justice system. A judgment was made at the time that abolishing it was a way of saving money, but more important, of speeding up access to justice. Hon. Members should be careful and, instead of crowing, accept that, at the time, the measure was perceived as a step in the right direction. However, our experience in the past four years or so and the various individual cases that have clearly abused the system show that something has to be done.

The hon. Member for Huntingdon mentioned certain other factors that drive the rising costs of legal aid. The reasons for the growth in expenditure are complex, and require an integrated approach if they are to be tackled successfully. "A Fairer Deal for Legal Aid", which was launched in July 2005, sets out a strategic vision for how this can be achieved. While the reintroduction of means-testing has a key role to play in that regard, it is by no means the sole focus of the strategy. For example, major

steps are being taken to address the budgetary concerns posed by very high-cost criminal cases. However, it is important to recognise that the savings that will flow from the Bill are significant, with at least £35 million of savings resulting from the implementation of means tests in magistrates courts alone. For that reason, it is right and proper that we continue to give proportionate emphasis to means-testing as a major element in the strategy.

The hon. Member for Somerton and Frome said that the number of criminal practitioners—solicitors in particular—in his area was causing concern, and that sometimes only one solicitor would be available. We are aware of problems in certain rural areas, which are often less well provided for than urban areas. However, the Legal Services Commission is providing training grants to tackle that problem. In my experience, the number of students seeking to enter law school is continuing to rise considerably, and we need to ensure that a package is available to encourage those students to go into criminal representation.

Mr. Heath: The Minister is absolutely right; there is no shortage of keen and eager students going into law schools with high altruistic principles about going into legal aid criminal practice. The problem is finding places for them in firms such as those in my area, where training places are simply not available.

Nick Ainger: I accept that point. We have to look at the issue holistically, and perhaps it can be discussed further in Committee.

The hon. Member for Somerton and Frome raised the issue of the amendment that was passed in the House of Lords, and expressed his disappointment that we intend to overturn it. I should reiterate the Government's position on this policy. On the interests of justice case, the Government firmly believe that there should be an appeal to the court. However, when an applicant disputes the outcome of the means test, the Government consider that an administrative review mechanism is entirely appropriate. I think that my hon. and learned Friend the Member for Redcar (Vera Baird) made the point that it would not be justifiable to take to court a dispute over a calculation.

To provide for a full appeal process in respect of the means test would amount to a misuse of court resources, as the test is essentially administrative in nature and does not merit judicial intervention. I would add that that view is supported by members of the senior judiciary, whom we have consulted on this issue. At the end of the day, if an individual remains dissatisfied after the review has been carried out by the authorities, the individual could seek judicial review of the decision. It is for those reasons that the Government intend to table amendments in Committee to restore that position.

Mr. Heath: The Minister must know that judicial review is not a substitute for an appeal process, because it would only consider the way in which the decision was taken. It could not consider the facts ab initio as to whether the eligibility should have been granted.

Nick Ainger: The issue, however, is purely financial—*[Interruption.]* If we are talking about eligibility, the issue is whether or not the individual qualifies for legal aid. That involves considering the individual's financial situation, and I reiterate that that is not a justification for the court—

Adam Afriyie: I disagree entirely with what the Minister has just said. This is definitely an access to justice issue, because how can one have justice if one does not have legal aid and one cannot afford to pay for legal representation?

Nick Ainger: First, there can be an appeal to the court on the interests of justice issue if aid is refused on those grounds. Eligibility, in purely financial terms, concerns whether or not the individual has sufficient resources to qualify for legal aid. That is not an access issue. With some of the thresholds that have been indicated, and the availability of resources test, this is a perfectly reasonable move forward. We need to keep the system relatively simple but fair, so that we do not return to the old system, which the hon. Member for Enfield, Southgate described so well, and the problems that occurred under it.

Jeremy Wright: Surely the Minister cannot have it both ways. If, as he says, the eligibility criterion is a straightforward mathematical exercise, an appeal on that basis cannot waste much court time, can it?

Nick Ainger: Why should the matter be taken to court when there is a review system? If the argument is about what someone earns, or what their outgoings are, the position should be relatively clear. I fail to see why this sort of issue should end up in court.

Mr. Heath *rose—*

Nick Ainger: I shall give way for the final time on this point to the hon. Member for Somerton and Frome.

Mr. Heath: The Minister is being very generous, and we must not rehearse now the debate that we will inevitably have in Committee. I just wanted to understand the basic issue, which is not the simple addition of income in order to maintain eligibility. The most likely cause for an appeal would be in the case of estrangement or where there was a new partner who was not a spouse, on the question of whether their joint income should be taken into account for these purposes. The Minister is saying that it is all right for that to be dealt with administratively, whereas I am saying that, ultimately, a court might have to decide on the appropriateness or otherwise.

Nick Ainger: I always try to be helpful to the hon. Gentleman, and I do not know whether he has read the supplement, which goes into considerable detail about the points to which he refers—*[Interruption.]* All that I can say to him is that if there is such a complex issue, it is perfectly reasonable for it to be considered by judicial review. The concern, however, is that we will again tie up our courts with people appealing on their financial eligibility for legal aid. It is recognised by senior members of the judiciary that that is not a good use of court time.

[Nick Ainger]

This Bill seeks to tackle a widely recognised and much criticised flaw in the legal aid system—that, on too many occasions, those clearly able to afford the cost of their own representation and perhaps convicted of some of the most repellent and socially corrosive crimes are receiving the benefit of taxpayers' money through the legal aid system. Cases such as that of Kenneth Noye and, more recently, El-Hadji Diouf, are mercifully rare but do no credit to an otherwise socially vital, well-conceived and accepted system.

This is a common-sense measure that fits well with much of this Government's successful modernisation of the criminal justice system. It is based on the incontrovertible, broadly accepted principle that those who can afford to pay for the cost of their own defence should do so. It also makes significant progress towards ensuring that the modern legal aid system is sustainable and available for the protection of both current and future generations. It is, in short, a return to the founding principles of legal aid, and I am happy to commend the Bill to the House.

Question put and agreed to.

Bill accordingly read a Second time.

CRIMINAL DEFENCE SERVICE BILL *[LORDS]* (PROGRAMME)

Motion made, and Question put forthwith, pursuant to Standing Order No. 83A(6) (Programme motions),

That the following provisions shall apply to the Criminal Defence Service Bill [*Lords*]:

Committal

1. The Bill shall be committed to a Standing Committee.

Proceedings in Standing Committee

2. Proceedings in the Standing Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 12th January 2006.

3. The Standing Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.—*[Tony Cunningham.]*

Question agreed to.

CRIMINAL DEFENCE SERVICE BILL *[LORDS] [MONEY]*

Queen's recommendation having been signified—

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a) (Money resolutions and ways and means resolutions in connection with bills),

That for the purposes of any Act resulting from the Criminal Defence Service Bill [*Lords*] it is expedient to authorise the payment out of money provided by Parliament of any increase attributable to the Act in the sums payable out of money so provided under any other enactment.—*[Tony Cunningham.]*

Question agreed to.

CRIMINAL DEFENCE SERVICE BILL *[LORDS] [WAYS AND MEANS]*

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a) (Money resolutions and ways and means resolutions in connection with bills),

That, for the purposes of any Act resulting from the Criminal Defence Service Bill [*Lords*], it is expedient to authorise provision about contribution orders in relation to rights to representation.—*[Tony Cunningham.]*

Question agreed to.

CONSOLIDATED FUND BILL

Order for Second Reading read.

Question, That the Bill be now read a Second time, *put forthwith, pursuant to Standing Order No. 56 (Consolidated Fund Bills), and agreed to.*

Bill accordingly read a Second time.

Question, That the Bill be now read the Third time, *put forthwith, and agreed to.*

Bill accordingly read the Third time, and passed.

CLIMATE CHANGE AND SUSTAINABLE ENERGY BILL *[MONEY]*

Queen's recommendation having been signified—

Resolved,

That, for the purposes of any Act resulting from the Climate Change and Sustainable Energy Bill, it is expedient to authorise the payment out of the money provided by Parliament of—

(a) any expenditure incurred by a Minister of the Crown by virtue of the Act, and

(b) any increase attributable to the Act in the sums payable out of the money so provided under any other enactment.—*[Malcolm Wicks.]*

DELEGATED LEGISLATION

Mr. Deputy Speaker (Sir Alan Haselhurst): I propose to put together the Questions on motions 8 to 12.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

ANIMALS

That the draft Animal Health Act 1981 (Amendment) Regulations 2005, which were laid before this House on 9th November, be approved.

LONDON GOVERNMENT

That the draft Transport for London (Best Value) (Contracting Out of Investment and Highway Functions) Order 2005, which was laid before this House on 16th November, be approved.

ELECTRONIC COMMUNICATIONS

That the draft Communications Act 2003 (Maximum Penalty and Disclosure of Information) Order 2005, which was laid before this House on 23rd November, be approved.

CRIMINAL LAW

That the draft Serious Organised Crime and Police Act 2005 (Amendment) Order 2005, which was laid before this House on 23rd November, be approved.

ENVIRONMENTAL PROTECTION

That the draft Producer Responsibility Obligations (Packaging Waste) Regulations 2005, which were laid before this House on 24th November, be approved.—*[Tony Cunningham.]*

Question agreed to.

EUROPEAN UNION DOCUMENTS

Mr. Deputy Speaker: I propose to put together the Questions on motions 13 and 14.

Motion made, and Question put forthwith, pursuant to Standing Order No. 119(9) (European Standing Committees),

TACKLING ORGANISED CRIME

That this House takes note of European Union Document No. 9997/05 and Addendum 1, Commission Communication: Developing a Strategic Concept on Tackling Organised Crime; supports the Government's position in welcoming the Commission's strategic approach to tackling organised crime; and notes that many elements of the strategy are, or will be, the subject of detailed negotiation.

ECONOMIC MIGRATION

That this House takes note of European Union Document No. 5436/05, Green Paper on a European Union Approach to managing economic migration; and supports the Government's position in response to it to date.—*[Tony Cunningham.]*

Question agreed to.

PETITION

Tees Port

5.55 pm

Vera Baird (Redcar) (Lab): This is the petition of the Redcar business association and the Redcar road west action group, the latter being a grass-roots group of people in the former steel town of South Bank in my constituency. Petitions on this subject have been signed by 810 people. They support a proposal by PD Teesport to develop a deep-sea container terminal to expand Tees Port and generate employment.

The Petitioners therefore request that the House of Commons urge the Government to look favourably on the application—

the proposed application—

by Tees Port to expand within the context of a national ports strategy that takes into account environmental costs, congestion—

southern congestion—

and the needs of the North East.

To lie upon the Table.

Birtley Community Partnership

Motion made, and Question proposed, That this House do now adjourn.—*[Tony Cunningham.]*

5.56 pm

Mr. David Anderson (Blaydon) (Lab): Thank you for calling me, Mr. Speaker. I also thank the Minister for being present to reply to the debate.

I rise to speak about the town in which I live—a town where I have lived for only just over a year, but a town that has already had a major impact on my life. Birtley is not unique, except perhaps to those of us who live there. We think it is special, but I imagine that anyone else here would think the same of where they live. At its roots, it is a town built on the basis of hard work, a town that has seen hard times, and a town that deserves a break. My aim tonight is to give some impetus for the achievement of such a break.

I shall describe the history of Birtley, the solidarity and strength of a dedicated group of townsfolk and, crucially, a planning process that, if it is allowed to succeed, could be a blueprint for real community development based on partnership, consensus and involvement—not just for Birtley and not just for the whole country, but for those beyond our shores. I also want to describe the way in which I believe the Minister, his Department and local authorities can help to bring all the hard work to fruition.

Birtley is a town of some 10,000 people. It lies between Chester-le-Street and Gateshead, on what was the old Great North road—the old A1. It is an old town: indeed, in 1996 it celebrated the 300th anniversary of the founding of its Benedictine mission. The mission was founded only nine years after the execution of the Blessed George Douglas, a catholic priest who was hung, drawn and quartered on 9 September 1687 for the crime of "persuading to popery". It is an old town, and today it still has brave inhabitants.

Over the next 200 years the area experienced massive immigration, particularly from Ireland—so much so that by 1871 more than a quarter of the population were of Irish birth or descent. They came to Birtley because at the time it was a Klondike: coal, iron, chemicals, shipbuilding and engineering all beckoned to people who were struggling to survive following five horrific years of famine. They built a future for themselves and laid the foundation for people such as me to follow on.

Brickworks were popping up all over the place from the early 1850s onwards. They thrived up to the 1970s. In the years before the second world war, almost 300,000 bricks a week were produced in just two yards.

The area, like all of County Durham, was home to a number of collieries. There was even a tinplate works that was owned by the local Co-op. It produced everything from tin water bottles for miners to tea caddies for the Queen's coronation. The tin was even used during the second world war to make cases for smoke bombs.

I was amazed to discover, when speaking to people from the town, that 70 years before Nissan came to Sunderland, we built cars in Birtley. If anyone knows how I can lay my hands on a 1921, 14-horsepower Angus Sanderson, please get in touch as soon as possible.

[Mr. David Anderson]

Throughout the last century, we were one of the biggest manufacturers of munitions for all our armed services and for other countries, a role that is continued today by British Aerospace. It is noteworthy that, at its peak, over 7,000 people worked there, but today the number is nearer to 400. It is a very skilled work force dealing with high-quality equipment at a state-of-the-art facility.

Many of those workers in the early part of the last century were from Belgium, refugees escaping the trauma of the first world war. They settled in Birtley in an area that became known as Elizabethville in honour of the then Queen of Belgium. We were a town of hard-working people with lots of opportunities; but we were no strangers to struggle. Reading *The Chester Chronicle*—that is Chester-le-Street—from 11 March 1921, I was struck by the extract:

"a grand concert was held in aid of the Relief Fund, for the unemployed. The effort was a financial success and resulted in an amount of 12 pounds seven shillings being handed over to alleviate distress in the village."

Real hardship was the order of the day for many. During the 1926 miners' strike, people came together and shared what little they had, sticking together, making soup, or broth as we call it in the north. Sadly, as happened 60 years later, starvation and desperation forced the men back to work. The means test became a way of life for far too many and, all these years later, many old people recall all too vividly the harsh reality of that pernicious form of welfare. The sooner we have no more of it, the better say I.

The town has prospered since those dark years, thankfully. Today, we see many positive signs of improvements that our forebears could only dream of. We have new houses that are sold before they are built. We have successful schools and, beneath it all, a great community spirit. Despite the setbacks of the 1980s and 1990s, we are moving forward.

One of the best pieces of news I heard in the past year was that the jobcentre was closing because hardly any clients were using it. I pray for the day when we can celebrate the closure of the last jobcentre. Even better than that, one of the reasons that the jobcentre closed was that its offices were to be expanded into by a local company, Komatsu, which builds earth-moving equipment in Birtley and is breaking records week in, week out. However, we still want to do better. We are committed to seeing real regeneration of the town centre to complement the town's spirit and the hard work that is going on across the town.

The body that has risen to take up that challenge is the Birtley community partnership, a dedicated group of people encompassing local councillors, residents associations, the police, local businesses, youth clubs, church groups, sports clubs and school governors. Representatives of all the community have come together, inspired by the directive laid out by the Deputy Prime Minister in 2000, which said:

"people want to have a say in what happens in their community and to shape their own future."

We are taking part in that process in Birtley. Thankfully, we have had support from the Gateshead voluntary sector and Gateshead council. They have grown with the partnership, the collective voice of Birtley's people. Its remit is to seek improvements to the local environment, to communicate effectively on a two-way basis with and for local people, and to promote the regeneration of the town centre.

Already there have been small but important improvements, such as the introduction in the main street of flower baskets and flower tubs, a litter reduction scheme led and taken over by local schools, the siting of a Christmas tree in the centre of the town, which happened for years and has come back through the work of those people, and the development of an open-air carol service. Those are really small steps, but they make really tangible improvements to people's lives. They are things that put a smile on the faces of the people of Birtley.

The biggest challenge is still to come—the regeneration of the town centre. Using the avenue of the best value review carried out by Gateshead council—it was the first time that a town in this country was put under a best value review—the partnership engaged with officers from the council to put its plans forward. As part of that process, the council conducted surveys and sought the views of every person in Birtley.

To provide real ownership of the process, the council introduced Dr. Tony Gibson, OBE, to the partnership. Coincidentally, he lives in the Derwent valley, another great part of my constituency. Dr. Gibson was originally invited by the Department for Environment, Food and Rural Affairs to develop the concept of Planning for Real. It involved local people in changing their environment according to their wishes and their needs, rather than at the whim of faceless bureaucrats.

Building on 30 years of work from across the world—from Kenya to the Caribbean and most places in between—Dr. Gibson relies on hands-on techniques and readily available materials to give people the real sense of ownership that they need. People already have pride in their home town: they just need the prompt and the power to move forward from hope to reality. Dr. Gibson makes it easy and welcoming for people to engage, using simple direct instructions and guidance, such as "You tell me how you would like to see your town". He encourages people to turn talk into action. He asks people to identify their problems, but not to look to others to resolve them. Rather, people are encouraged to use their own knowledge and common sense to provide the answers. It is built up by involving as wide a cross-section of the community as possible.

By all means use expert advice, but do not let the experts own it. Build people's self-confidences and get those who believe that "It's about time, too," to do more than talk. Get them to lead by example and pull others into the project. Then make that project come alive. Develop models and maps: they do not have to be state of the art, but they do need to be recognisable to local people. Set up a skills database. Who are the local bricklayers, dressmakers, IT experts or mechanics? Ask them to play their part in helping to improve their town. From all of that activity, we can then pull together a priority list that may not move the earth, but may well make a real difference for real people on a day-to-day basis. Putting a seat in the middle of the main shopping street may not mean much to most people, but if it

allows old friends to sit together in their town and talk with pride of their shared past and their hopes for the future, surely that is a job well done.

People came together in Birtley and drew scale maps of the town, saying to other people that it was a foundation that they were working for. They then said: "Put on the map what you see as the problem areas, and put next to it what you see as the solutions". That focuses people's minds and brings a real sense of ownership and control, which is done by involving people themselves. Local people are encouraged to speak out and put their point of view for the town in their own way. There is no delineation between us and them. Whether experts or onlookers, everyone is treated as an equal whose view is as worthy as the next person's.

Packs were developed for schools in Birtley and the children at Barley Mow and Ravensworth schools were busily engaged in producing models to put on to maps. They produced a video that showed what they thought needed doing to improve their town. That is nothing new. As I said earlier, this is being done across the world by Dr. Gibson and others—and it works.

Listen to some of the comments from other towns. In Sheffield, it was said:

"This is a real example of residents changing the council's mind."

In Kingston, Jamaica, it was said:

"The community support has been overwhelming."

In Statterham, South Africa:

"It's what we've been waiting for all these years. The less people are talking, the more they are doing".

In Kenya:

"The youths themselves are thinking that they can really do something."

In Bosnia:

"It was a new and inspiring experience for all of us, we will work in the same manner in the future for sure."

Commenting on the first Planning for Real project, the BBC said:

"It is a scheme of almost child like brilliance which puts reality into the lazy jargon of community participation."

It works—and we in the House all know the reality of the failure when communities do not gel and do not work together. It is great—it is a shame that no Conservative Members are present—that, at long last, the Tory leadership has come to believe that there really is such a thing as society. But unless society produces communities that work—that control their own destiny and have pride in, and belief in, themselves—it is pointless having a society. Communities must work together.

Tony Gibson and active participants such as the Birtley partnership have put into reality the words of the Minister of Communities and Local Government, my right hon. Friend the Member for South Shields (Mr. Miliband), who said that we need to overcome

"a sense of powerlessness in local communities"

by

"devolving power down to street level."

They are walking the walk in Birtley and replacing apathy with action. They are using local resources and skills, and involving their friends, neighbours, children and families. They are bringing people together, identifying and tackling problems and developing solutions. They are identifying the who, what, where, when and how. They are using experts but keeping them on tap, rather than letting them be on top; they are the doers, not the talkers. They have done the groundwork and involved the community across the generations. They have ignored partisanship and rivalries. They are encouraging people to think, rather than to moan; to see, rather than to talk; to act, rather than to debate.

I am glad to report that the Birtley project has just completed a very full programme of activities throughout the town. The maps, models and toolkit have been taken into schools, churches, pubs and clubs—anywhere where people come together—and the people want more. They care about the town and they want to build a future for their community.

My right hon. Friend the Member for South Shields has agreed to visit Birtley in January and to see for himself what we do and where we are going. Gateshead council's best value review is almost in place and plans have been made up to 2010. It is hoped that soon the council will hand over to the partnership the old library, which will be developed into a drop-in centre owned by the town of Birtley and co-ordinated by the partnership. People became engaged in this process because they did not want to see a drift away from their town; they wanted to prevent further decline. They want a main street that acts as living proof of the vibrant community that Birtley has always been.

I said at the beginning of my speech that we are neither unique nor special—at least, not more so than any other town or community that has a pride in its history and a desire to build a better future. If our experience can help others, we will be happy to engage with them. This idea has worked around the world; it can work in Birtley and in other areas.

In closing, I ask the Minister to do all in his power to ensure that all this work—this effort and genuine commitment—is not in vain. Any help would be greatly welcomed and would be a testimony to our Government's real commitment to helping real people on the ground. We can put clothes on the words of the Deputy Prime Minister by not just letting people have "a say" in their future, but by providing the resources to allow them to shape their own future. We are talking about real empowerment and sometimes, for those of us in control, that can be challenging, but we must be up for it. The people of Birtley are, as Tony Gibson said in his book, like people trying to balance

"on a bike that stands still."

It is hard and, as he says,

"watch any roller blader weave and glide, it's the momentum that keeps us up and going . . . The only alternative to being taken over by events is to take them over, and that is not easy."

He is right, but we in Birtley are up for that challenge. I ask the Minister to keep our momentum going, to give us his support and to help us to keep moving forward together.

6.13 pm

The Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister (Jim Fitzpatrick): I am grateful to my hon. Friend the Member for Blaydon (Mr. Anderson) for initiating this Adjournment debate and I congratulate him on securing it. I note that he

[Jim Fitzpatrick]

advised the House that the Minister of Communities and Local Government will visit Birtley in January. I am sure that he will study the text of this debate as part of his preparation for his visit.

I understand that the Birtley community partnership is an active and enthusiastic group of people who are committed to making a real difference by ensuring that their town centre in the north-east of England is a lively and attractive, yet safe community environment. That is as it should be. It is essential for the vitality, welfare and safety of every community that people of all ages and from all walks of life engage constructively and effectively with each other and with other stakeholders in their area—such as the local council, businesses and the voluntary sector—to enrich the local economy, to provide jobs, to provide a safe and healthy local environment, and to encourage social cohesion, a strong local culture and pride in the community, much as my hon. Friend described.

Those are just some of the elements of a sustainable community that can help to underpin the action programme of the sustainable communities plan that the Government are working towards implementing. I am delighted to hear of such a fine example of community partnership in my hon. Friend's constituency. I have no doubt that other hon. Members will rush to tell me of equally exciting examples in their own constituencies and that they will have their own versions of people such as the Dr. Gibson to whom my hon. Friend referred several times.

The Government believe that local authorities must involve the people in their communities in developing the vision for their area. People should have more say in the way that places are run. They should have the opportunity to help improve local services, including schools, health services and the police, so that those services respond to the community's needs.

Local communities should be invited to offer ideas about what the vision for their area should be and how that can be achieved. Communities should be given every opportunity to play a full part in the processes of drawing up specific plans and policies, and they should also be consulted on proposals for development and regeneration of their area.

To deliver sustainable communities, we need an efficient, inclusive planning system. To be inclusive, that system needed more and better community involvement. It is for those reasons that the Government undertook a major review of the system that culminated in the Planning and Compulsory Purchase Act 2004. Regional and local plan making were reformed, with one of the aims being to enhance community involvement. One of the key parts of drawing up the local development framework is a requirement for local authorities to prepare statements of community involvement.

Primarily, SCIs are statements of the local authority's policy for involving interested parties in preparing and revising local development documents and for consulting on planning applications. They set out the local vision and standards for community involvement and how they link with other initiatives, such as the community strategy. They should also reflect the needs of the whole community, and identify the diversity of local groups that need to be involved.

To encourage that process, the Office of the Deputy Prime Minister published a good practice guide on diversity and equality in planning. I am pleased to hear that the Birtley exercise is just such an example of inclusive planning in practice. Community strategies, local development documents and parish plans are all valuable tools in establishing the local vision and putting it into action.

SCIs need not simply be about planning matters. Forward-looking authorities will be thinking about how such statements might be incorporated into their whole corporate culture when preparing other plans and programmes for the full range of their responsibilities.

A key feature of our approach is something called front loading, which means that local authorities must involve communities and stakeholders in their thinking at the earliest opportunity when they are considering the issues and the range of realistic options for dealing with them. Another theme of the new planning system is to examine critically the real geography of places, and we call that spatial planning. The example offered by Birtley, where a Planning for Real exercise has been used to inform a vision for the regeneration of the town centre, is what spatial planning is all about.

The Government recognise that community involvement takes time and resources. We understand that there are real pressures on local authorities, particularly when it comes to achieving targets for dealing with proposals. However, we believe that effective community involvement, although it may require up-front investment, can have real benefits that will enable local authorities to manage better the process for giving effect to their vision for the next 10 years or so.

There are many ways of involving communities and there is no right way or wrong way. Much will depend on the nature of the issue and the nature of the group or community that needs to be reached—and, as we know, some groups will be harder to reach than others.

My hon. Friend mentioned Planning for Real and the excellent work that Birtley community partnership has put into its exercise to improve the town centre, along with the crucial support of the local authority, Gateshead council. That is certainly one way to achieve effective engagement and I applaud the partnership's initiative.

The Royal Town Planning Institute describes Planning for Real as a method that uses simple models as a focus for people to put forward and prioritise ideas on how their area can be improved. I commend it as a highly visible, hands-on community development and empowerment tool, in which people of all abilities and backgrounds find it easy and enjoyable to engage. It seems especially effective for master planning an area or for developing urban design projects.

Hon. Members may be aware that the Office of the Deputy Prime Minister has helped to fund a useful community planning website that is run by the RTPI. It provides those interested with lots of helpful articles and guidance. In addition, the ODPM gives financial support to the RTPI's planning aid service. In fact, the Government are providing £4 million over three years so that it can expand its services and be more proactive,

especially in communities that are harder to reach. An important part of its brief is to help local communities to engage effectively with the local planning system. I understand that at least some of its regional offices have had a significant role in helping local authorities and communities to carry out Planning for Real exercises.

The planning aid service exists by using a regional network of more than 700 qualified volunteers and I pay tribute to them for giving up their time to help communities. As my right hon. Friend the Deputy Prime Minister has said, we are putting people first. We must raise the quality of what and how we build. We must improve the quality and delivery of the services that people need. We can do that best if communities are involved at the earliest practicable stage. Once again, I congratulate my hon. Friend and his constituents in the Birtley community partnership on the example that they have set. They have shown us that community involvement can be real and effective. I am sure that they have learned a lot from Planning for Real in Birtley and will be able to build on their experience.

I am equally confident that, with my hon. Friends' enthusiastic support, the community partnership will go from strength to strength. He paid tribute to the town of Birtley and its people, and I am sure that the House is grateful for his contribution.

Question put and agreed to.

Adjourned accordingly at twenty-three minutes past Six o'clock.

House of Commons

Wednesday 14 December 2005

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

SELECTION

Ordered,

That Mr Geoffrey Clifton-Brown be discharged from the Committee of Selection and Mr Andrew Robathan be added to the Committee.—*[Mr. Watts.]*

Oral Answers to Questions

DEPUTY PRIME MINISTER

The Deputy Prime Minister was asked—

House Building Targets

1. **Mr. Stewart Jackson** (Peterborough) (Con): What assessment the Government have made of the infrastructure needed to support their communities plan and regional house building targets. [37194]

The Minister of Communities and Local Government (Mr. David Miliband): The Government believe that infrastructure investment must support housing growth, using funding from mainstream programmes, investment by the private sector and top-up funding from the growth areas programme. For the first five years of the sustainable communities plan, we have committed £1.2 billion of growth area funding to supplement £3.5 billion of transport investment.

Mr. Jackson: I thank the Minister for that answer. Given that in my region, the eastern region, a recent independent report found that £18.5 billion will be required for investment in infrastructure over the next 15 years, may we have a cast-iron guarantee from the Minister that the planning gain supplement announced in the pre-Budget report will not be another of the Chancellor's stealth taxes, and will be ring-fenced to pay for the much-needed infrastructure in the coming years?

Mr. Miliband: A measure that is announced in a pre-Budget statement is an unusual definition of a stealth tax. I do not think that my right hon. Friend the Chancellor of the Exchequer could have been clearer and more open about it. I welcome the hon. Gentleman's support for the planning gain supplement, which provides that those who own land and benefit from planning gain should make a contribution to the essential infrastructure. My right hon. Friend has made it clear how that will benefit local people. I welcome the hon. Gentleman's support. I hope that he will persuade Opposition Front Benchers accordingly.

Richard Burden (Birmingham, Northfield) (Lab): Does my right hon. Friend accept that this is an important question because house building is important? Is he aware that, for instance, in Birmingham many of the cases that are brought to my advice surgeries involve people who are having difficulty in finding a home? I have some criticisms of Birmingham's handling of homelessness, but there is an urgent need to increase not only house building but the availability of affordable houses for rent as well as purchase.

Mr. Miliband: My hon. Friend makes an important point. The House will know that although about 190,000 new households are formed every year, we are building only 150,000 new houses every year. That explains some of the affordability challenges that we face. That speaks directly to my hon. Friend's point, which is that we must increase house building both in the private sector and in the social housing sector.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Does my right hon. Friend agree that local transport links are essential to successful housing development as part of regeneration? Will he agree to support an alternative to Merseytram to link local areas on Merseyside to employment areas and local amenities now that the Government have rejected that vital Merseytram project?

Mr. Miliband: It is tempting for me to make transport policy this morning. However, I will pass on my hon. Friend's concerns to the Department for Transport.

My hon. Friend is right that transport is a vital part of the infrastructure investment that we are discussing. The Department for Transport is making some allocations today in respect of capital funding, which will be of interest to the entire House.

Mr. Roger Gale (North Thanet) (Con): Does the Minister recognise that the Deputy Prime Minister's apparent desire to smother the garden of England with housing is leading to badly built houses, unsupported by adequate schools and medical services at primary level and by roads? Does he think that that is desirable?

Mr. Miliband: My right hon. Friend the Deputy Prime Minister is standing up for the next generation, who need greater housing provision. I am sorry that the hon. Gentleman is not joining him in doing that. He talks about smothering the garden of England. Currently, 11.4 per cent. of the south-east is covered by development. My right hon. Friend proposes to raise that to 11.9 per cent. That is not smothering the garden of England but delivering the houses that the next generation needs.

Mr. Jeremy Browne (Taunton) (LD): Thousands of new houses have been built in Taunton Deane and elsewhere without adequate shops, public transport or

other necessary amenities. Does the Minister share my view that it is one thing to construct a group of houses but another thing to build a community?

Mr. Miliband: I agree completely with the hon. Gentleman that we need decent communities as well as decent housing. That is why we are putting so much stress on building a strong economy. We do not control and own shops ourselves—my party has moved on from that. We are committed to transport and other areas of infrastructure that are essential if we are to build the decent communities that we are discussing.

Mrs. Caroline Spelman (Meriden) (Con): It was just a touch stealthy that the right hon. Gentleman did not mention the new land development tax for infrastructure from the outset. Perhaps he shares my scepticism that it may never emerge from the Treasury intact. More importantly, on 5 December it was said that this tax would inevitably have to be controlled by unelected regional bodies. Is this simply taxation without any representation?

Mr. Miliband: We should congratulate the hon. Lady on her reappointment. Other Departments' loss is our gain, because I could not have made clearer the position on the planning gain supplement. We believe that people who hold land and benefit from planning permission should contribute to infrastructure costs—that is the right balance. We have made it clear that the majority of returns from the planning gain supplement will be used within the local authority area. *[Interruption.]* If the hon. Lady contains herself she might learn something. The majority of the money will be used within the local authority area, and the rest will be used to support local people. I am sure that she agrees that it makes sense to build sewerage works and infrastructure development, which, while they may not be within the local authority area, will benefit local people. The money spent on sewerage works and transport may not all be spent directly in the area, but it will still benefit local people.

Sarah Teather (Brent, East) (LD): What environmental factors do the Government take into account in their assessment of infrastructure and house building? Will the Minister confirm that the Office of the Deputy Prime Minister has not signed up to any public service agreement on climate change?

Mr. Miliband: The sustainability appraisals that are at the heart of the environmental work of the ODPM are central to such development. I should have thought that the hon. Lady would welcome the new guidance issued by my hon. Friend the Minister for Housing and Planning, which shows a 40 per cent. increase in the energy efficiency of all new housing.

Sarah Teather *indicated dissent.*

Mr. Miliband: The hon. Lady may shake her head and say that it is not good enough, but it is better than standards elsewhere in Europe, so I should have thought that it was good enough for her.

House Building

2. **Mr. Andrew Turner** (Isle of Wight) (Con): What assessment he has made of the effect of international migration on the need for house building in the east and south of England. [37195]

The Minister for Housing and Planning (Yvette Cooper): International migration is a factor in UK population growth, and it is important to the growth of the economy. Household growth is higher than population growth due to demographic and lifestyle changes, particularly an increase in the number of people living alone. The result is growing demand for housing, which affects the south and east of England.

Mr. Turner: I thank the hon. Lady for her reply. Is she aware that Home Office figures accept that migration is such that it requires a new town the size of Slough every two years or a new city the size of Birmingham every 10 years to accommodate people coming to this country? Whose job is it in Government to balance the needs of the economy, to which she referred, with the need to protect the environment? Which Minister is responsible?

Yvette Cooper: I can see the way in which the Tory party wants to campaign on housing policy. We look at the projections for household growth, two thirds of which is the result of more people living alone. The figure will grow from 3.4 million in 1971 to 8.5 million in 2012. It is true that the 29 per cent. of NHS doctors who were born abroad need homes to live in, as do pensioners and widows who live alone as well as the next generation of first-time buyers. In the end, that is the issue. The hon. Gentleman's policy would mean that 70 per cent.—

Mr. Speaker: Order.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): Will the Minister confirm that the major sources of population growth in the south of England are migration to the south-east from London and increased longevity? In relation to the second group, what steps are being taken to make sure that new house building in the south takes account of the needs of the elderly population?

Yvette Cooper: My hon. Friend is exactly right. We need to take account of an ageing and growing population. If we do not do so, in 20 years' time, 70 per cent. of 30-year-old couples who are first-time buyers will not be able to afford their own home. That is the consequence of sticking with existing rates of house building, which is the approach taken by the Opposition. Their leader may say all those nice things about not campaigning on immigration—

Mr. Speaker: Order. The hon. Lady defies the Chair when she keeps going on about Opposition policy. She will not do so again.

Mr. James Gray (North Wiltshire) (Con): I very much welcome the statement that the Chancellor of the Exchequer made about shared ownership in the pre-Budget statement. It is very valuable, and a great deal of

money is attached to it. However, will the Minister confirm that it is not new money, as it comes out of the overall housing budget, so every penny spent on shared ownership schemes means that less will be spent on refurbishment or new local authority housing?

Yvette Cooper: No, the hon. Gentleman is wrong. The proposals that we announced as part of the pre-Budget report are about building a public-private partnership to get more private developers and mortgage lenders to increase the amount of investment in shared equity housing. We think it is right to support shared equity housing. We have set out a big increase in investment in social housing and in shared equity housing. We believe it is right to go further and to bring in additional private sector money as well as additional public sector funding, so that we can support the next generation of home owners.

Lyons Review

3. **Mr. Jim Cunningham** (Coventry, South) (Lab): If he will make a statement on progress with the Lyons review. [37196]

The Minister of Communities and Local Government (Mr. David Miliband): Sir Michael Lyons will publish an interim report tomorrow setting out his preliminary thinking, and publish research and analysis that he has undertaken so far.

Mr. Cunningham: Will my hon. Friend assure the House that, as he considers the Lyons report and local government funding, he will consult local government widely? I am sure my hon. Friend knows that there has always been serious concern about local government funding, particularly the formula element.

Mr. Miliband: I can confirm that written into Sir Michael Lyons' terms of reference is a commitment to work with local government. Obviously, it is essential that we do so. His proposals will cover the long-term financing of local government, and that must be done in partnership with local government.

Mr. Eric Pickles (Brentwood and Ongar) (Con): The Chancellor last week abolished the pensioners' £200 council tax rebate after it had been in operation for only one year. Is Sir Michael Lyons expected to estimate the number of additional pensioners who will face imprisonment for non-payment? Does the Minister personally regret that the Government have reneged on their promises to pensioners?

Mr. Miliband: The answer to that question is no. No new estimates are being provided of that, no new powers of entry are being given to the Valuation Office Agency, no new fines are being invented, there will be no new higher bills for inheritance and capital gains tax—all of which have been alleged—and, surprisingly enough, no new proposals for the slaughter of first-borns will be announced by Sir Michael Lyons, either.

Council Housing

4. **Bob Russell** (Colchester) (LD): How many council houses have been built since 1997. [37197]

The Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister (Jim Fitzpatrick): Since 1997 1,130,000 new dwellings have been constructed, of which registered social landlords built 177,000 and local authorities 1,365.

Bob Russell: When the Minister and the Deputy Prime Minister arrived at Westminster tube station this morning, did they observe the illuminated poster from Shelter showing the Chamber occupied by homeless families, along with the slogan

"Overcrowded housing robs children of room to grow. Britain needs more homes now"?

Noting that in the eight years from 1979 the Thatcher Government built 415,814 council houses, is it a success of the new Labour Government that in eight years they have built, according to the House of Commons Library, 4,278?

Jim Fitzpatrick: Shelter is a much respected organisation and we welcomed its latest report. However, the hon. Gentleman knows that when we came to power in 1997, our housing priority was the £19 billion backlog in social housing repairs and the 2 million homes that had fallen below the decency threshold. We have attacked that problem. We are well on our way to making sure that, by 2010, 2 million homes will be up to the decency threshold. We have cut rough sleeping by three quarters, and we are on our way to helping 100,000 new people into their first homes by 2010.

Lynne Jones (Birmingham, Selly Oak) (Lab): The Government response to the Barker review last week stated that the supply of social housing would be a priority for the spending review in 2007, but the Barker report was published with the Budget in 2004, recommending an increase of 23,000 new social homes a year. As I told both the Deputy Prime Minister and the Chancellor in 2004, Birmingham desperately needs at least another 3,000 social homes a year. Why must we wait until 2007 for the increase in social housing supply that is so desperately needed in Birmingham and elsewhere?

Jim Fitzpatrick: My right hon. Friends must have listened, because the Government have accepted the key recommendation of the Barker review, which is a step change in housing. We are increasing funding for socially rented housing, and we are also increasing new build from 20,000 a year to 30,000 a year. By 2008, we expect 75,000 new homes in the social rented sector, as well as bigger targets between now and 2015.

Mark Pritchard (The Wrekin) (Con): Is the Minister aware that there is currently no homelessness provision for adults in my constituency in Shropshire as a result of the mixed messages that the Government have given out since 1997? What will he do for those who find themselves homeless on the streets of Shropshire this year and who do not have access to grace and favour apartments?

Jim Fitzpatrick: As I said, since 1997 we have cut rough sleeping by three quarters and ended the scandal of families with children experiencing long stays in

cramped bed and breakfasts. We are providing £5 billion between 2004 and 2006 and £3.9 billion between 2006 and 2008. The Deputy Prime Minister has ensured that housing is a main priority for this Government, and we are very proud of our record.

Mr. Robert N. Wareing (Liverpool, West Derby) (Lab): Does the Minister agree that it is abysmal that a Labour Government have built only about 1,000 council houses? Most social housing is run by housing associations, which are not accountable to the electorate. When people lived in council houses, they knew that their councillors would take up their cases on matters such as maintenance, but all hon. Members know that that situation has changed. We should reverse the position by transferring stock from housing associations to councils.

Jim Fitzpatrick: With respect, my hon. Friend is wrong. The Government made a clear choice to allow registered social landlords to seek private sector capital, of which an additional £6.5 billion has been spent on social housing, including the social rented sector. The matter involves value for money and choice for local authorities. I do not agree with my hon. Friend that there is no social control—registered social landlords have very good communications and their boards are staffed by councillors as well as representatives of the local community, who are doing their best for their neighbourhoods.

Alistair Burt (North-East Bedfordshire) (Con): Back in 1997, the Prime Minister pledged to do all in his power to end the scourge of temporary accommodation. Bearing in mind the fact that the number of people living in temporary accommodation will have doubled by this Christmas, what does that say about the Government's pledges and the Prime Minister's power?

Jim Fitzpatrick: In the past year, homelessness has dropped by 23 per cent. As I have said, we have ended the scandal of families with children living in bed-and-breakfast accommodation. Those who are awaiting permanent accommodation are in accommodation of a much higher standard than anything experienced before 1997. The money that we are putting into housing, including the step change in new build, is unprecedented.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): I welcome the Minister's comments about investment in repairs to council housing, which has transformed the housing stock in my local authority. Does the Minister recognise that some people—in particular, young people—still cannot get into either social housing or the private sector? Will he introduce the plans on shared equity and greater social housing expenditure as a matter of urgency?

Jim Fitzpatrick: My hon. Friend has made a good point. Notwithstanding how much is being done—149 stock transfers, 56 arm's length management organisations, 37 private finance initiatives and £6.5 billion of private sector funding—a lot remains to be accomplished, but as a result of our programme, more than 1 million people now live in homes above the decent homes threshold who did not do so before 1997.

Local Government Finance

5. **James Duddridge** (Rochford and Southend, East) (Con): What representations he has received regarding the local government finance settlement. [37198]

The Minister for Local Government (Mr. Phil Woolas): There were 369 representations made to the consultation on options for the grant distribution system that was held over the summer. We also received a variety of correspondence on the options between the end of this consultation and the announcement of the settlement on 5 December.

James Duddridge: I thank the Minister for that reply and I thank the Under-Secretary for agreeing to meet Southend council on 9 January. However, what general advice would the Minister give local authorities across England about the ever-increasing Government requirements for spending on things such as pensions, job evaluation, civil contingencies and waste, which are extra costs that are not covered by inflationary or near-inflationary increases?

Mr. Woolas: I would advise those councils to read the words of the leader of the Local Government Association, a Conservative councillor, who acknowledged that the Government had met their new burdens obligations in the settlement. I would also advise those councils to look at the figures that confirm that by financial year 2007–08 they will have had 10 years of above-inflation increases in their revenue support grant.

Mr. Nicholas Brown (Newcastle upon Tyne, East and Wallsend) (Lab): The settlement has left the five district authorities in Tyne and Wear with a shortfall in the moneys necessary to implement the pensioners' concessionary bus travel scheme that the Chancellor announced in the last Budget. I am grateful to the Minister for agreeing to meet me and colleagues from Tyne and Wear to discuss the problem. However, if we are unable to get a satisfactory settlement next week, will it be possible for me and other Members of Parliament representing the county to meet the Deputy Prime Minister to discuss the matter further?

Mr. Woolas: I am grateful to my right hon. Friend for his work on behalf of his constituents. He, like me, wants to ensure that all the pensioners get the benefits of the extra £350 million that has been provided across the country for free travel for pensioners. I look forward to next week's meeting with my right hon. Friend, the transport authority and the councils. He will of course be waiting for the outcome of that meeting to see how he can facilitate this policy.

Shire Council Finance

6. **Peter Luff** (Mid-Worcestershire) (Con): What representations he has received from shire councils about the level of revenue support for 2006–07. [37199]

The Minister for Local Government (Mr. Phil Woolas): The Office of the Deputy Prime Minister is currently consulting on the provisional local government finance settlements for 2006–07 and 2007–08. We expect to receive

several representations on the level of revenue support grant from shire counties and others in response to that consultation.

Peter Luff: Another Christmas, and the people of Worcestershire are being cheated yet again, with the Deputy Prime Minister giving us his traditional but not particularly popular performance of Scrooge. Are not my constituents entitled to ask what the Dickens is going on as they see that the gap between Worcestershire schools funding and that of their neighbours is growing yet again and that their county council is going to make cuts in other services to reach criteria imposed on it by the Minister?

Mr. Woolas: I suspect that the hon. Gentleman would have complained whatever the settlement had been, as indeed he has for the past eight years. I can tell the House that over the 10 years to 2007–08, Worcestershire county council will have had an average increase in formula grant of some 4.5 per cent. per year—significantly above the level of inflation.

Departmental Contingency Planning

7. **John Robertson** (Glasgow, North-West) (Lab): What discussions his Department has had with the Scottish Executive and the Welsh Assembly on his Department's civil resilience responsibilities in the event of a terrorist attack. [37200]

The Deputy Prime Minister (Mr. John Prescott): The ODPM works closely with the Home Office, which has the policy lead in respect of resilience and response to terrorist attack. We are leading on several fire resilience projects, in each case working closely at all levels with respective counterparts in Scotland and Wales. As I told the House on Monday, the measures that my Department has put in place substantially improved our ability to respond to emergencies, and yet again we had a key role to play in tackling the fire at Buncefield.

I take the opportunity to confirm to the House that the Buncefield fire is under control and that small fires from damaged valves are being allowed to burn under supervision. Monitoring the effects of the plume on the environment, health and food has been under way since the start of the incident, and I intend to visit the site on Saturday.

I pay tribute to the bravery, dedication and professionalism of the emergency services. The House will be amazed at the criticism that was made of their training and preparedness, especially while they were still fighting the fire.

John Robertson: I thank my right hon. Friend for his comprehensive answer. May I, too, express my admiration for those in the services who fought the fire in Hemel Hempstead? How confident is my right hon. Friend about training sessions in every part of the country and the competence that can be expected from the agencies? How quickly can he ensure that they achieve the same competence as was shown in Hemel Hempstead?

The Deputy Prime Minister: I assure my hon. Friend that training in our services has enabled us to engage in cross-agency training—an exercise that is carried out locally, regionally and nationally. My Office invested heavily in equipment, such as that used in London on 7/7, in the Carlisle floods and in Hemel Hempstead at the weekend. Furthermore, the Civil Contingencies Act 2004 and the Fire and Rescue Services Act 2004 provide the legislative framework. Each of our fire resilience project training programmes enables a consistent, co-ordinated response throughout the English regions. It worked well in Hemel Hempstead and, indeed, in the recent plastics factory explosion in Glasgow.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [37179] **Mr. David Crausby** (Bolton, North-East) (Lab): If he will list his official engagements for Wednesday 14 December.

The Prime Minister (Mr. Tony Blair): This morning I had meetings with ministerial colleagues. In addition to my duties in the House, I will have further such meetings later today.

Mr. Crausby: Antisocial behaviour is of prime concern in Bolton, where the police have used ASBOs and unacceptable behaviour contracts effectively. However, they do that on a shoestring budget. Will my right hon. Friend provide the funds to ensure that the antisocial behaviour of the mindless minority will not be tolerated?

The Prime Minister: Obviously, it is important that we keep the steady stream of investment going into my hon. Friend's constituency and elsewhere. He is right to say what a difference antisocial behaviour legislation has made, as I know from my visit a couple of days ago to Harlow, where I saw for myself how the local police and local community had used the antisocial behaviour legislation to make a real difference to their people's lives. That is why it is so sad that the Conservative party dismissed it as a gimmick.

Mr. David Cameron (Witney) (Con): Since our exchanges last week, plans for an alternative education White Paper have been published. Reports suggest—*[Interruption.]* It was not produced by the Liberal Democrats. I do not know—*[Interruption.]*

Mr. Speaker: Order. No one should shout down the Leader of the Opposition.

Mr. Cameron: Thank you, Mr. Speaker. I simply wanted to clarify that the White Paper was not produced by the Liberal Democrats, who have been concentrating on their decapitation strategy.

Reports suggest that the alternative White Paper calls for a delay in the introduction of trust schools. Will the Prime Minister specifically rule that out?

The Prime Minister: Yes, I will.

Mr. Cameron: Excellent. This is only my second outing. I was told that I would never get a straight answer from the Prime Minister, yet on my second outing, I have done so. We are already working well together.

We are told that the alternative White Paper will propose cutting the power of head teachers, boosting the role of local education authorities, making it more difficult for new schools to be set up and putting the code of admissions into statute. The Secretary of State for Education and Skills said that that would undermine discretion and flexibility. Will not those changes render the Prime Minister's changes meaningless? So will he rule them out, too?

The Prime Minister: I can assure the hon. Gentleman that we will stick with the changes in the White Paper because they are the right changes to make. There is a difference between me and those hon. Friends of mine who have put forward different proposals today. There is also a difference between me and the hon. Gentleman, because last week, he confirmed that he was in favour of bringing back academic selection—

Mr. Cameron: No.

The Prime Minister: The hon. Gentleman says no. Let me read to him what he said last week on the "Today" programme. Mr. Humphrys said:

"there will be a return to selection by ability if that is what the schools want, just to be quite clear about that.

DC:"—

that is the hon. Gentleman—replied:

"That's right".

So I am not the only one giving straight answers.

Mr. Cameron: The Prime Minister said in his answer that there was a difference between his view and the view of his Back Benchers. So he faces a choice: with our support, he can have the reforms that our schools need; or he can give in to the Labour party. Which is it to be? White Paper or white flag?

The Prime Minister: The hon. Gentleman has spent hours practising that one. Yes, there is a difference with the Back Benchers on my side who have published their proposals today; that is absolutely true. But the point is that there is also a difference with the Conservative party. Let us just be quite clear what that difference is. The hon. Gentleman wants to return to academic selection—

Mr. Cameron *indicated dissent.*

The Prime Minister: The hon. Gentleman continues to shake his head. I shall give him another quote. In the *Evening Standard*, he said:

"I want to give academies—and, over time, all schools—the freedom to run their own admissions policy . . . Some schools will want to select by academic ability".

So there is no doubt about this: he wants academic selection; I do not. I want fair funding and fair admissions, and I want the freedoms to be within that framework. Now, if he supports that, let's hear it.

Dr. Alasdair McDonnell (Belfast, South) (SDLP): May I ask the Prime Minister a question about an item of national importance and public interest? Last week we saw the collapse of charges arising from the IRA spy ring in Stormont that brought down the devolved Assembly. We were told by the Attorney-General that those charges collapsed in the public interest. On the basis of that alleged public interest, of which absolutely no detail has been provided, would it be possible to make a statement or share some information with us on why the charges were preferred, lasted for three years, then suddenly evaporated at the last minute?

The Prime Minister: I entirely understand my hon. Friend's concern. I have to say, however, that the decision whether to proceed with a prosecution is made by the Director of Public Prosecutions. It is not, and cannot be, made by Ministers. Obviously, we were not consulted about this matter; it has to be a decision taken by the independent prosecuting authorities.

Mr. Charles Kennedy (Ross, Skye and Lochaber) (LD): Last week, the Prime Minister acknowledged that he had been aware of the United States' policy of rendition for quite some time. If terrorist suspects are not being transported to a third country for the purposes of torture or mistreatment, will he explain to the House for what purpose they are being transported?

The Prime Minister: First, let me again make it clear to the right hon. Gentleman that this Government are completely and totally opposed to torture or ill-treatment in any set of circumstances. Our country is a signatory to the United Nations convention against the use of torture, and we will continue to uphold its provisions absolutely. Rendition does not simply apply in those circumstances; it can apply in other circumstances, as the United States Secretary of State has made clear. To be fair, they have also said that they are totally opposed to the use of torture or ill-treatment in any circumstances.

Mr. Kennedy: In welcoming precisely what the Prime Minister has just said, does he not therefore acknowledge that our country is surely under a legal and moral obligation to investigate why flights are being allowed to pass through our country for rendition purposes? Full inquiries are now taking place in Italy, Spain, Germany and Canada. Why are they not taking place in the United Kingdom?

The Prime Minister: My right hon. Friend the Foreign Secretary has just passed me a copy of his parliamentary answer from, I think, a few days ago, which states:

"Careful research by officials has been unable to identify any occasions since 11 September 2001, or earlier in the Bush Administration, when we received a request for permission by the United States for a rendition through UK territory or airspace, nor are we otherwise aware of such a case."

On United States Government flights coming in and out, those take place for a whole series of reasons. We receive visits from people from the United States Government the entire time.—*[Interruption.]* I have to say that the Liberal Democrats are quite extraordinary sometimes. The idea that we should investigate every time that a United States Government plane flies into this country is completely absurd.

Q2. [37180] **Linda Gilroy** (Plymouth, Sutton) (Lab/Co-op): What more is the Prime Minister prepared to do to help Plymouth police to ensure that drug barons and other hardened criminals are not able to profit from their ill-gotten gains?

The Prime Minister: My hon. Friend raises a point on the action that we are taking against those engaged in organised crime. One of the most important powers that the police have is to be able to seize cash that drug dealers, or those suspected of drug dealing, may have on them. We want to lower the minimum amount that people must have on them before they can be subject to that procedure. We have recovered something like £185 million worth of criminal assets over the past three years. In Devon and Cornwall, which is my hon. Friend's area, the police have obtained cash forfeiture and confiscation orders with a value of more than £1 million just in the past year. We will also, however, give incentives to forces to do more of that confiscation work, and they will be able to keep a proportion of the money that they confiscate. Already, about an additional £180,000 has been paid into the funds of Devon and Cornwall as a result, and we want to extend that further. Again, however, I am sorry to say that the shadow Home Secretary opposed those measures when we announced them the other day.

Rev. Ian Paisley (North Antrim) (DUP): Is the Prime Minister aware of the serious matter that has just been raised by the hon. Member for Belfast, South (Dr. McDonnell)? Does he realise that the people of Northern Ireland, in both sections of the community, are angry that a serious matter has taken place, and all that we receive from the Secretary of State for Northern Ireland is the response that no questions will be answered in Parliament? The Northern Ireland people have a right to be heard in this place, and the Prime Minister has a responsibility in this place in relation to the safety of many hundreds of people who were visited by the police and told that they were in danger and the £3 million that has been lost down the drain on the issue. Will he see that the rights of the people of Northern Ireland are defended, and that there will be some place where public representatives can ask those questions and get answers to them?

The Prime Minister: I am certainly happy to see how much more information can be put in the public domain, consistent with the proper legal procedures. I hope that the right hon. Gentleman will accept from me, however, that the decision was not taken by any Minister, and neither was there any political interference in that decision. The decision to prosecute is taken by the DPP, and he has decided not to proceed with it. I do not know the reasons for that; I simply know that that is what he has decided. I will, however, examine whether, consistent with the proper legal procedures, we are able to give more information, but the decision was taken solely on the authority of the prosecuting authorities.

Q3. [37181] **Mr. Andrew Love** (Edmonton) (Lab/Co-op): Will my right hon. Friend join me in condemning Conservative-controlled Enfield council, which only last week turned down £1 million of economic development assistance because it refused to match-fund that sum? That will affect the most disadvantaged and deprived parts of my community. Is not all this talk about concerned conservatism simply hot air? Sadly, the reality is that it is still the uncaring and nasty party that we all know.

The Prime Minister: If it is not out of order in this new era of an end to Punch-and-Judy politics, I suggest to my hon. Friend that it looks to me as though the Conservatives have been a trifle misguided on the issue. Let us put it no higher than that.

My hon. Friend has rightly drawn attention to the fact that the only difference between compassionate conservatism and conservatism is that under compassionate conservatism they tell you that they are not going to help you, but they are really sorry about it.

Mr. David Cameron (Witney) (Con): Expanding free trade is the most powerful force for the reduction of world poverty, but there are some at the world trade talks in Hong Kong this week who argue that expanding free trade means forbidding developing countries to protect their environments. Does the Prime Minister agree that that is the wrong argument? Does he agree that it is perfectly possible for developing countries to have free trade and benefit from it, while allowing the environmental protections that we enjoy in this country?

The Prime Minister: Yes, I do agree with that, but there is another thing that I consider important. It is also important for developing countries whose economies are at a very low stage of development to get help—aid for trade—so that they can build the capacity that will enable them to trade. I was particularly pleased that the G7 Finance Ministers agreed to increase aid for trade to $4 billion, because that trade capability is also an important part of making free trade work.

Mr. Cameron: The difficulty of this week's talks demonstrates how important it is for the developed world to show real moral leadership. Does the Prime Minister agree that the developed world should show that leadership not by imposing damaging conditions on developing countries, but by taking the first step, and reducing its own tariff barriers?

The Prime Minister: I agree that we should reduce our tariff barriers. That is what we have asked for all along. It is important to recognise that the issue involves not just Europe, but America and Japan. We also want non-agricultural market access to be provided by Brazil, India and other parts of the developing world that are well on the way to becoming developed.

I believe that if we show the right imagination at Hong Kong and afterwards, we will get the right deal for this Doha development round, and I believe—as I have said on many occasions—that if we do not it will be a disaster, and not just for the developing world. Countries like our own stand to benefit enormously from opening up free trade.

Anne Snelgrove (South Swindon) (Lab): Will my right hon. Friend join me in congratulating Swindon borough council on achieving a two-star ranking? Does he recognise the significant contribution made to its success by Government remedial help, particularly from the

Office of the Deputy Prime Minister? We thank the ODPM for its help over the past few years. Will my right hon. Friend assure me that that help will be available to struggling councils throughout the country in future?

The Prime Minister: I am happy to pay tribute to the Department of my right hon. Friend the Deputy Prime Minister, and to Swindon borough council for the excellent work that it is doing. It shows that with the right level of investment and funding, and partnership between local and central Government, a real difference can be made to the quality of life of local communities.

Q4. [37182] **Mr. Peter Robinson** (Belfast, East) (DUP): May I return the Prime Minister to the issue of the Stormont spy ring? He says that the decision was made by the Director of Public Prosecutions. Can he say whether the DPP sought or received advice from the Attorney-General, or whether there was any consultation with any other Minister?

Is the Prime Minister aware that three possible reasons for the DPP's decision are being canvassed in Northern Ireland? One is that there was not enough evidence to secure a prosecution; another is that the Government have done a deal with the Provisional IRA; and the third is that they were protecting sensitive, if not embarrassing, evidence and agents. Will the Prime Minister tell us which it was?

The Prime Minister: I do not know whether the DPP was in consultation with the Attorney-General or not, but I can assure the hon. Gentleman that no Minister had anything whatever to do with the decision. I hope he accepts that. If he actually wants to create a stable atmosphere in Northern Ireland, he should bear in mind that it is helpful not to end up with conspiracy theories that owe very little to the facts and a great deal to the desire of people to stir up difficulty.

As for the three points that the hon. Gentleman presented as reasons for the action, I cannot comment on the first or the third, but I can say of the second that it is completely untrue.

Mr. Lindsay Hoyle (Chorley) (Lab): Does my right hon. Friend share my anger and concern at the fake photographs published in the *Daily Mirror* that put British service personnel's lives at risk? And yet, we find that nobody is guilty and nobody is going to be charged in court; the whole thing seems to have been swept under the carpet. What can he do to put this matter right and to restore some credibility to the British justice system?

The Prime Minister: I have to say to my hon. Friend that I entirely understand the concern—and, indeed, the anger—in certain quarters, but again, these decisions have to be taken by the prosecuting authorities. I think that I would quite rightly be subject to a great deal of criticism if I sought to intervene in those decisions.

Q5. [37183] **Greg Clark** (Tunbridge Wells) (Con): Last week, the National Audit Office, the permanent secretary of the Department for Work and Pensions and the Treasury's own officer of accounts all told the Public Accounts Committee that

"The complexity of the benefits system . . . has deterred saving for retirement".

The only people who disagree with that are the Chancellor and the hon. Member for Normanton (Ed Balls). Are they right or is everyone else correct?

The Prime Minister: We are all agreed that there is a need for pensions reform, which is precisely the reason why we commissioned the Turner report. When we put forward our proposals next year, I hope that they will get support in every part of the House.

Q6. [37184] **Mr. John Grogan** (Selby) (Lab): Will the Prime Minister consider, as a well-deserved Christmas present to Labour Back Benchers, giving us a free vote on smoking, particularly as much of the pub and hospitality industry now supports a complete ban?

The Prime Minister: I take it from the fact that my hon. Friend says that it is well deserved that he is going to be fully supportive of the Government in all the Divisions to come in the next few months. I said what I said on smoking last week, and we will continue, obviously, to talk to people about it, but I would point out that, on any basis, the vast bulk of smoking in public places is going to be banned under this legislation. I am aware that a debate continues as to whether we should go even further, and I shall listen to that debate with interest.

Q7. [37185] **Dr. Vincent Cable** (Twickenham) (LD): Is the Prime Minister aware that 97 per cent. of executions in the world take place in China, Vietnam, Iran and George Bush's United States, which passed the 1,000 mark this week? Since this is an area in which the European Union has considerable moral and political authority, what role is the Prime Minister playing, as EU President, in exercising international leadership to curb this practice?

The Prime Minister: There is a difference between Europe and America on this issue—there always has been and there will be so long as the death penalty remains in the United States of America. When the hon. Gentleman puts the United States of America alongside China, Iran and so on, it is worth pointing out to him that the rule of law applies in the United States of America. Although I strongly disagree with the death penalty, I think that, if we are looking at human rights abuses, it is sometimes right to look elsewhere and at the severe human rights abuses that happen around the rest of the world, particularly in countries such as North Korea, where we never hear any protests at all.

Mr. David Clelland (Tyne Bridge) (Lab): The Prime Minister will recall the jubilation last year when the Chancellor announced that from April next year, pensioners and the disabled would receive free bus travel. But is he aware that there have been unintended consequences for Tyne and Wear, where there is a £7.3 million shortfall between the cost of running the scheme and the money being provided through the revenue support grant? If, at our meeting with the relevant Minister next week, we are unable to resolve this problem, will the Prime Minister agree to meet Tyne and Wear MPs to see whether he can find a way through this situation?

The Prime Minister: I would be very happy to meet my hon. Friend and his colleagues. I know that he has a meeting with that Minister next week, and I hope that the situation can be resolved.

Q8. [37186] **Mr. Nigel Waterson** (Eastbourne) (Con): Before he leaves politics, will the Prime Minister tackle the problems in the NHS, especially in my constituency, where there are massive deficits, the worst bed blocking in the whole country and people are being turned away from out-patients? Now, moreover, there is a proposal to close obstetrics and gynaecology.

The Prime Minister: First, let us be clear that overall in the national health service—*[Interruption.]* I will come to the hon. Gentleman's constituency in a moment. Let us be clear that overall, as well as record investment, we have had waiting lists down somewhere in the region of 400,000 since 1997. There has been a transformation in the position regarding cancer treatment, cardiac care, cataracts and many other diseases. At the same time as we draw attention to the problems that our health care system faces, it is essential that we recognise the huge progress that has been made.

It is true that there are deficits in the hon. Gentleman's area, but that is despite record funding being put in. I have to say that part of the responsibility for the problem must lie with local management, who have to make sure that they keep within their budget. Let me point out to the hon. Gentleman that, in his area, there are almost 3,000 more nurses, almost 400 more consultants and almost 300 more GPs. I agree that there are real issues that we and his local health authority have to resolve, but that takes place within the context of massive improvement since 1997.

Michael Connarty (Linlithgow and East Falkirk) (Lab): Did my right hon. Friend share my pleasure in seeing the national minimum wage rise to above £5 in October this year? He will recall that I drew his attention to what I believe is an error in regulation 31(1)(e), which allows tips in restaurants to be counted towards the minimum wage. Will the Prime Minister give the people in the hospitality industry a Christmas present and bring forward a simple amendment to ensure that all tips and gratuities paid in restaurants cannot be counted towards the minimum wage?

The Prime Minister: It is not me who would be giving them that Christmas present, and we obviously have to be careful about the impact on business. I know that the Low Pay Commission will look into the issue carefully—it has been a longstanding grievance—but it has to be done in a way that also protects people's jobs and business.

Mr. Speaker: I call Sir Peter Tapsell.

Hon. Members: Hooray!

Q9. [37187] **Sir Peter Tapsell** (Louth and Horncastle) (Con): As the Liberal leader knows, the louder the cheer, the greater the danger.

Why has the Prime Minister still not gone to Congress in Washington to collect the gold medal that he was awarded more than two years ago for his great help in persuading public opinion in the United States and Britain to support the invasion of Iraq?

The Prime Minister: Because I have one or two other things to do at the moment. I have to say that I do not in any shape or form regret having supported the action we took. Today and this week is a particularly good time to remind ourselves that this week there will be the first ever democratic election in Iraq in which its people will be able to choose their Government for the first time ever. Alongside our alliance with the United States, that is something of which I am very proud.

Lynne Jones (Birmingham, Selly Oak) (Lab): It would, I accept, be ridiculous to check all flights between the US and this country, but would it not be reasonable to check all flights between the US and countries with poor human rights records that happen to stop down briefly in this country?

The Prime Minister: I think that my right hon. Friend the Foreign Secretary went through these issues in considerable detail the other day and, indeed, again yesterday, and I am sure that he will continue to do so. We have set out the position very clearly in respect of this country, and American Secretary of State Condi Rice has set out the position clearly in respect of the United States. Let me emphasise again that we do not support any illegal activity or, more particularly, the torture of people in detention. This country has never supported that and never will.

Q10. [37189] **Mr. Hugo Swire** (East Devon) (Con): Given the retiring Prime Minister's personal and positive support for London 2012, why is his Chancellor and potential successor blocking plans to give our elite athletes the £45 million a year that they need to raise us in the Olympic medal stakes from 10th to fourth place—a move described by the British Olympic Association as being "devastating" for British sport?

The Prime Minister: The British Olympic Association and everyone else connected with the games will make numerous requests for money over the coming years. I assure the hon. Gentleman that not only are we very proud to have won the 2012 bid, but that we will fund it properly, as the Government should. The amount of money that we will put in will be significant and considerable, and the Treasury is absolutely right to make sure that every penny spent is properly accounted for.

Q11. [37190] **Mr. Sadiq Khan** (Tooting) (Lab): Will my right hon. Friend tell the House about the progress that we have made in the middle east peace process during the UK's presidency of the EU?

The Prime Minister: It is worth pointing out that, as a result of the EU's engagement with the Quartet—Russia, America, the UN and the EU—we will have the first proper elections to the Palestinian Authority. They will be followed by elections in Israel, and we have also had the disengagement from Gaza and parts of the west bank. If the two elections in the Palestinian Authority and Israel go well, there is every chance that we will make a significant breakthrough on the middle east. I certainly hope that we can.

Q12. [37191] **Paul Rowen** (Rochdale) (LD): Will the Prime Minister explain why the Government have decided against holding a public inquiry into the events leading up to 7/7? Does he accept that, for the victims and their families, that is the only right way forward?

The Prime Minister: I do accept that people want to know exactly what happened, and we will make sure that they do. There will be some five different Select Committee inquiries into the matter. We will bring together all the evidence that we have and publish it, so that people—the victims and others—can see exactly what happened. However, we know essentially what happened on 7 July, and I really believe that a full-scale public inquiry would divert a massive amount of police and security service time. I do not think that that would be sensible. I totally understand the concerns about this matter, but I hope that people will be satisfied with the large number of Select Committee inquiries, and with the fact that we will publish a full account of all the information that we have.

Housing Development (Infrastructure Requirements)

12.32 pm

Mr. Mark Hoban (Fareham) (Con): I beg to move,

That leave be given to bring in a Bill to require local authorities and the Government to agree on the infrastructure to be provided for large scale housing developments; and to determine the allocation of costs in advance of the commencement of building work.

The general practitioner's surgery in Whiteley in my constituency is still housed in a portakabin. The primary school serving that community is too small, so five and six-year-olds turned away from it are bussed to another school on the other side of a busy motorway junction. There is only one road in and out of Whiteley.

Residents living in the 3,000 homes in Whiteley see for themselves what happens when large-scale housing development takes place without adequate infrastructure. Thankfully, a new GP's surgery and a one-form-entry primary school will be built shortly, but more needs to be done to tackle the community's traffic problems.

The quality of life for Whiteley residents would be much better if the infrastructure issues had been tackled up front, rather than on a piecemeal basis. After what has happened in Whiteley, it is clear to me that we cannot embark on large-scale building without looking again at how infrastructure development is provided.

In addition, we need to address the concerns of residents, who are anxious that existing services cannot cope with the demands and pressures that come from large-scale house building. When faced with development, it is a natural reaction for people to look at the congestion on their roads, at the queues at their GPs' surgeries and at the problems of getting their children into local schools, and to challenge those plans. They also start to question the willingness of the Government to pay their share of the bill for tackling some of those issues.

In south Hampshire, one of the challenges that we face relates to the transport infrastructure. The main route that links Portsmouth and Southampton—the M27—is struggling with increased demand. The A32 between Fareham and Gosport is already heavily congested. Hampshire county council and Portsmouth city council worked together to design a light rapid transit system to link Fareham, Gosport and Portsmouth, to tackle the growing traffic problems that arise from existing and planned development. Two weeks ago, the Government rejected those plans as being too expensive, but they did not say that fewer houses should be built or that development plans should be put on hold until an alternative transport solution is agreed.

The rejection of the rapid transit system is illustrative—as, indeed, is the delay in getting an extra primary school for Whiteley—of the problems of failing to tackle the infrastructure needs of development at the outset, rather than waiting until a problem emerges to tackle. If the resolution of the issues is delayed, developers' contributions run out, even if they were ever adequate to tackle the infrastructure needs, and other priorities for expenditure become more pressing.

We need to learn from those experiences, when looking at the plans that are being put together at the moment by regional assemblies, and to take a fresh look at infrastructure provision and its funding. If we are to meet the needs of new residents and address the concerns of local people, we need to tackle infrastructure in a new way. We cannot simply allow decisions about infrastructure to be taken once houses are built.

We can forecast what issues will arise from large-scale housing development, and we should plan how to tackle them now, rather than simply waiting for them to happen and trying to find a solution then. By infrastructure, I do not simply mean the estate roads around new developments and shops, but the major infrastructure investment that is needed to fund large-scale development in areas such as south Hampshire, where the plan is to build 80,000 houses over 20 years, 20,000 of which will be in two strategic development areas, one of which is in my constituency.

If we are to proceed with development on that scale in Hampshire and on a greater scale in the Thames Gateway, Buckinghamshire, Bedford, Essex, Kent, Hertfordshire, Milton Keynes, Northamptonshire and elsewhere, there must be a serious commitment to infrastructure investment.

My Bill proposes three steps to tackle the infrastructure problems. The Government and the local authority should work together to identify the infrastructure needs related to large-scale housing development. Those needs should be costed. Agreement should be reached about who foots the bill before development can start. Those steps need to be completed, not when it is too late—not when schools are overcrowded, roads are clogged up and water and drainage systems are overloaded—but before work starts, so that local authorities know what support is there and local people understand what the solutions to those issues will be, so that everyone involved in the development knows what their share of the bill is.

The partnership for urban south Hampshire has already started to assess the infrastructure needs and costs associated with the 80,000 new homes that are planned for the area and recognises, too, the need for measures to tackle the existing infrastructure deficit. It has estimated that the cost of tackling the existing infrastructure problems and meeting future needs that relate to transport alone is £1.6 billion, before taking into account the other needs of those new developments. It estimates that new primary schools will cost about £80 million and that secondary schools will cost a similar amount.

We will need one GP per 1,800 to 2,500 people. The capital cost associated with a new surgery is about £500,000 per GP. We will need new primary care facilities, enhanced water supplies, new or extended sewage treatment services and community centres. The list is long and is not exclusive to south Hampshire—other areas will need the same facilities—but the crucial issue, once the level of need is identified, is who should pay for it?

The partnership for urban south Hampshire estimates that each house in the strategic development area will generate developers' contributions of £10,000. So an SDA of the size planned for Fareham will produce

[Mr. Mark Hoban]

£100 million. That sounds a lot, but let us remember that a secondary school can cost about £20 million, so it will not take too long for those contributions to become exhausted. So the cost of infrastructure must be met from elsewhere—whether from council tax payers in the area or from taxpayers.

The Office of the Deputy Prime Minister has recognised the cost of infrastructure and has set up the community infrastructure fund, but there is only £200 million in that pot—not enough for south Hampshire, let alone areas elsewhere in the country. The position is complicated by the allocation of resources across government. Will the Department for Transport be prepared to pay its share of the bill for road, rail and public transport improvements? Our experience of the rapid transit system is that while one arm of the Government—the Office of the Deputy Prime Minister—is urging us to build more houses, another arm is not prepared to meet the cost of tackling the traffic congestion that housing development has created.

If the Government want new houses built, priorities need to be realigned across existing Departments, so that funds are available in the Department for Education and Skills, the Department of Health and the Department for Transport to meet the cost of infrastructure provision. This is not a plea for more money to be spent, but an argument that existing resources be directed at tackling the issues that will arise from housing development. I hope that the cross-cutting review announced in the pre-Budget report will help in the provision of infrastructure in the areas most affected by new developments.

The essential lock in the process is the requirement that the needs are assessed and agreed, and that before work starts the Government and local authorities decide who picks up the bill. As the people of Whiteley know, it is all too easy to put off those decisions until the housing is built. Other priorities become more pressing and urgent, and it is all the harder to tackle existing problems.

If the Government want more houses to be built, they need to play their part by ensuring that the money is available to provide the roads, schools, public transport and GP surgeries that an expanding population needs. If they are not prepared to meet their share of the bill, they should not be forcing councils to allow more and more houses to be built, putting a greater and greater strain on an infrastructure originally designed to meet the needs of a much smaller population.

I ask Members on both sides of the House to recognise the important issues that arise from housing development and to see the Bill, and the principles it sets out for reaching an agreement on infrastructure needs and costs and payment before work starts, as an essential way of guaranteeing for our constituents a means of securing the services that they need. I commend the Bill to the House.

Question put and agreed to.

Bill ordered to be brought in by Mr. Mark Hoban, Mr. Mark Prisk, Mr. David Lidington, Andrew Selous, Mr. Brian Binley, Mr. Mark Francois, Mrs. Maria Miller, Mr. Mark Lancaster, Mr. David Gauke and Peter Viggers.

Housing Development (Infrastructure Requirements)

Mr. Hoban accordingly presented a Bill to require local authorities and the Government to agree on the infrastructure to be provided for large scale housing developments; and to determine the allocation of costs in advance of the commencement of building work: And the same was read the First time; and ordered to be read a Second time on Friday 12 May, and to be printed [Bill 104].

European Affairs

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Watts.]*

12.42 pm

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Jack Straw): The debate is about prospects for the European Council, but I begin by welcoming back to the Opposition Front Bench the right hon. Member for Richmond, Yorks (Mr. Hague). We remember some excellent parliamentary performances from him—if I may say that, at the risk of damaging his reputation—from the Front Bench, when he was Leader of the Opposition, and some fine speeches from the Back Benches over the past four years, including a notable one on Iraq and a notable but less noticed one in our last debate, in June, on prospects for the European Council.

Having seen 10 Leaders of the Opposition during my time in this place, I am in no doubt of the truth of the old saw that it is the worst job in British politics—*[Laughter.]* I am glad that the right hon. Gentleman agrees. I hope that it is of some comfort to him when I say that, in my judgment, being shadow Foreign Secretary is probably one of the best jobs in British politics: many trips abroad and few decisions.

As an avid reader of the *Darlington and Stockton Times*, I noticed how long the right hon. Gentleman has been prepared for his role. From my researches, I saw that in the issue for December 1988 he said:

"I believe that knowing what is going on in the world is a vital qualification for political office."

That is indeed true and only a few months later he was elected for Richmond.

Most of us remember with great affection the right hon. Gentleman's clarion call at the last election, "Two days to save the pound". I am deeply grateful to him for that call, because my electors heeded it; they voted for me and the pound has indeed been saved—[HON. MEMBERS: "Ah."]—as long as the five tests remain unfulfilled. I am pleased to say that whatever else we are talking about tomorrow and on Friday, and perhaps Saturday and Sunday, or Monday, we are not discussing the euro at the European Council.

Tomorrow and Friday, European Heads of State and Government and Foreign Ministers meet in Brussels for the December summit. The agenda is wide, covering many aspects of the UK's presidency. I will deal briefly with these items towards the end of my speech, but the Council will be dominated by negotiations on the EU budget, so let me come to that first.

The House will recall that six months ago, five nations, including the United Kingdom, had to veto budget proposals that were put forward by the then Luxembourg presidency. We took over the presidency 10 days later and since then we have consulted widely about the changes needed to the budget. Last Monday—5 December—we formally published our own proposals.

In summary, our proposals put forward a budget set at €847 billion for the seven-year budget period of 2007–13, which is 1.03 per cent. of the national incomes of member states. That compares with the 1.06 per cent., or €870 billion, Luxembourg proposal, and the massive 1.24 per cent., or €1,025 billion, Commission proposal. Under our proposals, Britain's net contribution would be an estimated €58 billion over the seven years of the budget. The rebate would rise from an annual average in the current budget period of €5 billion to an annual average of €7 billion, but it would be around €1 billion less a year than its default setting so that we would make a fair contribution to the costs of enlargement. I will deal with that in more detail shortly.

Since the publication of the proposals last week, there has been an intensive round of formal and informal discussions. For the convenience of the House in the debate, I published earlier today a written ministerial statement outlining revised proposals following those discussions. Full details have been in the Vote Office since 11 am.

Dr. Nick Palmer (Broxtowe) (Lab): I apologise in advance for the fact that I will be unable to stay to hear all my right hon. Friend's remarks, although I hope to return later. Does he accept that while the great majority of hon. Members support the Government's position that we should not give up our existing rebate until substantial changes are made to the common agricultural policy, most of us—on this side of the House, at least—would not want Britain to rip off the poorer countries that have just joined by insisting on every pound of flesh that we can get out of them as well?

Mr. Straw: My hon. Friend's view is implicit in the support of hon. Members on both sides of the House for enlargement over many years.

Budget negotiations have never been easy. The equivalent European Council seven years ago failed to reach an agreement. We in the UK are working extremely hard for a deal this time, but I believe that no deal is preferable to a bad one. The negotiations are especially complex this time for three reasons: the impact on the budget of the massive enlargement of the EU that took place last May; the consequences of any budget changes on the UK rebate; and the need for fundamental long-term reform of EU policies and spending priorities. Let me deal with each of those in turn.

First, I will address enlargement. Two months ago, on 3 October, the European Union took the historic decision to open negotiations for accession with its nearest and largest Muslim neighbour, Turkey. When I came to report that to the House a week later, I was struck by the way in which the decision was welcomed across the political spectrum. Such an all-party approach to Turkey's membership of the European Union represents something of a long-standing and happy paradox about Britain's relationship with Europe. While the question of our overall relationship with the European Union has often been highly divisive, both among and within parties, enlargement of the Union has always been the subject of a strong and positive consensus. We have all recognised that one of the best ways to further the security and prosperity of the United Kingdom is to ensure that there is an ever-widening circle in Europe of open democracies and thriving economies.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): My right hon. Friend is apparently considering the accession of Bulgaria to the European Union. Does he

[Mrs. Louise Ellman]

consider that the state of Bulgaria's judicial system, as shown in the treatment of Michael Shields, makes it an appropriate candidate for agreement to accession at this time?

Mr. Straw: Ultimately, the judgment on whether Bulgaria is fully ready for accession will take place at the end of this year or on 1 January 2007, or subsequently. It is a judgment that will have to be made by the European Union as a whole on the basis of recommendations by the Commission. The Commission has raised reservations about the quality of Bulgaria's justice system. My hon. Friend spoke powerfully during the Report stage of the European Union (Accessions) Bill of her concerns about Bulgaria's justice system, as illustrated, in her view, by the treatment of Michael Shields. As my right hon. Friend the Minister for Europe told my hon. Friend, we are making, and will continue to make, strong representations to the Government of Bulgaria. I have done so myself, both to the Foreign Minister and to the Prime Minister, and I stand ready to do so again.

We have actively pushed enlargement since taking office in 1997. To the great credit of the Opposition, it was the previous Conservative Administration who prodded and prompted the EU to enter into association agreements with each of the eastern European applicant states to prepare them for membership. In 1995, the then Prime Minister, John Major, described enlargement as

"the most important task facing the European Union".—[*Official Report*, 18 December 1995; Vol. 268, c. 1222.]

Two years later, the right hon. Member for Richmond, Yorks, when Leader of the Opposition, promised the Government his "full support" for this "long-standing", "British objective", which has been regularly repeated from the Opposition Front Bench ever since.

More than that, the Conservative party has understood the need to back up words with action. John Major's Administration, in the early 1990s, spent hundreds of millions of pounds, quite rightly, via the know-how-fund, on the reconstruction and regeneration of eastern Europe.

When, two years ago, we debated the accession Bills which brought the 10 new states into EU membership, the then shadow Foreign Secretary, the right hon. and learned Member for Devizes (Mr. Ancram), was very clear on the need to invest on enlargement. He said:

"Successful enlargement will require commitment and courage from the applicant countries as well as those who are already members."—[*Official Report*, 21 May 2003, Vol. 405, c. 1036.]

He also said, quite rightly:

"Countries such as Poland are crying out for investment in their infrastructure, and wise use of structural funds could be crucial in helping their economies to prosper."—[*Official Report*, 5 June 2003, Vol. 406, c. 372.]

So I believe that there is unity across the parties about the policy of enlargement, and about the need for us to help pay for it. That means helping to build up the economic and social infrastructure of these east and central European societies, so long neglected under Soviet control. It also means constructing better roads, railways and industrial estates, regenerating run-down areas, developing the social housing stock, and so on. That sort of investment directly benefits us too.

Mr. Mark Prisk (Hertford and Stortford) (Con): Last Tuesday, I attended the summit of the European Union's small business organisations here at the Palace of Westminster. At that meeting I was struck by the overwhelming view of the small businesses of the new entrants to the EU that under the British presidency of the EU the Lisbon agenda has not progressed one whit. What has gone wrong?

Mr. Straw: I do not accept that for a second.

First, just yesterday, we were able to gain political agreement in the European Council on the chemicals directive, which could have affected very adversely small and large businesses alike throughout Europe in the chemicals industry, including many British businesses. We now have unanimous agreement on what is called REACH—the chemicals directive—which will ensure higher environmental standards without damaging British business.

Secondly, we in the United Kingdom have led what has been called the four presidency engagement to secure deregulation across the Union. The result of that is tangible: at long last the Commission has grasped this agenda—like turning round a tanker. Commissioner Günter Verheugen, who is in charge of deregulation, announced at a conference in Edinburgh not long ago that 68 key sets of regulations would be turned back, and that many others will be revised. In addition, with the Netherlands, we co-chaired a meeting on rolling back the powers of the EU centrally so that much more power was delegated and devolved to individual member states.

Yes, progress on Lisbon has been frustrating for all parties and for all Governments who are committed to seeing an open economy in Europe. That has been because of the difficulties faced by some Governments—not the United Kingdom and not some others—who failed to take account of the fact that the world is changing. We are now subject to serious open competition from countries such as India and China, and the EU must change, or it will not survive. We have done a great deal on that.

Keith Vaz (Leicester, East) (Lab): Do not all the reports indicate that Britain has done better on the five-year plan set out in the Lisbon agenda than other EU countries? Under our presidency there has been progress, but will my right hon. Friend assure the House that when our presidency has ended we will push that agenda forward so that other European countries and the Commission are able to co-operate in order to reach the rest of the benchmarks?

Mr. Straw: My hon. Friend talks simply about progress within the United Kingdom. We have done extremely well and met almost all the Lisbon targets. The problem has been other EU member states.

I return to the issue of enlargement. The budget that we have tabled proposes that, given the need to pay towards the cost of enlargement, the EU spends about €150 billion on structural and cohesion fund projects in the new member accession states. That is a very significant increase—more than five times the support that they have been receiving up to now. Because relative prosperity and priorities have changed, there is

a corresponding and significant drop in structural and cohesion fund receipts for every western European member state. Amounts and proportions vary, but, for example, Spain will receive just over half in the next financial perspective of what it received last time and Ireland will receive less than a quarter.

Significantly, even if there were no change in any of the budget arrangements, our net contribution would stand to rise by €11 billion from €39 billion in the current financial perspective to €50 billion in 2007–13, mainly because of enlargement. I have heard no one from any party in the House say that it should not stand to rise. I therefore suggest that the question before the House is not whether we should pay a fair contribution towards enlargement, but what that contribution should be.

As part of its recommended budget, the Luxembourg presidency proposed back in June that our contribution should rise by €36 billion, or 93 per cent., from €39 billion in this financial perspective to €75 billion—€25 billion above that default setting of €50 billion. We told the Luxembourg presidency emphatically that that was totally unacceptable.

Under our proposals, we have proposed a total net contribution of €58 billion—an increase of €8 billion above the €50 billion floor. We judge that to be a fair contribution. Were we not to make an offer of such magnitude, our contribution would not fairly reflect our position as one of the most prosperous nations in the EU. On the other hand, countries such as the Netherlands, Sweden and Germany would be making contributions way out of line with their prosperity, and that would not be fair either.

Danny Alexander (Inverness, Nairn, Badenoch and Strathspey) (LD): The Foreign Secretary will undoubtedly be aware that many regions in the United Kingdom, such as the highlands and islands, for example, have benefited greatly from EU structural funding. I am grateful to see in the latest budget proposals that the Government have given up on proposals for repatriating European funds entirely to countries such as the United Kingdom. Will the right hon. Gentleman assure the House that structural funding for regions such as the highlands and islands will not be negotiated away in the small hours during the final round of talks, and that we can be sure that such places will continue to benefit substantially from EU structural funding into the future?

Mr. Straw: My right hon. Friend the Chancellor set out in—I think—December 2003 his approach and our approach towards structural and cohesion funding in the new financial perspective. I do not know whether a deal will be struck tomorrow, the next day or the next. I cannot say precisely what its conditions will be. I can say that the area for negotiation is narrow. Of course we take account of the needs of regions such as the highlands and islands, which will continue, or should continue, to qualify for structural and cohesion funds. The hon. Gentleman will excuse me if I do not give him an exact guarantee at the moment, because that would be to anticipate the negotiations.

Mr. Charles Walker (Broxbourne) (Con): I thank the Secretary of State for giving away. *[Laughter.]* I am sorry, I meant giving way. Giving up all or part of our rebate causes my constituents a great deal of concern. It is difficult to sell it to them as a positive, bearing in mind that they face the closure of their accident and emergency department because of a £16 million shortfall in funding. They would much rather that some, if not all, of the money that is to be given up remained in the UK to be invested in the health service.

Mr. Straw: I apologise to the hon. Gentleman, as his constituency does not spring immediately to mind.

Mr. Walker: It is Broxbourne.

Mr. Straw: Indeed. The hon. Gentleman's party has long supported enlargement, and Conservative Front and Back Benchers have called for money to be put into structural and cohesion funds for eastern European countries. That money must come from somewhere, and it can only come from the more prosperous western European member states.

Mr. Graham Brady (Altrincham and Sale, West) (Con): It should be taken from funds for the common agricultural policy.

Mr. Straw: We have sought to reform the CAP, and we have done a great deal more than the previous Government did under John Major and Margaret Thatcher, when there was virtually no reform year after year. We want more reform, but I do not believe that the Poles, Czechs and Hungarians should be punished for the obduracy of a number of western European member states that have benefited unjustifiably from the CAP.

People in my constituency, which is not very different from Broxbourne, have benefited directly from the money that we have already put into structural and cohesion fund projects in, for example, Ireland and Spain. In the 15 years from 1988 to 2003, we contributed about £500 million towards structural cohesion fund projects in those two member states. In return, there has been a £27 billion annual increase in trade with those countries, which has certainly benefited firms in my constituency and, I suggest, in Broxbourne. We are not beggaring ourselves by offering that money—we are helping ourselves directly. Building up the economies of eastern Europe provides economic benefits and increases the political stability and the overall happiness of those societies.

Mr. William Cash (Stone) (Con) *rose—*

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC) *rose—*

Mr. Straw: I always give way to the hon. Member for Stone (Mr. Cash), but first I shall give way to the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd).

Mr. Llwyd: I fully accept the logic that the more prosperous states should assist the newcomers, but I remind the right hon. Gentleman that west Wales and the valleys, which constitute a large part of Wales, benefit from objective 1 status. Will he assure the House that whatever deal is struck—hopefully in the next three

[Mr. Llwyd]

days—will not affect the amount of assistance that is available, as the gross domestic product of west Wales and the valleys is still, unfortunately, less than 75 per cent. of the average EU GDP?

Mr. Straw: I accept the point that the hon. Gentleman makes. My hon. Friend the Minister for the Middle East will provide more details for him and the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander). We are conscious of the needs of areas such as west Wales, the highland and islands and Cornwall, which qualify for objective 1 status, and we want to ensure that, as far as possible, they are protected.

Mr. Cash: After the rejection of the European constitution by France and Holland there was a period that was described as a "pause for reflection". That was about six months ago. Have the Government been reflecting, and why have we not heard anything in today's debate about the fact that the constitution is dead but certainly not buried? Exactly how does the right hon. Gentleman respond to the recent statement by the German Chancellor that her coalition would reintroduce the constitution in the first months of the German presidency, which starts at the beginning of 2007? *[Interruption.]*

Mr. Straw: Yes, I shall take my time, and reflect on my reply.

The blunt truth is that we have had rather more important things to do in the real world than try to revive the constitution. If the hon. Gentleman has abandoned the habits of a lifetime to suggest that he wants the document to be revived, I will listen carefully.

Mr. Cash: I want to know what the right hon. Gentleman thinks.

Mr. Straw: I have just explained what I think. The hon. Gentleman knows what I think anyway, so I am not entirely sure why he asked the question. Chancellor Merkel is the new leader of the centre right party in Germany, just as there is a new leader of the British Conservative party which, apparently, is a centre right party, although I shall come to that later. New leaders say new and interesting things, and perhaps it would be appropriate to have a period of reflection to consider them.

Mr. Mark Francois (Rayleigh) (Con): The Foreign Secretary intimated that Britain may be prepared to give up about £1 billion a year of anticipated income from the rebate to try to achieve a deal later this week. Will he confirm that that is not included in the pre-Budget report figures that were published by the Chancellor on 5 December—so there would be a hole of £6 billion if that money were subsequently given up?

Mr. Straw: I think that the hon. Gentleman is correct to say—*[Interruption.]* Well, the figures could not have been included, because they have not been decided yet. In a column in the world's most important newspaper, the *Lancashire Evening Telegraph*, which I hope Members read, because it is even more important than the *Darlington and Stockton Times*—

Mr. William Hague (Richmond, Yorks) (Con): Surely not.

Mr. Straw: That is our first disagreement.

In a column to be published tomorrow morning, I have told my constituents that if they are thinking about putting a bet on the outcome of the negotiations tomorrow and Friday they should place it on a horse instead, as I am not predicting the outcome. The pre-Budget report necessarily includes firm estimates of firm commitments, and the Chancellor will naturally seek to adjust it in the light of any negotiations that are concluded.

Mr. David Drew (Stroud) (Lab/Co-op) *rose—*

Mr. Straw: If my hon. Friend will allow me, I should like to make some progress before giving way.

The rebate was designed to deal with the unfair treatment of western European states of comparable prosperity. It was never intended to be a means of redirecting money from much poorer states to the United Kingdom. Indeed, in the early 1980s, when the rebate was negotiated, there was no serious expectation that the European Union could or would expand eastwards into the Soviet empire. I have been unable to find any occasion on which an hon. Member on either side of the House said that the new and poorer accession states should pay, directly or indirectly, the rebate in full. In any event, as I have already told the House, the rebate will rise from an average of €5 billion per annum in this period to €7 billion per annum in the next. It cannot therefore be said that we are giving it up. Our offer on enlargement involves a reduction of about €1 billion per annum in what the rebate would otherwise be. However, the rebate remains on every penny and cent of spending on the common agricultural policy anywhere in the 25 member states of the European Union, and on all spending in the 15 western European states.

When Baroness Thatcher made her statement on the Fontainebleau summit in 1984, you and I will remember, Mr. Speaker, because we were both in the House, that it did not quite receive the rapturous reception that is now written up for it. I asked the right hon. Lady why she had failed in her stated intention of achieving a broad balance between the United Kingdom's contributions and the amount that we got back. I pointed out that in the following year, and the year after, despite the rebates, Britain's net contribution would be more than it had been in the previous three years.

As it turned out, I underestimated the scale of the problem that Mrs. Thatcher was describing, for over the following 20 years the United Kingdom paid—after the rebate—twice as much net into the European Union compared with similar sized economies such as those of France and Italy. Under our proposals, we will for the first time achieve broad parity. For the first time in the 30 years of our membership and for the first time in the 21 years since the rebate was agreed, we will be making a net contribution broadly equivalent to those of France and Italy.

Mrs. Thatcher was unsuccessful in another respect too: she did not constrain the growth of the European Union's budget as a share of the European Union's economy. Under successive Conservative Administrations, it rose by 50 per cent. It is this Government who have led the way to budget discipline—an average of 1.03 per cent. of gross national income over the next financial period and falling to below 1 per cent. on a commitments basis by 2013. Finally, the previous Administration failed to sustain reforms which dealt with the inequalities underlying the rebate—the imbalances of their spending on the common agricultural policy.

That leads me briefly to my third point: the case that we are making for reform. Reform in the European Union is necessary if the Union and its member states are to compete effectively in a world economy that has changed beyond recognition over the past 20 years. We are pushing for parallel reforms in the World Trade Organisation negotiations, which got under way yesterday. We are proposing in our budget a full-scale review of expenditure and revenue, including agriculture, and the right of the EU to make further decisions in this financial period, rather than having to wait until 2014.

When Mrs. Thatcher returned from Fontainebleau she admitted to the House that because her Government had taken so much time on the problems of the budget, they had not been able to turn as much attention as they should have done to some other vital problems in Europe. We have done better. Away from the headlines, the Government have been getting on, successfully, with the vast majority of the business of a presidency.

In pursuing our agenda we have worked closely with the European Parliament. British Ministers have visited the European Parliament on more than 50 occasions. My right hon. Friend the Minister for Europe sends his apologies to the House. He is at the European Parliament today—we have an able substitute in my hon. Friend the Minister for the Middle East—and my right hon. Friend the Prime Minister will be at the European Parliament tomorrow. This engagement with the European Parliament has been particularly worth while in our discussions with British MEPs. Indeed, I am heartened to say that we have been greatly assisted by British MEPs of all parties.

As the House knows, each of the main British political parties is able to magnify its influence in the European Parliament through membership of the mainstream European political groupings. My party does so through the party of European Socialists, the Liberal Democrats do so through the Alliance of Liberals and Democrats for Europe, and the Conservatives do so through the European People's party and European Democrats or EPP, which covers the centre right. Who joins which group is a matter for MEPs and their parent British political party and not for the House, but the consequence of those decisions can directly affect the national interest. The House therefore has an interest in that.

All those groupings are loose confederations. There cannot be a single party which agrees with every item on the European political agenda. National party groups are free to depart from the groupings' line where they wish. That right was enshrined, as far as the EPP is concerned, by the right hon. Member for Richmond, Yorks when he was Leader of the Opposition in the agreement that he made with the European People's party in 1999. However, there is real practical value for the UK in these groupings. In particular, there is practical value in the Conservative party's membership of the EPP, because the EPP is the largest grouping in the Parliament and has crucial positions on many of the key committees. It holds such positions on five of the key committees, and I am grateful for the support that we have received from those co-ordinators.

The right hon. Gentleman recognised the importance of that when he was Leader of the Opposition. Indeed, as I said, he negotiated an agreement in 1999. When he signed that deal, he said that Tory MEPs would be joining

"an enlarged coalition with centre right parties and will work alongside allies old and new".

He went on to say:

"Conservatives will stick to their principles and have influence".

His predecessor continued the link, as did his two successors. Now we read that the right hon. Member for Richmond, Yorks is being pushed by his new leader, the hon. Member for Witney (Mr. Cameron), to leave the EPP

"in a matter of months"

and to form a new grouping.

Who will sit in this new grouping? The right hon. and learned Member for Rushcliffe (Mr. Clarke) thinks the Tory MEPs will have to sit alongside "ultra-nationalists". The Conservative MEP, Mr. Struan Stevenson, says that they are

"the MEPs whom no other group will tolerate, and include people like Jean-Marie Le Pen, Alessandra Mussolini and"—

even worse—

"Robert Kilroy-Silk".

In a later article he describes them even more succinctly as

"fascists and nutters that nobody else will sit with".

The hon. Member for Grantham and Stamford (Mr. Davies) has asked whether the Conservatives really want to sit with

"the barmy-army of obscure right-wing continental politicians".

The deputy leader of the Conservatives in the European Parliament who used to sit in the House, Sir Robert Atkins, thinks his new bedfellows will be

"a pretty unappealing ragbag of fringe politicians".

He gives further details:

"We would find ourselves in the company of The League of Polish Families (racist and Europhobic), the Danish People's Party (Ian Duncan Smith banned us from even talking to them!), the Italian Fascist Party, and, of course, UKIP".

Indeed, he quotes the right hon. Member for Richmond, Yorks as saying in 1999:

"I simply cannot afford to have my political opponents in the House of Commons suggesting I am isolated from the mainstream Conservative parties on the continent of Europe."

That is exactly what his new leader is proposing.

I am therefore not surprised that when the right hon. Gentleman was interviewed about that on the "Today" programme he was plainly extremely uncomfortable. After all, it showed that the promised unity of the Tory party had lasted for all of 36 hours. But it also shows

[Mr. Straw]

that the Conservative leader, the hon. Member for Witney, is prepared to tear up solemn manifesto commitments, for the Conservative election manifesto in 2004 stated that

"Conservative MEPs will remain allied members of the EPP-ED parliamentary group for the duration of the 2004–2009 legislature."

In the right hon. Gentleman's argument with his new leader he has our full support and our full backing in fighting for what is right and for the national interest, and in fighting for a Conservative party that at least on one thing sticks to the principles on which it was elected only 18 months ago.

Chris Huhne (Eastleigh) (LD): Having been a Member of the European Parliament I agree with the thrust of the Foreign Secretary's remarks and pay tribute, too, to Conservative MEPs. Does the right hon. Gentleman agree that this is a particularly futile gesture, given that the Conservative party's objection, as I understand it, is to the commitment of the EPP to ever closer union, which will of course be determined in treaty negotiation between the member states, and Members of the European Parliament will have no influence over that matter?

Mr. Straw: Indeed. The Labour party is a member of the party of European Socialists. No one is suggesting that those are wholly disciplined parties or that we have to agree to every last jot and tittle of what is said, and we do not. All of us accept that ultimately it is for the national group to determine its approach. I make the point seriously, and the right hon. Member for Richmond, Yorks agrees with it, because that has been his position consistently over many years: the European Parliament exists and it has certain powers. It is important that we work with it in the national interest. There is nothing disingenuous in my saying that I applaud the way in which Conservative MEPs have worked with those on the Liberal Democrat Benches and on ours in the national interest. Much of that influence will be lost if they go the way not of the right hon. Gentleman, but of the hon. Member for Witney.

I turn briefly to the wider progress that has been made in the European Union during the UK presidency. I mentioned the accession negotiations with Turkey. We have also opened accession negotiations with Croatia. The arrest last week of Ante Gotovina, the indicted war criminal, underlined the importance—in this, again, we had all-party support—of sticking very firmly to clear conditionality with Croatia, unless and until it assured its co-operation in delivering up Gotovina. That has been achieved.

We have reached agreement on reform of the European Union sugar regime, which will save between €3.5 billion and €4 billion each year. We have embedded the principles of better regulation, which I dealt with earlier. We have agreed REACH, the directive on the registration, evaluation and authorisation of chemicals.

In the field of justice and home affairs, Ministers have agreed a new Europe-wide counter-terrorism strategy and to manage migration and illegal immigration better. We have pursued an active common foreign and security policy, aid commitments have been doubled and a strategy for Africa has been introduced. We have also launched the international finance facility for immunisation.

We have done a huge amount on Sudan, Aceh and the middle east peace process. At the beginning of our presidency, we inherited a Union coping with the Dutch and French rejection of the constitutional treaty and the failure of the Luxembourg budget proposals. We have used our presidency to help set a pathway for a modern, competitive Europe, and we have taken practical and measurable steps along that path. Now we want to secure a fair budget. In the negotiations, which start tomorrow, the Prime Minister and I are determined to do everything that we can to secure a deal that is good for Britain and good for Europe—building a stronger, wider, more prosperous Union in which our citizens, British and European, can thrive.

1.20 pm

Mr. William Hague (Richmond, Yorks) (Con): I am grateful to the Foreign Secretary for the kind remarks with which he began his speech and for his welcoming me back to the Front Bench. He attaches an importance to the *Darlington & Stockton Times* that is appropriate for any Foreign Secretary of this country.

I am delighted that my mere presence on the Front Bench has produced the radical reinterpretation of the Government's policy on the euro so that the pound has now been saved. When the Foreign Secretary discusses that reinterpretation of policy with the Chancellor and the Prime Minister, he may be carrying out a job rather like the one that he described for me, which involved doing a lot of travel but taking very few decisions.

I am sure that we will have some vigorous debates across the Dispatch Box. My comments to the Foreign Secretary will be entirely free of personal abuse. According to the new convention in the Foreign Office, we can leave that to retiring ambassadors, who will no doubt continue to dish it out, so there is no need for the Opposition to indulge in such things.

As there will inevitably be much disagreement, I shall start on a note of concord and congratulation to the Foreign Secretary. The negotiations on Turkish accession were protracted—they must have been very difficult and undoubtedly required hard work and skill—and he successfully steered them to the conclusion that we all wanted. I have no inhibitions in congratulating him on that achievement and hope that future blockages in the process of admitting Turkey to the European Union can similarly be overcome.

There may be other areas of agreement across the Floor of the House and it is entirely possible that one of them is the fate of the European constitution. In addition to his role at the last hour in saving the pound, the Foreign Secretary played a key role on the European constitution, because if, as was reported, he persuaded the Prime Minister to commit the Government to holding a referendum in Britain, and if, as was reported, the British commitment prompted President Chirac to make the same commitment in France, then the Foreign Secretary did more than any other individual to ensure that the constitution was wrecked in May and June by voters in France. Although he is careful not to show any

pleasure about that outcome, I cannot recall him issuing any words of regret, and even now there is no sign that it is causing him undue distress.

If the Prime Minister and the Foreign Secretary were happy to see the deeply flawed constitution collapse, why were they prepared to recommend it to the British people in the first place? That they should keep their quiet satisfaction quiet is understandable. What is not understandable—my hon. Friend the Member for Stone (Mr. Cash) has made this point—is that they should make no use of the impasse on the constitution to take the initiative, to show leadership in Europe and to put forward ideas of their own.

It is six months since both France and the Netherlands gave the constitution a resounding no. Within days, the Foreign Secretary announced a "pause for reflection". We have been having the pause for six months, but where is the reflection? He was unable to enlighten us on that point in his speech. Is this not the time, buttressed by grave anxieties about the remoteness and unresponsiveness of EU institutions revealed by the referendums, to champion fresh ideas about a more flexible Europe with a stronger role for national Parliaments, which many hon. Members on both sides would be happy to support?

Was not that six months the time to speak the much needed truth that ever mightier central institutions in a tightly integrated bloc are an idea whose time has gone? Instead, in the absence of any alternative, the new German Government say that they will "seek to advance progress" on actually adopting the constitution once Germany takes the presidency in 2007.

Kelvin Hopkins (Luton, North) (Lab): I agree with the right hon. Gentleman's comments. Does he remember that the first attempt to promote the constitution collapsed because of the resistance of Spain and Poland? At that time, the press reported that the champagne corks could be heard popping in Downing street. This time, the Government were more modest in their reaction to the collapse of the constitution, which is welcome.

Mr. Hague: I do not know about welcoming the Government's modesty—we would welcome a bit of vigour in saying what they would do instead of the constitution. However, I am glad that the hon. Gentleman and I agree about the Government's policy.

Perhaps the Minister for the Middle East, who is winding up for the Government, will tell us how long the pause for reflection will last. Is it a pause or has it become a way of life? Are the Government content to see those democratic verdicts one day ignored and the whole process revived? Would it not be a great shame if the Foreign Secretary's excellent work in doing such damage to the constitution were of no avail in the end? If the Government are not happy to leave a vacuum in which others will insert their own ideas, when will they propose something different of their own?

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Do the accession negotiations with Turkey indicate the future viability of the constitution? The constitution would have entrenched a relationship between small and large states that would be unsustainable if Turkey were ever to enter the EU.

Mr. Hague: Having served on the European Convention, the hon. Lady learned a lot, which appears to have reinforced her hostility to many of the ways in which Europe is developing or trying to develop.

Is the Foreign Secretary content to see the charter of fundamental rights, a document which, in the hilarious but notorious phrase of the hon. Member for Leicester, East (Keith Vaz)—we cannot debate these matters without mentioning it—has the legal status of *The Beano* incorporated into new EU laws? The famous *Beano* document has even been cited in the European Court of Justice, although it is part of the constitutional treaty, which has been rejected.

Why did the Government not raise more than a whisper of protest when the ECJ created the power to introduce harmonised criminal law across the EU, a judgment that was fought by 11 Governments, including ours, but which brought forth from the Government only the response that

> "We believed it was inappropriate to harmonise criminal law at EU level."?

Is that it? Are they going to say that it was "inappropriate" and leave it at that, without any attempt to put right in the future the relentless extension of EU competence by the ECJ that has been taking place in recent years? Are the Government entirely happy to see the steady loss of their own power to govern this country in its own best interests? Is it not time to stop going neatly along with an orthodoxy of integration that is not only out of favour with the peoples of Europe, but seriously out of date in the 21st century?

Keith Vaz: I, too, congratulate the right hon. Gentleman on his elevation to the Front Bench yet again. He has spent eight minutes discussing the constitution and other such matters, which are not the concern of the crucial discussions that will take place this week. When will we hear about Conservative party policy on those issues?

Mr. Hague: The hon. Gentleman will hear plenty, but as the Foreign Secretary spent the last eight or nine minutes of his speech discussing Conservative MEPs in the European Parliament, the hon. Gentleman cannot lecture us about discussing matters that are relevant to the EU summit. These debates provide an opportunity to raise all issues about Europe.

Mr. Cash *rose—*

Mr. Hague: We cannot go through these debates without giving way regularly to my hon. Friend.

Mr. Cash: Following the remarks by the hon. Member for Leicester, East (Keith Vaz), is my right hon. Friend aware that the European reform forum has been taking evidence from not only the hon. Member for Leicester, East, but the right hon. Member for Rotherham (Mr. MacShane), my right hon. Friend the Member for Wokingham (Mr. Redwood), Will Hutton, Lord Owen and others with a view to achieving a reasonable analysis of what has been going wrong with the existing treaties, in order to form a clear basis on which to make policies that produce constructive answers to the questions that my right hon. Friend the

[Mr. Cash]

Member for Richmond, Yorks (Mr. Hague) is rightly asking but which, regrettably, the Foreign Secretary simply ducked?

Mr. Hague: I am delighted that the hon. Member for Leicester, East (Keith Vaz) is playing a more constructive role outside the House than he played a few moments ago inside it—that is wonderful news.

It is common ground across the House that Europe faces a crisis—the Prime Minister used the word "crisis" in his address to the European Parliament in June—and massive demographic social and economic challenges. I believe that it is also common ground that the EU has so far shown few signs of being able to meet those challenges. When the Prime Minister came to this House to trumpet the Lisbon summit, he announced

"a sea change in European economic thinking"

along with a "fundamental reorientation" that would bring

"concrete measures with clear deadlines"

and

"urgent measures to make the European economy as a whole more competitive".—[*Official Report*, 27 March 2000; Vol. 347, c. 21.]

Five years after all that, we find the Government calling plaintively for the implementation of the Lisbon agenda. The terrible truth of it all was laid bare by the report last year by Mr. Wim Kok and his distinguished colleagues, which pointed out that most of Lisbon had never been implemented, that as a result Europe was losing ground more quickly to the United States and Asia, that

"its societies are under strain"

and, as he ominously summed up:

"What is at risk in the medium to long run is nothing less than the sustainability of the society Europe has built, and to that extent, the viability of its civilisation."

The goal of the Lisbon agreement was to make Europe into the world's foremost knowledge-based economy by 2010. Now that we are halfway there, we can see that there is no prospect of being able to make such a claim in five years' time—far from it. Two studies in the past week have shown that European spending on research and development is falling further behind target and the gap with the United States and Japan is widening. Such figures are deeply disturbing, because it is obvious that, as European economies will not be able to compete with China and India on price or have a larger available work force, it is self-evidently vital that their capital must be used more intensively and productively if they are not to suffer severe economic consequences.

It is impossible to envisage Europe competing effectively without high levels of investment in R and D and the highest possible standards of higher education. Yet the United States is striding ahead in higher education-based research and now has 17 of the world's top 20 universities. The Prime Minister raised higher education as a matter of serious concern in his second speech to the European Parliament on 26 October and asked the Commission to prepare a report on it. But the Government must realise that, as the success of higher education in the United States relies on the use of much private capital, deregulation, and the use of the English language, we are as likely to find the answer to these issues in the European Commission as on the moon.

Anyone looking at the EU from outside, dispassionately and objectively, would think that tackling these issues at this and every summit would be the almost daily preoccupation of European leaders. Even according to the Commission's own forecasts, the European share of world economic output is set to be virtually halved in our lifetimes. The absence of any sense of urgency is remarkable and it is hard to see it as anything other than a collective dereliction of duty by Europe's leaders. Faced with a massive loss of relative economic strength, with profound consequences for the future of employment, prosperity and social cohesion and justice, the general response is indistinguishable from inertia and indifference.

Mr. Ian Austin (Dudley, North) (Lab): On leadership in Europe, what would the right hon. Gentleman say to the right hon. and learned Member for Rushcliffe (Mr. Clarke), who described his new leader's policy on Europe as "head banging"? What would he say to the Tory MEPs who said that it showed "bad judgment", would "create disunity", is "cloud cuckoo land", "absolute madness", "very curious", "barking", and "silly", and shows that he "knows nothing about it"?

Mr. Hague: It is interesting that when we try to discuss some of the greatest issues that will affect Europe in the future, the hon. Gentleman can only read out a party brief about Conservative MEPs in the European Parliament. I assure him that nothing will be more encouraging to my right hon. Friend the Leader of the Opposition and me in carrying out the policy than that great concern is expressed about it by Members from other parties in the House of Commons.

It is only fair to acknowledge—the Foreign Secretary made this point in his speech—that the Commission under Mr. Barroso has shown an increasing consciousness of such issues and, in a first tiny sign of hope, has managed to withdraw 68 pending proposals for legislation as part of a deregulation initiative. However, we must not get overexcited about that, as it turned out that one third of those withdrawn regulations were defunct association agreements with countries that have now joined the EU, and the total of 68 regulations withdrawn has to be set against the net increase of 4,806 regulations and directives over the past eight years alone.

To be fair to the Prime Minister, his speech to the European Parliament in June did call for a change of direction. He said there was

"a crisis of political leadership".

He is right. He questioned whether Lisbon was being implemented and whether the EU was in any way

"reconnecting Europe to the people".

He was clear that

"we cannot agree a new financial perspective that does not at least set out a process that leads to a more rational budget",

and he said in ringing tones at the end that the people of Europe

"are wanting our leadership. It is time we gave it to them."

Subsequently, there has been astonishment in Europe that such bold rhetoric has been followed by so little initiative. While to us in Britain it is entirely normal to hear a brave speech by the Prime Minister that bears no resemblance to what follows, it comes as a shock to people in other countries. As the former President of Poland put it,

"When I read what Tony Blair said in front of the European Parliament, I harboured the hope that the Brits would arrive in the Presidency with a new momentum . . . since then the weeks pass and scepticism grows."

MEPs have apparently circulated missing persons notices featuring the Prime Minister's face, one of which said:

"we have lost the President of the Council. From what we hear he is the British Prime Minister Tony Blair, although nobody has seen or heard of him . . . one rhetorically brilliant speech without consequences or follow-ups is simply not enough to secure success."

Everyone in this House should be aware of that, and the Prime Minister above all.

I doubt that Foreign Office Ministers can put their hands on their hearts and say that Britain is now more respected in Europe than six months ago, or that any seasoned commentator or other Government in Europe judges their presidency to have been a success. Indeed, it seems unlikely that even they would judge it a success, given the objectives that they originally set out for themselves.

This debate on Europe in the run-up to this summit is different from those on most previous occasions. We have often engaged in a fairly predictable debate—for and against the constitution, or the social chapter, or the euro, or whatever it may have been—but this time Government and Opposition agree that Europe faces an intensifying crisis, including a crisis of leadership, to use the Prime Minister's own words. The tragedy is that, for whatever reason, and with all the admitted constraints on what can be achieved in a period of a few months, the Government have not shown the consistency, energy and purpose necessary to have any hope of alleviating that crisis or changing prevailing attitudes. They have often claimed to be winning the argument in Europe, but there is little evidence of that.

One deeply depressing example of failing to win the argument is being played out in the world trade talks in Hong Kong. Could not the Government have given a stronger lead towards pushing the European Union into a position more committed to free and fair trade and assisting real progress in a way that would help developing countries? Has not the lack of any reform of the common agricultural policy become a major problem for world trade negotiations, as demonstrated by the statement by Peter Mandelson's spokesman that EU subsidies will not be reduced by "one cent"? Should not the EU be going much further towards reducing tariffs and export subsidies? Is it not depressing and disturbing for the Government when a Commissioner who was until recently one of their own colleagues attacks the idea of liberalisation and states his opposition to

"what the consequences would be if we were simply to do as some in the British government . . . are calling for"?

I hope that when the Minister winds up he can say whether he considers that the Government have used all possible weight to influence the world trade talks in a way that would open up opportunities for developing countries without imposing over-stringent conditions on them and, if they have used such weight, why it has failed. Surely we did not join the EU to stand in the way of trade liberalisation and free trade. The Swedish Trade Minister said:

"The French have been very active, not least in the public debate, while there has really been very little said by the free traders."

Why has so little been said?

Mr. Andrew Turner (Isle of Wight) (Con): As always, my right hon. Friend makes a terrific case. However, is not it the case that, whatever our success in winning the argument, root-and-branch reform is needed to ensure that the people at the rudder and those in the engine room—the Commission—begin to follow the instructions of the skipper, that is, the politicians?

Mr. Hague: We will run into trouble if we connect the skipper with the rudder by a root and a branch, but I take my hon. Friend's valid point.

Chris Bryant (Rhondda) (Lab): The right hon. Gentleman is discussing common agricultural policy reform and I do not believe that a single hon. Member would not like reform as urgently as possible. How much does he believe that British farmers should receive in CAP payments? Last year, they received £1.7 billion. The Duke of Westminster received £448,000, the Duke of Marlborough received £511,000, the Duke of Bedford received £366,000, the Earl of Plymouth received £459,000 and the Marquess of Cholmondeley received £306,000. Are all those payments appropriate?

Mr. Hague: No, of course they are not. Reform of the CAP would greatly reduce such payments. Huge payments are also made to large farms throughout the rest of Europe.

We agree on the need for reform of the CAP, which brings us naturally to the hot topic of this weekend's summit—the budget and the position of the EU rebate. An elector who participated in this year's general election only seven months ago would have had no doubt where the Government stood on the matter. Their mantra was that the rebate was "non-negotiable and fully justified." Any attempt to reduce Britain's rebate would be vetoed and blocked. It does British politics no credit when a cast-iron, comprehensive commitment, which was so freely given, is rapidly and deliberately abandoned. How Ministers expect any future assurances that they give on such matters to be believed is beyond imagining. Yet only five weeks passed after the general election before the Prime Minister devised a new and fascinating formulation. On 8 June, he said at the Dispatch Box:

"The UK rebate will remain and we will not negotiate it away. Period."—[*Official Report*, 8 June 2005; Vol. 434, c. 1234.]

For those of us who are connoisseurs of the Prime Minister's extraordinary ability to face several directions simultaneously that statement was a particular treasure.

When the study comes to be written of the Prime Minister's techniques, the statement should have a chapter devoted to it. First, there was the fascinating use

[Mr. Hague]

of the word "period", which initially seemed to derive from his recent visit to the United States and his habit of starting to imitate any audience that he wants to please. However, he was using it in a more calculated way—to give emphasis to an otherwise meaningless statement. The phrase,

"we will not negotiate it away"

literally meant that the Government would not give away the entire rebate but might give away 10 per cent., 50 per cent. or even 90 per cent. The word "period" was used simply to fool everybody, like thumping the table hard while saying, "I don't know." It is testimony to the Prime Minister's skill in double-speak that he largely got away with that emphatic but meaningless statement.

The statement's meaning soon became clear. The rebate was indeed up for negotiation but only in return for genuine reform of the CAP. As reported on 13 June, the Prime Minister said that the British rebate could not be discussed unless that happened alongside a debate on all EU financing, including the

"40 per cent. of the budget that goes on agriculture, which employs only 5 per cent. of the people".

He said that there had to be fundamental changes

"in particular to the agriculture policy."

That was not the Prime Minister's policy when he ran for election only a few weeks previously. Nevertheless, it was not an unreasonable policy.

Offering to trade part of the rebate for sensible reform of the CAP, with a view to making the EU work more effectively and without additional expense to the British taxpayer, was not an unreasonable negotiating position. The Government were right to stress the urgency of the matter, with the Prime Minister saying,

"Europe just cannot wait 10 years or more for the change that is necessary."—[*Official Report*, 20 June 2005; Vol. 435, c. 523.]

The Chancellor was applauded at the Labour party conference for saying:

"If we are to make poverty history . . . let us seek to make the excesses of the CAP history."

The Government were in a strong negotiating position. Since the rebate is a legal entitlement, with any changes to it subject to our veto, it is clear that there would be no need to ask the British taxpayer to stump up billions of pounds of extra contribution to the EU, on top of the massive contribution that they already make, without getting something serious in return.

The moral and economic grounds for CAP reform are strong. There are many willing allies on the subject in Europe and serious reform would free resources to help the new and future entrants to the Union. All in all, the position, albeit different from that in the election campaign, had merit and strength. Then the Government came up against the response of President Chirac, whose statement on Bastille day was intransigent:

"I am not willing to make the slightest concession on the Common Agricultural Policy".

It was also bizarre. He said that

"the CAP is the future".

How about that for a perspective different from the Government's?

At some stage after that highly unco-operative response, panic seems to have set in in Whitehall. The talk of firm leadership in June was drowned out by the noise of gears crashing into reverse in November. The Government's position moved from being described by the Deputy Prime Minister on 6 July as one whereby

"the Prime Minister certainly wants to get rid of the present CAP."—[*Official Report*, 6 July 2005; Vol. 436, c. 299.]

to one of seeking only the vaguest commitment to future reform.

Moreover, no plan for CAP reform seems to have been submitted by the Government. The EU Agriculture Commissioner wondered whether Britain's proposals were

"just a gimmick or game-playing"

and the French Agriculture Minister said two weeks ago:

"Ever since my arrival nearly a year ago there hasn't been a single EU Agriculture Ministers' meeting where reform has come up, including from the British Minister."

The Slovak Prime Minister said in October:

"Silence reigns. We do not have information . . . it is . . . important . . . that we ask our British colleague how he imagines the contours of the reform."

Does not the Foreign Secretary consider that the deployment of powerful arguments for fundamental change and the readiness to sacrifice a rebate of immense financial value to this country required a more serious, informed and diplomatically effective attempt to create some real momentum for reform? How on earth could the Government talk in that way yet come up with no proposals so that even well disposed countries were left muttering in the dark?

Hugh Bayley (City of York) (Lab): Is the right hon. Gentleman genuinely suggesting that Latvia, Estonia, the Czech Republic and Poland, having escaped from the shadow of communism, should now pay a subsidy through the rebate to the UK Treasury as a price for joining the western family of free nations?

Mr. Hague: As the hon. Gentleman knows, the United Kingdom is one of the largest contributors to the EU. To talk of any other country in the EU subsiding us is therefore not the correct analysis. We already send enormous subsidies to the countries that are entering the EU. It is no good describing my position as unreasonable since it was the Foreign Secretary's position only a few weeks ago. It is right to consider trading part of the rebate in return for genuine reform of the CAP. That is the position from which the Government have now retreated. They have moved from talking about getting rid of the current CAP and showing "firm direction" and "firm leadership", according to the Prime Minister, to a policy of progressive capitulation that will cost British taxpayers at least £5.5 billion with nothing guaranteed in return. That is the equivalent in expenditure of 53,000 nurses or 39,000 teachers.

Mr. Straw: My hon. Friend the Member for City of York (Hugh Bayley) asked an important question to which the right hon. Gentleman replied inadequately. We are not giving up a single penny of the rebate in so far as it affects any spending in the 15 western European

nations or spending on the CAP. However, we unapologetically believe that we should make a fair contribution to the costs of enlargement and investment in the structural and cohesion funds for the 10 new accession states. That has been the Conservative party's consistent position. Given that, and all the calls for spending on those eastern European states, why does not the right hon. Gentleman have the courage of his convictions and say that the Opposition should support the Government in making that fair contribution?

Mr. Hague: I have the courage of the Foreign Secretary's convictions only a few weeks ago, when the rebate was not even to be discussed unless that happened alongside genuine reform. He was absolutely right to say in his speech that there was common ground across the Floor of the House on a lot of these matters. The issue is not whether we pay our fair share to help the countries that are joining the EU, but what that contribution should be. He was also right, in his initial negotiating position—a powerful one, given the legal entitlement to the rebate—to insist on reform of the CAP so that other countries as well as ours paid their fair share to those EU entrants. Now, however, the Foreign Secretary's own concrete concessions are being given without any bankable commitment to serious CAP reform for years to come. Rarely in the field of European negotiations has so much been surrendered for so little. That is my criticism of the Government's position.

Could it be that the former ambassador to Washington is right when he refers to

"the dull detail of tough and necessary bargaining: meat and drink to Margaret Thatcher but . . . uncongenial to Tony Blair"?

Have not things come to a sorry state when the Government's position is mercilessly mocked in an e-mail from one of their own ambassadors, our ambassador to Warsaw, who said that

"we all know that the absurdity and hypocrisy of this process are passing any reasonable limit."

He characterised the Government's position by saying:

"I am being asked to give more UK taxpayers' money to an EU which for years cannot produce properly audited accounts. Mon ami Jacques, with the support of most of you, is nagging me to give the EU more money while refusing to surrender an inch or even a centimetre on the CAP—a programme which uses inefficient transfers of taxpayers' money to bloat rich French landowners and so pump up food prices in Europe, thereby creating poverty in Africa, which we then fail to solve through inefficient but expensive aid programmes."

If the Government's own ambassadors do not believe in the Government's new position, who does? The ambassador even advocated setting aside the £5 billion that the Government propose to surrender from the rebate in order to create—I cannot quote every word of this in the House—a special development fund cutting out

"all the [expletive deleted] EU bureaucracy"

and the amount that goes into

"sticky transaction costs, local and Brussels corruption, overhead and other rubbish."

What is this man doing as an ambassador when he should clearly be a European Commissioner?

Will the Minister explain, when he responds to the debate, why the extra concessions on the rebate, announced on Monday last week, were not factored into the budget deficits for the coming years set out by the Chancellor that same afternoon? If he had been a prudent Chancellor, he would, of course, have wanted to take account of, and make provision for, money that the Foreign Secretary was proposing to give away. If not, it seems that the Foreign Secretary has removed a large slice of any remaining margin possessed by the Chancellor to meet his golden rule, even on the new fictionalised basis.

Somehow, from a position of enormous strength, strong domestic support, many potential allies and a good moral case, the Government have managed to emerge in Europe as the villain of the piece, making concessions that are paid for directly by British taxpayers, while simultaneously alienating the new entrants to the EU, upsetting almost everyone else, gaining no concessions whatever from the French and failing to achieve even the slightest part of their objective. Is that not a sorry position for a Government to have reached in advance of an important summit? While there is great agreement across the House on the causes of the European crisis, this much-vaunted presidency of the EU has done almost nothing to resolve them.

1.53 pm

Keith Vaz (Leicester, East) (Lab): It is always a pleasure to follow the right hon. Member for Richmond, Yorks (Mr. Hague). May I congratulate him again on his appointment to the Front Bench? His speech was full of witticisms and knock-about stuff. The pantomime season really has begun, but I am not sure whether he is Cinderella or Mother Goose.

The right hon. Gentleman and I have a lot in common. It is not well known that I gave him his first job in the House, when I was chairman of the very important all-party footwear and leather industries group—probably the high point of my career. The right hon. Gentleman was a new Member and I made him my secretary because his footwear was always in a good state of repair. I am glad to see that he has done so well. We have another bit of shared history. When he was the Leader of the Opposition and I was Minister for Europe, we both took a bus tour around the United Kingdom. Mine came first—I had a customised campaign bus, in which I undertook 25 engagements in five days. The truck for his campaign to save the pound was sited in St. Albans. We did not actually meet, but I think that he abandoned his tour shortly after it began, such was the state of the Conservative party at that stage. The other thing, of course, is that we both had more hair at the time.

This is an important debate and I am glad to see that we have three heavyweights on the Front Benches talking about foreign policy. I congratulate my right hon. Friend the Foreign Secretary on winning the Minister of the year award in *The House Magazine* last week. That award was well deserved, and I did in fact vote for him. I hope that he will remember that. These European debates, which often used to attract only the usual suspects, now gather a much larger audience. That is good, because it is important that we should have strong, vigorous debates on Europe, and it is always good to know what Conservative party policy is on Europe.

[Keith Vaz]

My regret, in listening to the right hon. Member for Richmond, Yorks, was that he spent 21 minutes talking about issues that were really not the concern of the forthcoming discussions in Brussels. It is important to have this debate now because we have been calling for a debate on the UK presidency, but it is a pity that he wasted the opportunity to put forward Conservative party policy. He spent his entire speech—eloquently and wittily, as always—attacking the European Union, saying that it was not up to the job, and criticising the Government and officials. That was a waste of an opportunity.

We have a real opportunity to show leadership in Europe, but every time we discuss the European Union in the House, our debates consist of the Opposition attacking everything that the Government are proposing, and criticising Ministers for not standing up for Britain's interests. The right hon. Gentleman knows, as a former member of the Cabinet, that when British Ministers attend these summits in Brussels or wherever, they bat for Britain. They do everything that they possibly can to further Britain's interests. I am really disappointed that every speech from the Conservative Front Bench contains the criticism that we do not act in Britain's interests, because we do. That is what the right hon. Gentleman did when he was a Minister, and that is what our Ministers do when they perform their duties in Brussels.

This has been a good presidency, albeit a low-key one. I would like to have seen much more campaigning on European issues by our Foreign Secretary, because he has real style and panache and he is able to put forward the best of Europe to the British people. Inevitably, however, because of the great difficulties involved in organising a presidency over a six-month period, British Ministers have had to engage in the crucial decision-making processes.

We have had a huge success with Turkey, and it is worth reminding the House of the support that the Opposition have given to enlargement over the years. The Foreign Secretary generously paid tribute to John Major for the steps he took when he was Prime Minister. Certainly, the process was accelerated from 1997 onwards when our Prime Minister became a champion of enlargement. Through the previous Foreign Secretary, the late Robin Cook, and the present Foreign Secretary, Ministers have been fully engaged in the enlargement process. We all look forward to the day when Turkey joins the EU. It will be a different EU by then, but it will be one that truly embraces the whole of Europe. As we started the negotiations on Turkey, it was also important for us to give a green light to Croatia. The entry of the Balkans will also be crucial to the peace and stability of the European Union, and that process rightly started under our presidency.

Mr. Cash: Does the hon. Gentleman agree that it would be impossible to achieve the result that he would prefer, namely, a different kind of structure in Europe, while hanging on to the past and to the constitution? Are not serious changes needed to return power to the national Parliaments and, as I would prefer, to go down the route of associate status, so that we could address the real question of how to accommodate the proper aspirations of the enlarged European Union and of Turkey?

Keith Vaz: I do not agree with the hon. Gentleman's conclusions, but I pay tribute to his analysis and the work that he does in this area. What he does with the European Reform Forum in taking evidence on these issues is extremely important, as the House should discuss European issues not just in the Chamber and European Scrutiny Committee but on an all-party basis. In that way, we will find a great deal about which we agree, as well as issues about which we disagree.

Turkey must be admitted as a full member because it seeks that kind of status. I do not agree that we should have a two-class Europe. That is why I supported the Government in the measures that they took to ensure that when the latest enlargement took place, on 1 May 2004, we allowed workers from the 10 new member states to work in our country. What a benefit they have been to the British economy, even though the then leader of the Conservative party—I do not hold the right hon. Member for Richmond, Yorks responsible, as he was not an Opposition spokesman on that occasion—predicted that there would be chaos in our benefits system and huge problems of social cohesion. Those who came in as part of the last wave of enlargement have contributed to the British economy and enabled us to take a leadership role in Europe. While Germany and France did not allow them to work, we did, and that is the right course of action. In relation to Turkey, those are the only issues about which I would be concerned.

I hope that we will get a decision on whether Romanian and Bulgarian workers will be allowed to come here on an equal basis with the rest of European Union citizens before the 2007 deadline, as it would be wrong to leave it until the last minute to be fuelled by hysteria in the tabloid press. I hope that we will get that decision soon, as it is important that we send out a signal to the rest of Europe that we are the champions of enlargement.

That leads on to what the Foreign Secretary has said about the rebate and the difficult negotiations that are going ahead, and I wish him and the Prime Minister well in those. I remember sitting round the table and trying to get agreement with other Ministers in an EU of 15. In an EU of 25, however, it must be extraordinarily difficult. I pay tribute to all our Ministers for the way in which they have engaged in discussions, especially with the new member states. The right hon. Member for Richmond, Yorks commented on the Prime Minister, Foreign Secretary and other Ministers not being seen in other parts of Europe over the past six months. That is because they have been dealing with crucial negotiations. In the past week alone, five Prime Ministers—perhaps more—and dozens of Ministers have come to London to have meetings to try to resolve the problem.

Kelvin Hopkins: My hon. Friend talks about the difficulty of securing agreement between 15 and now 25 member states. Rather than trying to force through decisions that cause difficulties, would not it be easier if we had a much looser arrangement in which each member state had a higher degree of independence?

Keith Vaz: My hon. Friend keeps saying that, but of course those states have independence. That is why we have discussions. We are not trying to force through these issues, and nobody tries to do so. Ministers do not turn up and try to dragoon people into supporting our view. There must be a process of painful negotiation and agreement, which is why it takes so long. That is why the Foreign Secretary has honestly told the House—the House admires his plain speaking—that if there is no deal, there is no deal. The Government will do their best, however, to ensure that there is a deal.

It is right, of course, that discussion about the rebate needs to be set against reform of the common agricultural policy. We have sought to do that for the past eight years. When the Conservative party was in government—and when the right hon. Member for Richmond, Yorks was a Minister in John Major's Government—I did not see Conservative Ministers coming to the Dispatch Box and telling us about all the work that they were doing to try to reform the common agricultural policy. I did not hear about any campaign by the then Conservative Government to try to put right the iniquities that were present, and are still present, in our system. All we had was silence.

All that I know in respect of the CAP policy is that Ministers have been trying for the past eight years to do something about the iniquities of the CAP. The budget must be set in that context. We cannot have a fundamental reform of the EU budget unless we have a fundamental reform of the CAP. There is agreement on both sides of the House on that. That is why the Prime Minister and Foreign Secretary rightly said that we negotiate about our rebate in terms of a reform of the CAP.

The cost of enlargement is quite different. One cannot be in favour of enlargement and want a wider Europe and then not pay for the costs of a wider Europe. Of course, the 10 new member states are benefiting because of the millions of euros that will be spent on those countries. Why do they need to be spent? Because those countries need to be brought up to speed with the rest of Europe, and because it benefits our country to have countries with which we can trade—which are our partners and with which we can trade on an equal basis. That is why we are spending all that money on the issue.

Kelvin Hopkins: My hon. Friend talks about our generosity to the new countries coming in from eastern Europe. The amount of money that they receive from the CAP is a tiny fraction of that received by the rich countries in western Europe. It is an absolute nonsense. If there was sincerity about the CAP, those new countries should have the same proportion of CAP spending as other richer nations. Then, of course, the whole thing would break down.

Keith Vaz: On that point, my hon. Friend is absolutely correct. That is the case that is being made—that there must be a reform of the CAP. It is unfair because it favours France. We should ask the Polish farmers—and the Polish Government when they were seeking to join the European Union—what they think about that. Of course they want a much fairer deal. Until they have that fairer deal, however, it is up to European Union countries, through structural and cohesion funds, to give them a deal that will enable them to do the kinds of things that we want them to do.

As I understand it, that is the basis of the deal currently on offer from the Foreign Secretary. The rebate is to be considered in the context of the common agricultural policy, but we need to find other ways in which we, as a rich nation, can contribute to the new members so that they do not lose out as a result of our rebate. We must therefore give them additional funds to make sure that they can reach the level that we promised them when they joined the European Union. That also means considering the way in which those funds are dispensed. We do not want to see public opinion in the new member states waning since they joined the European Union, which appears to be happening, because they look at the European Union and see an organisation that seems not to be willing to reform.

In the discussions that my right hon. Friend the Foreign Secretary has over the weekend, I hope that he will pursue the reform agenda, as the right hon. Member for Richmond, Yorks said he should be doing. I have raised that matter with the Foreign Secretary on a number of occasions. There is no prospect of the constitution being adopted at this moment—my right hon. Friend the Foreign Secretary has been given credit in that regard, but I know that he is too modest to accept such plaudits—but the fact remains that reform is needed of the structures and practices of the EU.

That was originally set out in the joint letter from the then Chancellor Schröder and our Prime Minister in February 2002. That reform agenda is essential if we are to make the European Union work efficiently, especially in respect of the Lisbon agenda. Of course, the Kok report was damaging, but that was the point of having a report five years after Lisbon—to see what had been achieved. Many benchmarks have not been met—we have done better than other countries, but it is essential that that reform agenda survives beyond our presidency and into the Austrian presidency, and into the discussions and negotiations that we will ensure happen after our presidency has finished.

The world will not end on 31 December. The EU is an ongoing process, and I seek an assurance from my right hon. Friend the Foreign Secretary and my hon. Friend who will wind up the debate that we will pursue the reform agenda in a vigorous way. That does not depend on the constitution, as it is independent of it, but we must get those reforms moving if we are to play a real part in providing leadership for the EU.

2.9 pm

Sir Menzies Campbell (North-East Fife) (LD): This has been a slightly unusual debate in a number of respects. First, the hon. Member for Leicester, East (Keith Vaz) departed from the sanctity of the ballot and revealed that he had voted for the Foreign Secretary—no doubt he had no ulterior motive whatever in doing so. A habit also seems to have arisen, almost like the congressional record in the United States, of making reference to local institutions such as local newspapers. Not to be left out on this occasion, I should like it to be known that I more than value the contribution of the *St Andrews Citizen* to the great political debates of our time.

There has been a warm and genuine welcome—an affectionate welcome—for the right hon. Member for Richmond, Yorks (Mr. Hague), who demonstrated, in a

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trenchant speech, the considerable talents that he possesses and of which we hope to hear and see more in future debates. I have been trying to formulate in my mind how the change in personnel effected by his new leader could best be characterised in relation to him. I suppose the best way of putting it is to say that the hon. Member for Witney (Mr. Cameron) shot the fox and gave us the comeback kid.

I shall discuss the issue of the deal in some detail in due course, but let me first point out that at one stage the Foreign Secretary said that no deal was better than a bad deal. The phrase has a certain resonance on occasions such as this, but when we analyse it we must ask what would be the consequences of there being no deal. What would be the political consequences in the European Union, and what would be the consequences for the influence of the United Kingdom? Can we be confident that if the matter were, so to speak, kicked into the arms of the Austrian presidency, a better deal would emerge from those circumstances?

Those are all questions that cannot, I think, be answered in this debate. Although we now have, in the form of a ministerial statement, an up-to-date indication of the Government's position, all the issues will be on the table on Thursday and Friday, Saturday, Sunday and perhaps even Monday, and the truth is that they may well change in material respects. The verdict on the proposals will have to rest until the Government, on Monday or perhaps even Tuesday of next week, return to report on precisely what they have achieved.

To an extent, that makes our debate a little artificial, but it is undoubtedly important because, as the right hon. Member for Richmond, Yorks said, the European Union stands at a very important point in its history and its evolution. It is worth reminding ourselves—and the right hon. Gentleman made some reference to it—that in his speech to the European Parliament on 23 June, the Prime Minister eloquently set out United Kingdom priorities for the presidency. The speech received considerable support from those who heard it in the Parliament: indeed, it brought the Prime Minister an unaccustomed ovation there.

The Prime Minister said in his speech that he believed that the French and Dutch rejections of the constitution constituted

"not a crisis of political institutions, it is a crisis of political leadership. People in Europe are posing hard questions to us."

In that speech, he raised expectations. He raised expectations that the crisis would be met, and that the hard questions being posed by the people of Europe would at least be the subject of an attempt to answer. I am afraid that, despite the Foreign Secretary's brave face on matters, history will judge that—with the exception of the opening negotiations on the accession of Turkey and Croatia—there has been, unhappily, a lack of substantial achievement during the presidency.

Some will say that the Prime Minister has failed his own test: that the political leadership to which he pointed in that eloquent speech has not been on display, and that the hard questions being asked by the European public have not been answered. I suppose one could say that the Prime Minister has been caught between the promise of his own rhetoric on that occasion and the failure of achievement that many will consider to be a characteristic of this period of the United Kingdom's responsibility.

Mr. Cash *rose—*

Sir Menzies Campbell: Like every other Member, I am always happy to give way to the hon. Gentleman.

Mr. Cash: I am most grateful.

Is it not possible that the real reason why the Prime Minister is having so much difficulty and has failed is that, despite his best efforts to secure an open, competitive Europe, the others are not listening? They do not want to change the acquis, they want to stick to the constitution, and the Prime Minister has pretty well given up banging his head against a brick wall.

Sir Menzies Campbell: I think that the material phrase in that intervention was "despite his best efforts". If I were satisfied that we had seen the Prime Minister's best efforts in this regard, I might be more sympathetic to the hon. Gentleman's position, but I do not believe—although I realise that we are dealing here with value judgments—that over the past six months we have seen the best efforts to which he refers.

We must, of course, accept that the conditions for progress were far from encouraging. President Chirac and Chancellor Schröder have failed signally to support the reforms that are necessary to enable Europe to respond better to the challenges of globalisation. I have made the point before, but I do not hesitate to make it again.

The economic advance of China and of India should not be seen in a vacuum. Those countries will seek to exercise greater political influence based on that economic advance. One illustration is the extent to which China is now investing in its defence forces and adopting, to a degree, a more robust approach to Taiwan. India, meanwhile, is demonstrating an overwhelming conviction that it is entitled to—and should soon be admitted to—permanent membership of the United Nations Security Council.

It is possible, in a sense, to bury one's head in the sand in relation to the economic explosion that is taking place in those two countries, but it is certainly not possible to do so in relation to the political influence that they will seek to exert—a political influence that will definitely impinge on the interests of the United Kingdom and, of course, those of Europe.

Kelvin Hopkins *rose—*

Sir Menzies Campbell: Here is another Member to whom I am always happy to give way, in the sure and certain knowledge that I have some idea of where he is coming from.

Kelvin Hopkins: All of us in the Chamber take certain positions, but I should like to think that mine is rational.

The right hon. and learned Gentleman suggested that there was a failure of leadership in Europe on issues of reform. Is it not a fact that the peoples of Europe are simply rejecting what their leaders are telling them? At the last German election, when the Christian Democrats

tried to win an election on that basis, people returned to the Social Democrats in droves because they did not want liberalisation.

Sir Menzies Campbell: That is a measure of the fact that the case has not been properly put. I do not think that any of us should have any confidence in a notion that things will continue as they have in the past. I believe that so far we have failed signally to understand what the economic and political impact of the resurgent countries will be. The sooner we get abreast of that, and the sooner it is understood in the chancellories of Europe, the better things will be both domestically and for the European Union.

One problem is that the United Kingdom, and the presidency, have had difficulty in exercising influence. I concede that much to the hon. Member for Stone (Mr. Cash). Nevertheless, I do not recall, over the past six months, any serious efforts to initiate high-level political dialogue on these political issues. In that respect, I agree with the right hon. Member for Richmond, Yorks. Part of the difficulty of initiating such dialogue is caused by the continuing legacy of the disagreement over Iraq. Whatever our view of the rightness or wrongness of the military action that was taken, that is the context and the background against which we may unfortunately have to continue to operate for some time.

Reference has already been made to the period of reflection that was supposed to follow the rejection by the French and the Dutch, in referendums, of the constitutional proposals. I do not think we need dwell on that document to any great extent, because I believe it is clear to those of us who supported it and to those of us who opposed it that it is moribund. What is likely to occur now is a period during which a European Union of 25 will be compelled to operate within the framework of the Single European Act and the treaties of Rome, Maastricht, Amsterdam and Nice. It is my firm belief that the constraints imposed by the differing sources of the acquis, and by the fact that finding out where powers do or do not rest requires an extraordinary amount of investigation, will prove sclerotic.

In a European Union of 25, it will swiftly be realised that arrangements that were appropriate for a Union of six, 12 or 15 are simply not sufficient. Through force of events, we will come, one way or another, to a point at which people will say, "We ought to try to produce one document that incorporates the essentials." That will provide a further opportunity, which I hope will be taken, to embrace the principle of subsidiarity, to ensure that proportionality lies at the very heart of what the European Union does and to produce the constitution for which many in this House argued: a constitution that reflects rather more simplicity than the—in the minds of many people—complicated proposals that eventually emerged from the convention.

Mr. Peter Bone (Wellingborough) (Con): I understand what the right hon. and learned Gentleman is suggesting, but there is an alternative approach that might be being considered, and which has already been adopted by the EU bureaucrats: to bring in parts of the constitution by the back door, by stealth, as they have always done.

Sir Menzies Campbell: There was some agreement in this House that parts of the proposed document could be introduced without the need for constitutional proposals. One example that I can refer to, and which was mentioned by virtually everyone who spoke in the six, seven or eight debates that we had on this issue—*[Interruption.]* The Foreign Secretary indicates by semaphore that there were six such debates. Virtually everyone who spoke in those debates was of the view that the proceedings of the Council of Ministers should be in public and that voting should take place in public—that there should be transparency to a degree not previously achieved. We could do those things now, and if such measures were in effect they might help to deal with the disillusionment of the people of Europe to which the hon. Member for Luton, North (Kelvin Hopkins) referred earlier. I may be proved wrong, but it is my belief that in due course, the pressure of trying to operate 25 countries—perhaps it will be 27 or even 30; who knows?—within the framework of the existing treaties will become such that the need to alter the constitutional position will become overwhelming.

During his speech, the right hon. Member for Richmond, Yorks variously quoted the Prime Minister speaking in the House of Commons. As he rightly said, on 8 June the Prime Minister said:

> "The ... rebate will remain and we will not negotiate it away."—[*Official Report*, 8 June 2005, Vol. 434, c. 1234.]

Two weeks later, the Prime Minister said that, after his talks with the Swedish Prime Minister, he was in fact prepared to negotiate on the rebate. It has been our consistent view, in supporting the Government, that the rebate should be renegotiated only in return for wider changes to the European Union budget, and in that regard I agree with the principle that Great Britain should be willing to make a contribution to the cost of enlargement.

The hon. Member for Leicester, East made a point earlier about public opinion in the countries of the 10. One need not go very far in those countries to find an approach to, and support for, Europe that is a long way short of the euphoria that was characteristic only 18 months to two years ago. We should remember that the purpose of the European Union is not just to provide a market and economic opportunity, but to ensure political stability. So it cannot be in the long-term interest of the European Union as a whole that disaffection with the EU should arise in those countries because of a failure to meet obligations, and because of a feeling that expectations have not been properly met.

Part of the Government's difficulty is that they failed to set out what the changes to the budget ought to be. There are two particular changes for which we would argue. First—here, the right hon. Member for Richmond, Yorks and I are again in agreement—there should be a significant improvement in the EU's position on tariff cuts during the World Trade Organisation negotiations. Given what the Commissioner said this morning, it seems that it is too late to achieve that in Hong Kong: he has gone there with a certain mandate or remit, beyond which he cannot go. But Hong Kong will not be the end of the matter. If we are concerned about the fate of the poorest countries in the world—as we rightly should be, as many of our constituents are and as the G8 summit appeared to be—making more concessions on agriculture is absolutely essential. Perhaps most important of all, we need to tackle the practice of dumping, which undercuts indigenous agriculture and puts farmers in the countries in which

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dumping takes place in an impossible position. It is hardly surprising that there is such indignation in those countries, where agriculture is often at subsistence levels or just above.

I turn to the second change for which we would argue. It is surely time to consider restructuring common agricultural policy funding through co-financing. European Union support would be substantially reduced and member states would be permitted, under conditions, to supplement it if they so choose. That would give more responsibility and influence to domestic Parliaments. In turn, it would benefit EU consumers, help to make more progress toward the creation of a free market in Europe, and be of considerable benefit to economies in the developing world. There has been a sad lack of detailed reform of the Government's position on this issue.

Everyone agrees on the need to reform the CAP, which has been described as an anomaly. I cannot remember a single Member making a speech in favour of it; but in talking to representatives of the National Farmers Union in my constituency, it is clear that many of our farmers regard the CAP as being of significance. *[Interruption.]* Given the nodding of heads in the Chamber, I suspect that my experience is common to others. Those farmers are waiting with some anxiety to see how the single farm payment system, introduced some 12 months ago, will operate in real-life, practical terms. But I have no doubt that the CAP does require reform.

Kelvin Hopkins: I am sure that it is the subsidies that the farmers like, rather than the CAP. If they were provided domestically by the British Government, they would be just as happy.

Sir Menzies Campbell: Yes, that may well be so, and that is an argument for financing.

The difficulty with the Government's approach to CAP reform is that no detailed proposals were put forward. CAP reform was mentioned only twice in the White Paper on the presidency: once in the context of reform of the sugar regime, which had already been proposed by the Commission, and once in the glossary.

Mr. Straw: Will the right hon. and learned Gentleman give way?

Sir Menzies Campbell: In a moment.

If we were serious about CAP reform, we surely had an obligation to put on the table the precise way in which we would seek to bring about such reform. We can hardly be surprised at a lack of enthusiasm for reform if we fail to provide the detail necessary for people to make an informed judgment.

Mr. Straw: I am very grateful to the right hon. and learned Gentleman for giving way. I have sat here listening to his complaints about our alleged lack of vision for agriculture, as echoed by the right hon. Member for Richmond, Yorks (Mr. Hague), with some surprise. We have produced a series of papers on CAP reform and we have followed that policy in practice, as illustrated by the big reduction that my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs achieved the other day in respect of sugar. Just two weeks ago, we brought together this approach in a 70-page document entitled "A Vision for Common Agricultural Policy", which was published jointly by my right hon. Friends the Chancellor of the Exchequer and the Secretary of State for Environment, Food and Rural Affairs and put before this House. I am very surprised that the right hon. and learned Gentleman and his staff, who are normally well-informed, failed to spot this.

Sir Menzies Campbell: I spotted it, but four weeks away from the end of the presidency, one has to ask precisely what kind of impact it will have. The whole House has been united on this issue for a long time. Surely, if we were serious about securing this necessary reform, we would have been in the market—no pun intended—with proposals long before four weeks before the expiry of our responsibilities.

Mr. Brady: It is actually even worse than the right hon. and learned Gentleman and my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) have said, because the document to which the Foreign Secretary refers—"A Vision for the Common Agricultural Policy"—which was published two weeks ago—states:

"The vision in this paper focuses on where we need to be in 10 to 15 years time, and why. It does not set out a route map for getting there."

Even at this stage, the Government have no concrete proposal and no idea how to achieve the objective.

Sir Menzies Campbell: Perhaps the Government need one of the devices that can be fitted to the motor car: if one plumbs in the proper information, it will provide a direct road-by-road demonstration of how to get from here to there. We can all agree, I think, that CAP reform is vital and that much more needs to be done.

In that context, we should note that, in 2003, the Government endorsed the financing arrangements for the CAP, which would remain unchanged until 2013. I have some sympathy for the Prime Minister because on that occasion he was bounced. By the time he arrived at the summit, Messrs. Schroeder and Chirac had arrived at an accommodation, shall we say, that they were determined to press through.

Doha has already been mentioned by myself a few moments ago and by the right hon. Member for Richmond, Yorks. In the White Paper, "The UK Presidency of the European Union", let me remind the House of what the Government said under the heading, "Prospects for the EU in 2005":

"The UK will play a key role in moving the Doha trade round negotiations forward . . . to ensure a successful outcome at Hong Kong . . . which helps to deliver a freer and fairer global trading system."

The Foreign Office website established for the purpose of the presidency claims that one of the priorities is to

"demonstrate clear progress in breaking down barriers to trade".

Even on the most generous analysis of the Government's position, those objectives will clearly not have been achieved within this presidency.

We had some amusement at the expense of the Conservative party a little earlier. Looking around, I suspect that not all of us remember Sir Robert Atkins. Let us describe him as a former hon. Member with direct and robust views and a man of considerable political acuity. It is remarkable how reputations can improve as soon as one has left and gone elsewhere. I cannot do other than refer again to the quotation attributed to Sir Robert:

"We would find ourselves in the company of The League of Polish Families (racist and Europhobic), the Danish People's Party (Iain Duncan Smith banned us from even talking to them!)"—

they must have been pretty Eurosceptic for the then leader of the Conservative party to have thought that his colleagues should not talk to them—

"the Italian Fascist Party, and of course UKIP. This is a pretty unappealing ragbag of fringe politicians".

Struan Stevenson, a Scottish Conservative MEP, said:

"We would have to sit round the table on a weekly basis with these fascists and nutters that nobody else will sit with".

Mr. Cash *rose—*

Sir Menzies Campbell: I wish to develop the theme. I am sure that Struan Stevenson would be happy to sit around the same table as the hon. Member for Stone. It suggests to me that the first task of the right hon. Member for Richmond, Yorks—to persuade these men of foresight and common sense to change their view—will prove formidable. We look forward to hearing reports on his success in that respect. Then our old friend, the right hon. and learned Member for Rushcliffe (Mr. Clarke)—unhappily, he is not in his place on this occasion—used words such as "headbanging", which suggests that his appetite for Europe has not been diminished by his relative failure in the leadership contest for his party.

Mr. Cash: I think that the right hon. and learned Gentleman and others—I heard one of his colleagues on the "Today" programme this morning—are misunderstanding the arguments that are emerging, albeit slowly, about the future shape of Europe and the need for serious reforms in the interest of individual member states and perhaps of Europe as a whole. I believe that there will be a change in the words used to characterise people such as myself who have taken a view—that we should reject the idea of an all-embracing European constitution and reject centralisation—that was previously described as "nutty". That viewpoint is now gaining much greater purchase, and there will be further changes in other member states.

Sir Menzies Campbell: Let me say straight away that I do not regard, and never have regarded, the hon. Gentleman as nutty. He takes a particular view of Europe that I do not share, but I admire the fact that he has not departed from that view and that he takes every opportunity to advance it. Also, he never joined UKIP, which, if I may say so, is a clear indication that he does not fall under the category of nuttiness or anything similar. It is clear, however, that those who represent his party's interests in the European Parliament are going to need an awful lot of persuading that they should not associate with the conservatives of the EU countries. If I may say so, I was impressed by what the Foreign Secretary had to say about the national interest, as reflected in an article written by my hon. Friend the Member for Eastleigh (Chris Huhne) in one of this morning's broadsheet newspapers.

Let me finish on the bright spot of Turkey and Croatia, which I believe represent a substantial achievement on the Government's part. There will be difficulties and the Turkish Government and people must understand that, however strong the advocacy of the US on their behalf, the Copenhagen criteria must be met. They must be met, furthermore, not just in letter or form, but in substance. The EU cannot and should not reduce its standards, however politically desirable it may be to bring in the first Muslim country. There can be no doubt, however, that what has happened is a substantial achievement by the Government, so the Foreign Secretary and the Minister for Europe most certainly deserve recognition.

I also want to mention briefly the more open attitude towards the Balkan states. Let us remind ourselves that when the former Yugoslavia broke up, the constituent parts were necessarily outside the European Union. They were outside of it because of political and historical events. The former Yugoslavia imploded with all the devastation—including Srebrenica, where perhaps 200,000 people were killed—that came with it. I venture to suggest that had those countries been members of the EU, much of that terrible bloodshed would not have taken place. Slowly and painfully, not always immediately successfully, these constituent parts of the former Yugoslavia are coming to a better understanding and realisation of democratic institutions and tolerance. Unfortunately, tolerance is not always evident: 18 months ago, Kosovo provided a glaring and unpleasant example.

As long as these countries have the prospect of becoming members of the European Union, it seems to me that they have a much better chance of achieving the levels of stability, conformity with the rule of law and democratic institutions that are necessary. The stimulus and inducement of EU membership is extremely significant. We talk about the details of the budget that are so important to us because we are members. They have an impact on our financial circumstances and our economic opportunities. However, we should remember that a much larger prize, in many ways, remains to be achieved—the continuing enlargement of the EU in order to provide a bulwark for democracy in a part of the world that went to war three times in 100 years.

2.39 pm

Hugh Bayley (City of York) (Lab): The forthcoming EU summit is clearly in our minds, but the purpose of politics is not just to deal with the here and now; it is also to think and plan strategically about the welfare of our country and of future generations—our children and grandchildren. We need to face up to the fact that the EU's long-term economic prospects are poor.

Compared with the US, China or India, our competitiveness is falling quite sharply. We have the problems of an ageing and shrinking population and underfunded pension systems. The European Commission estimates that, by the middle of this century, the UK's share of world gross domestic product will have halved. Goldman Sachs has said that the EU's relative decline will be even greater, and that our share of global GDP will fall by something like two thirds.

[Hugh Bayley]

Therefore, if we want to survive as a major player in world markets and retain a strategic role in global affairs—in respect of climate change, peace and security and combating terrorism, for instance—we need to set in train urgent and radical reform of our national economies. We need to invest more, especially in science and technology, to increase our productivity and competitiveness, and to create new products, and especially new services, to sell in world markets. We need to save more, especially to fund an ageing population in retirement. We need to continue to reduce the costs of doing business, and to pursue energetic welfare-to-work policies.

The UK has taken a lead in Europe on all those policies. That is why our economy is performing better than other EU economies. It is why our growth rate has been higher in recent years, and why our unemployment rate is significantly lower.

In a rapidly globalising world, few problems can be solved by one country acting alone. The economic challenges that I have described cannot be solved within the boundaries of our country. The right hon. and learned Member for North-East Fife (Sir Menzies Campbell) spoke eloquently about the need for trade reform, and there are other problems that can be addressed only in partnership with other countries, including the quest for environmental sustainability, international migration, immigration and asylum, organised crime, the international drugs trade and terrorism.

We therefore need to co-operate internationally, not least with the other EU states. On this morning's "Today" programme, I heard a Conservative MEP bemoan the fact that the EU has the competence to negotiate on the UK's behalf in the World Trade Organisation, and that it is Peter Mandelson rather than the Secretary of State for Trade and Industry who represents the UK's interests. The MEP made the case that UK trade policies are more progressive and would be more likely to achieve agreement in the WTO than the compromise position proposed by Commissioner Mandelson. That is to ignore the fact that the WTO works on the basis of unanimity, and that if one country in the EU can veto CAP reform and the reduction of agricultural subsidies, so can one country in the WTO.

I believe that the CAP is the stumbling block when it comes to making substantial progress in the development dimension of the current WTO round, and that it must be changed. Separating our trade representation from Europe would not help us to reform the common agricultural policy, as that must be done within Europe. All of that means that backing away from Europe is not the solution. We need the EU to deal with the global problems that I have set out, but we need a reformed, modernised and more effective EU that is fit for the 21st century.

First of all, we should begin by reforming the EU budget. I believe that the Government are right to press for a reduction in overall EU spending. We need to rein in state spending to improve our economic competitiveness in respect of emerging economies such as China, India and Brazil, and in relation to the US.

Secondly, the Government are right to agree to pay towards the costs of structural reform in the 10 new EU member states. Those reforms will make those states richer, and us richer too. That is what has happened with every EU enlargement to date. The resources that the EU put into Greece, Spain and Portugal made those countries and all other member states richer, because we trade with one another and our economies are interdependent.

However, I do not believe that my right hon. Friend the Prime Minister's proposal to reduce the overall budget slightly will impede aid needed for the new EU member states. The *Financial Times* reported today that, in the first two years since its accession, Poland has been allocated €8.6 billion in structural funds but that to date it has spent only 4.3 per cent. of that amount and has committed only about 50 per cent. of it. The newspaper also said that, so far, the Czech Republic has spent only 2.6 per cent. of the €1.7 billion that it has been allocated. The accession countries will therefore get the money that they need to carry out the necessary structural reforms even under the slightly reduced overall budget that the UK proposes.

Thirdly, the UK is right to propose changing the EU rebate, because circumstances have changed. All 10 new member states have much lower average incomes than the UK, and eight have emerged from the shadow of communism. I have many disagreements with Margaret Thatcher, but she was nevertheless a tough and determined opponent of communism. She wanted to free states from the dictatorship under which they existed. That was because she believed in freedom, not because she wanted them to pay a rebate to the UK Treasury. She was not fighting to ensure that Estonia, Latvia, Poland and the Czech Republic would subsidise the UK.

In his youth, the right hon. Member for Richmond, Yorks (Mr. Hague) was a passionate admirer and supporter of Margaret Thatcher, so I am sorry that he should seem to fudge on the question of whether the accession states should make a contribution to the UK rebate. Our Government are right to say that that burden should not fall on them.

Another way in which circumstances have changed since 1984, when the rebate was agreed by EU member states, is that the UK is much more prosperous now. In 1984, unemployment stood at 3,298,000, or 12.1 per cent. of the work force. On the same measure, it has now fallen to 4.9 per cent. The UK average income, or GDP per capita, was £5,750 in 1984, but now it is £19,537. Even adjusting for inflation, that represents a real-terms increase of 62 per cent.

I looked this morning at the report in the *Financial Times* of the 1984 EU summit when the rebate was agreed. It said:

"the one-nation deal for the UK is based on an explicit acknowledgement that it is a relatively poor member state".

In relative terms, the UK was poor then, but it is not now. Average incomes here are higher than in Germany, France, Italy or Belgium.

Fourthly, the Government are right to say that we will not abandon the rebate without reform of the CAP. The CAP is bad for families: according to a recent parliamentary answer, the average family of four would save £5 a week on food if the CAP were scrapped.

The CAP is also bad for taxpayers: to that average family of four, the cost of CAP subsidies amounts to a further £3 or £4 a week. That means that the CAP leaves the average family worse off by nearly £10 a week. The CAP is also bad for the EU because it is a totally perverse misuse of its overall resources: 40 per cent. of EU spending goes on the CAP, whereas 5 per cent. of the EU's population works in agriculture and produces only 2 per cent. of the EU's output.

CAP reform is necessary to remove a roadblock in the way of progress in the WTO negotiations. It is necessary for global trade justice, and it is a precondition for the economic reform that the EU needs to make to secure our own future prosperity. Oxford Economic Forecasting calculates that the EU's GDP could be boosted by €200 billion a year, which would create hundreds of thousands of new jobs in the EU, if CAP subsidies were ended and EU tariffs were cut.

It is necessary not just to reform the CAP; perhaps the Minister can also ensure that the UK team takes to the summit the need to reduce tariffs. We have tariffs of more than 100 per cent. on many foodstuffs: 170 per cent. on lamb, 120 or 130 per cent. on beef and 100 per cent. on rice. It is utterly absurd to impose that burden on consumers in the EU, particularly on those in this country, which is such a large net food importer. We in the UK alone would benefit by £20 billion a year—about £1,500 per family of four—if that economic liberalisation, the abandonment of the CAP and a reduction in tariffs were made. Developing countries would gain at least twice as much as a proportionate of their national income as we would in the EU.

Mr. David Gauke (South-West Hertfordshire) (Con): The report to which the hon. Gentleman refers and the benefits for the average family in the UK are absolutely right, but the people who would gain most proportionately would be those in the poorest 10 per cent. of society. Trade liberalisation would benefit the poorest the most.

Hugh Bayley: Yes, that is true globally, and it is certainly true in this country. If I remember rightly, the figures in the report suggested that the poorest 10 per cent. of families would see an increase in their average income of about 3.5 per cent., whereas the richest 10 per cent. would see an increase in their income of about 0.5 per cent. If we were to make those changes, it would be good for social justice in Britain, and it would be good for global social justice, too.

The real importance of a rebate is not the reduction that it makes in the UK's net contribution to the EU, but the incentive that it provides to reform the CAP. To return to the *Financial Times* report of the Fontainebleau summit in June 1984, when the rebate was agreed, it said:

> "The real impact of a budgetary deal will be critically dependent on parallel steps to impose tighter control over Community spending, and to reduce the share going on agriculture. If the Community can, over time, substantially reduce the farm burden, Britain's gross budgetary transfer should also decline."

The way for the EU to get rid of a rebate is to get rid of the cause of the rebate.

Mr. Robert Walter (North Dorset) (Con): I share the hon. Gentleman's passion for CAP reform—he and I both served on the International Development Committee for a number of years—and he has made an eloquent case for reducing the tariff barriers, but does he share the concern of those who suggest that the subsidies could be paid by national Governments rather than by the EU? Would that not just simply compound the problem? We are trying to get rid of a subsidy regime. To transfer it to national Governments would be self-defeating.

Hugh Bayley: The hon. Gentleman has moved on to greater things, but as a continuing member of the International Development Committee I went to Brussels to meet the Commission last week. We met the Agriculture Commissioner, and I can tell the hon. Gentleman that the idea of converting the agriculture subsidies into a call on national Government spending, rather than the EU budget, gets no support whatsoever from the Commission. Whatever the merits or otherwise of such a change, it is not one that will happen under this Commission presidency.

I do not know what the outcome on the budget will be at this week's summit—it may end in deadlock because of a French "non" to change in the CAP—but I have little doubt that the final budget package, when agreed, will be close to the UK's proposal. I expect that it will contain substantial support for the 10 new member states. It will include a slight reduction in the overall budget and an agreement to review the CAP earlier than the current deadline of 2013. So I say to the Government, "Stick to your guns." The EU needs to reform not only its spending, especially on the CAP, but its contribution system. Although I do not expect progress to be made on the latter this weekend, tax systems generally are seen to be fairer—they are certainly better understood and more transparent—if they are simpler.

At the moment, there is an overlapping matrix of four main income streams for the EU. We should move to a much simpler system, whereby all the income derives from the source that a majority of it comes from now: a simple proportion of gross national income. Then people in this country would feel that they were being treated fairly, alongside those in Germany, France, the Czech Republic or Latvia. That would not make a huge difference to the overall budget, but it would become much more understandable. I have asked the Library to generate some figures on such a system. It would produce some marginal benefits for the UK, but it would produce a system that would be much fairer overall and seen to be so by people throughout the EU.

2.56 pm

Mr. David Heathcoat-Amory (Wells) (Con): I am pleased that the hon. Member for City of York (Hugh Bayley) introduced the subject of the European economy and financial and economic performance into the debate, although I draw the opposite conclusion. I believe that economic success goes to self-governing countries that possess their own fiscal, monetary and trade policies. There are dangers in membership of a large bloc if that large organisation pursues anti-competitive practices. Unfortunately, the EU is largely discredited as an economic model for the world to emulate. We are paying a heavy price for that already.

[Mr. David Heathcoat-Amory]

The Chancellor of the Exchequer occasionally expresses admiration for the United States economy and enterprise, but he, the Treasury and the Government are converging not on the US model but on a European model that is characterised by high unemployment, high taxation and a high regulatory burden. That should form the basis of the discussion at the forthcoming summit that will take place at the end of this week, instead of which we have got bogged down in a series of quarrels and it is difficult to expect that anything positive will come out of it.

A positive development in the debate has been the return to front-line politics of my right hon. Friend the Member for Richmond, Yorks (Mr. Hague). That was certainly a benefit of the recent leadership election. I wish him well in his endeavours. I contrast his contribution with those of not just the Foreign Secretary, but all Government Members, who have talked endlessly about reform that is not happening.

In fact, it is striking that almost no hon. Member even tries to stand up for the EU as it is; they talk instead of the possibility of reform, but we have had the reform process. I was part of it—it was called the European Convention—and the organisation that met for nearly two years in Brussels, chaired by ex-President Giscard d'Estaing of France, was given a very wide remit indeed. Instead of tackling reform, the Convention wrote a constitution that gave more power to the very European institutions that had created the problem in the first place. The public's sense of alienation and disillusionment has got worse since 2001 when the Convention came into being. There was no sign in the Foreign Secretary's contribution this afternoon that he had grasped the scale of the reform that is needed.

Mr. Mark Hendrick (Preston) (Lab/Co-op): The right hon. Gentleman will be aware that there have been reforms, although obviously not on the scale that we would like. For example, the CAP has been reduced from 66 to 40 per cent. of the budget over 10 years, and between £3.5 billion and £4 billion has been knocked off the CAP due to recent reforms to the sugar regime during our presidency. He does not give credit where it is due.

Mr. Heathcoat-Amory: Those are trivial and peripheral changes. I am talking about the need for deep-seated structural reform of the European Union, as signalled in the Laeken declaration of December 2001, when it was asserted that Europe stood at a crossroads. It was said that Europe was behaving too bureaucratically and referred to the gap between the leaders of Europe and the led. It called for more democracy and simplification. None of that was done.

The Government tabled about 200 amendments, only a handful of which were accepted. They almost immediately gave up on the concept of the constitution. Originally, the Prime Minister said that he did not want a constitution, but he retreated from that when it became inevitable. He gave up, too, on his promise not to make legally binding the EU charter of fundamental rights. Then he actually signed the constitution. He cannot have believed in large chunks of it, because we return occasionally to the Government's unsuccessful amendments, but we now know that the constitution was turned down not by the politicians of Europe but by the people. The Government failed to take advantage of that reform process. The entire process was a failure, so it is not good enough to say, in the dying days of the British presidency, that the Government stand for reform.

The same process—talking tough in advance and then giving way—is apparent in the question of the budget. The Prime Minister gave explicit and unambiguous assurances at the Dispatch Box that were simply forgotten. I shall not repeat the process eloquently outlined by my right hon. Friend the Member for Richmond, Yorks, who showed how the Government started by saying that the rebate was justified and would not be given up in any circumstances. Then they said it would be given up in return for CAP reform and then in return for talk of CAP reform. Now they say that it will be given up with no CAP reform.

The present budget is indefensible and, as long as that situation endures, we must not give up our only real lever for reform—the British rebate. This year, this country is giving more than £4 billion net to a European budget whose accounting system is pre-15th century. The former chief accountant of the EU, Marta Andreasen, discovered that the Commission did not even use double-entry bookkeeping, which was invented in Venice in the 15th century, as I know because I am a chartered accountant. It was a European invention, but it has not yet reached Brussels. Into that unreconstructed, unreformed accounting system, where the auditors have refused to sign off the books for the past 11 years, we pay a net amount of more than £4 billion.

During the debate, it has been said that the poorer countries of the east need that money. In fact, they joined under the present system not to obtain handouts but to exert a comparative advantage in a free market, as well as for the supposed political and security advantages. They did not join for an endless stream of cash transfers. They are not by any means the poorest countries of the world, but if there is a case for helping the poorer countries of the east and one accepts that obligation, it would be far better not to meet it by filtering money through the most inefficient and corrupt accounting system in the western world.

The same is true about our structural funding and the CAP. Indeed, several Members have said that we need the structural funds. We represent different parts of the UK, some of which are in receipt of structural funds, but for every £2 we pay into the EU budget, we only receive back just over £1. That is a bad bargain. If we really want to look after our farmers and those in receipt of structural funds, it would be much easier, and certainly more efficient and better for the taxpayer, if we repatriated that money. Indeed, the Chancellor of the Exchequer advanced the proposition that we should repatriate structural funding.

Chris Bryant: I thank the right hon. Gentleman for giving way, not least because I was not in the Chamber for the last couple of speeches, for which I apologise.

The right hon. Gentleman thinks that the CAP should be repatriated, so does he believe that every country in Europe should be free to do whatever it wants in terms of agricultural subsidies? Would not that be counter-productive for developing fair trade for poorer nations?

Mr. Heathcoat-Amory: I shall return to fair trade at the end of my remarks. Meanwhile, I merely observe that there could be a common policy, but the funding could be repatriated. People in this country do not resent paying money to British farmers. I represent an agricultural constituency and I should also declare an interest in that I have a partnership farm, so I receive some CAP funding. The resentment is not that we pay for our own farmers but that we pay for everybody else's in Europe.

Angus Robertson (Moray) (SNP): I apologise to the right hon. Gentleman for not being in the Chamber for the beginning his speech. Like other members of the European Scrutiny Committee, we were unable to be here for the start of this important debate.

Does the right hon. Gentleman agree that it is time to look at repatriation of the common fisheries policy? Could he clarify the position of the Conservative party under its new leader? Does the CFP remain Conservative policy and will the Conservatives apologise for signing us up to it in the first place?

Mr. Heathcoat-Amory: One of the minor scandals of the European constitution is that it entrenched and formalised a common fisheries policy that is bad not just for fishermen but for fish. Occasionally, I visit Iceland where I have seen the advantages to all concerned of the concept of stewardship. Those who own and control their own waters tend to look after their fishery resources, but when there is a common policy everybody tries to get what they want. That is intensely bureaucratic, bad for the environment and bad for the livelihoods of our fishermen. Enormous changes are required, but all the changes that have been made were in the wrong direction. In the constitution, the Government tried to give whole CFP away.

I want to advance a wider truth and put a wider question. Why is the cornerstone of our foreign policy—the EU—such a nightmare to deal with for all Governments? When the Government go to the next European summit, all they can hope for is to avoid damage. They never go to summits with the hope of changing the world for the better; it is all about fighting a desperate battle to preserve what remains of our self-government, to stop too many advances on our criminal justice, foreign policy and defence. We are fighting a losing battle.

As my right hon. Friend the Member for Richmond, Yorks said, the European constitution is already being implemented by the back door, by manipulating the existing treaty base in collusion with the European Court of Justice. He gave an example of how a recent court case will allow criminal justice matters to be spread right across member states, even if those member states' Governments disagree. The situation is in fact worse than that. The court case signals the fact that future environmental and other directives will require criminal penalties. Even if the directives are agreed by majority voting, as they will be, member states that vote against them will have those criminal penalties imposed in their domestic jurisdictions. There can be no clearer example of the way in which the House of Commons or another national Parliament will lose control of the most precious, basic and central power: imprisoning or fining citizens and electors.

It was explicit in the European constitution that the power was to be given away. The constitution was turned down by referendums in other member states, but exactly the same measure is being introduced by the back door by manipulating the existing treaty base. That matter should be on the agenda of the summit at the end of the week. We should defend British interests against the encroachment of an expansive jurisdiction. It tells us something about the entire process of the European Union that the best for which Ministers can hope is to avoid further damage.

With member states freed from the temporary and perhaps artificial unity of trying to create a European constitution, the real and deep-rooted differences in the European Union are becoming clearer. We have debated the budget this afternoon and I want to mention trade. We have had a year of making poverty history. The cause has mobilised enormous numbers of our constituents, who know that among the best things that we can do for the poorest countries of the world is to help them to get a bigger share of world trade. In fact, small increases in trade share do more good than a lot more aid.

The paradox is that this country does not have a trade policy—we have given it away. Of the eight Ministers in the Department of Trade and Industry, only one deals with trade, and he is shared with the Foreign Office. There is half a ministerial job in the DTI dealing with trade. We have simply disarmed. We have no expertise on trade. We have sub-contracted the whole thing to the European Commission and our ex-colleague, Peter Mandelson, who is not really a negotiator, but more an impresario who is trying to synthesise an agreed position between the French protectionist ideology and what is loosely called the Anglo-Saxon, or liberal trading, position of the United Kingdom. He is failing to reconcile our interests with those of the French, but the victims are the poor: the poor in our country who could do so much better if we could import things more cheaply and consumer prices could be brought down thereby and, most importantly, the poor and the poorest in the developing world.

Think what we could do if we were in charge of our own trade policy. We could import immediately goods and products that the developing world produces. There would not be competition with our farmers because we do not grow bananas and oranges in this country. We could import the goods from poor countries free from tariffs and protection, which would be to their advantage and ours. However, that is illegal. It is against treaty law because the European Union, to use its jargon, has an exclusive competence over trade policy. It is not only our interests that are being betrayed, but the interests of the poorest people in the world.

Mr. Nick Clegg (Sheffield, Hallam) (LD): The right hon. Gentleman speaks eloquently about the virtue of trade liberalisation as a way to help developing countries. Indeed, his party leader touched on the same theme earlier today. Will the right hon. Gentleman

[Mr. Nick Clegg]

explain then why, when a French Trade Commissioner, who was the predecessor to the present Trade Commissioner, unveiled perhaps the most ambitious proposal on trade liberalisation for the benefit of developing countries—the "Everything but Arms" initiative, which was designed to allow total duty-free trade of products from the 46 poorest countries in the world—Conservative Members of the European Parliament resisted the measure on the ground that they wished to protect sugar farmers in this country? Rhetoric is easy, but when will the Conservative party put that rhetoric into practice?

Mr. Heathcoat-Amory: I do not accept that. The Conservative party has a long and honourable record of fighting for free trade; as, I concede, did the old Liberal party. My family were all members of the Liberal party up to the second world war, partly because we were free traders. We were in manufacturing and we took on the landowners and feudal interests in these days. We fought to do away with the corn laws, and, indeed, we were helped by the ancestors of my hon. Friend the Member for Stone (Mr. Cash). We fought together on the matter, so it is sad that the old Liberal party is unrecognisably represented in the Liberal Democrats of today. I do not accept the strictures of the hon. Member for Sheffield, Hallam (Mr. Clegg). I have always believed that free trade benefits the poor, especially. It is a scandal and a shame that we have no means—political or legal—to exert such influence in the wider world because we have given up powers to another jurisdiction.

Hugh Bayley: Does the right hon. Gentleman seriously think that we would be more likely to get a deal in the World Trade Organisation if each EU member state were represented by its own Trade Minister? By pooling the policy, France has to give a bit. For example, it had to make the concession of agreeing to the phasing out of export subsidies, but that would not have happened if France had been acting alone. The world trade negotiations would have been even more deadlocked than they are now.

Mr. Heathcoat-Amory: We have heard about the ambition of reforming the CAP for decades. The European Union is incapable of reform—I know, because I tried to achieve it. National Governments can change, and a change of Government leads to a change in policy. No changes are possible in the European Union because it is a bureaucracy that is immune to reform. The CAP is the vestige, albeit an important one, of that immunity to reform.

I end my speech by making an observation about Britain's place in the world. The Government have not addressed the question of where we stand in the world. It is true that we are in part a European continental country and we play our role as such. However, General de Gaulle said more than 40 years ago that Britain is an insular, maritime country with instincts and traditions that differ profoundly from those of the continentals. That is a profound truth. Our global links, language, pattern of trade and legal system mean that we are not just a continental country. We have links with what de Gaulle called the maritime parts of the world, although I think that they would now be called global links. Technology, the unassailable position of the English language and what has been called the death of distance have strengthened those global links and the global pull in many ways. However, the European Union—especially through the euro in the financial field and the European constitution in the political field—was and is an attempt to park us permanently in a continental situation. That defies our national character, along with our traditions, history and instincts. I believe that that is understood on the Opposition Benches. There is no inkling that the Foreign Secretary or the Government have even addressed these issues. These are the matters that they should be discussing in the coming days. They will be discussed by the Conservative party on its return to office.

3.19 pm

Mike Gapes (Ilford, South) (Lab/Co-op): It is unfortunate that the Government's revised proposals for the financial perspective 2007–13 were not available yesterday. My right hon. Friend the Foreign Secretary came before the Foreign Affairs Select Committee yesterday afternoon, but regrettably we did not have an opportunity to go through the revised proposals in detail. I have now been able to read them—

Angus Robertson: Will the hon. Gentleman give way.

Mike Gapes: No, not yet. I will give way later. Please let me make some progress.

I have read the proposals in some detail. I am interested that the position to which the Government have come does not substantially change in the main area that I want to talk about, and that is that we now have 14 EU missions under the common foreign and security policy. That is seven more missions than when Britain began its EU presidency. There is a requirement—there is a proposal within the initial Commission proposal and within the Government's proposal—for a significant increase in funding for common foreign and security policy missions within the EU. My concern is that if we do not get an agreement in the next few days, there will be big question marks about the sustainability and long-term role of many of the important EU developments and activities throughout the world.

Angus Robertson: The hon. Gentleman knows my particular interest in the south Caucasus. To raise the issue of joined-up Government, does he feel that it is regrettable that the Government have cut their funding of conciliation resources for that part of the world, the south Caucasus, before the EU takes up the reins as part of the European near neighbourhood policy? Does he agree that that is a profound lack of joined-up Government in what is an important agenda on improving human rights and democracy in the south Caucasus and elsewhere?

Mike Gapes: I will come on to regions of conflict—I think that there was an Adjournment debate on the issue in Westminster Hall, although I do not recollect everything that was said. Perhaps hon. Members will read the report of the debate in coming days.

The 14 missions to which I refer include a military operation in Bosnia and Herzegovina and a police mission there; a police mission in the former Yugoslav Republic in Macedonia; a police mission in Kinshasha in the Democratic Republic of Congo; the so-called rule of law mission for Iraq, which is involved in some of the training and activities that are taking place outside Iraq but in relation to Iraq; the mission in the Congo, which is a security mission and in addition to the police mission that I have mentioned; the mission for support for the Africa Union in Darfur; the Aceh monitoring mission in Indonesia, which has been playing an important role; and a police mission to Palestine—which I, with other members of the Select Committee visited two weeks ago when we were at the Rafah crossing. We saw the carabinieri who are in charge of that mission, together with Romanian and Danish police officers, doing a fantastic and vital job in opening up Gaza for trade with Egypt, and potentially leading to the beginnings of viability for a Palestinian state. The members of the Select Committee were very impressed by the work that the EU is doing there.

There is also the border control assistance mission in Moldova. It is important because in, perhaps, two years Romania and Moldova will be the border of the EU. We know that Moldova is a conduit for people smuggling and other crimes, including drug smuggling. We have a European-wide security interest in the success of such missions.

Many bad things have been said about the EU; many criticisms have been made. I want to be more positive, because in all the difficult areas that I mentioned the EU has been playing a positive role in conflict resolution, conflict prevention and reconstruction. Why is the EU at Rafah? The answer is that the Americans did not wish to do the job. There needed to be a consistent long-term commitment. The EU now has the beginnings of the ability to act in the interests of peace and security throughout the world as a whole, without worrying only about subsidies to agriculture or contributions to the budget.

Having listened to the remarks of the right hon. Member for Richmond, Yorks (Mr. Hague), one would think that everything about the EU is terrible—that it is declining and failing. Why, therefore, have 10 countries recently chosen to join the enlarged EU? Why do Bulgaria, Romania, Croatia and Turkey wish to join? Why do countries in north Africa and around the Mediterranean seek association agreements? Some countries want to join the EU even though they are not in Europe. Why do people in Ukraine and other countries regard the EU as the way forward on democracy, human rights, economic development and pluralism? The EU is magnet and a beacon for many other countries.

Although people with mid-Atlantic views think otherwise, the EU is important to Britain's foreign policy. Through our work in the EU we can play a vital role in developing policy and gaining international support and allies, just as we do through the Commonwealth and our membership of the UN Security Council. It is not a choice between being an Atlanticist or being a European—it has always been in Britain's best interests to have good relations on both sides, as Sir Winston Churchill recognised when he was Prime Minister and subsequently.

Mr. Bone: The hon. Gentleman has made some powerful points, but when he spoke about countries that want to join the EU, he was in fact talking about the Governments of those countries. There were no referendums in Bulgaria and Romania to find out what the people thought, but opinion polls showed that they were against membership.

Mike Gapes: We must wait to see what happens with Bulgaria and Romania as they have not yet joined the EU. In central and eastern European countries that held referendums before they joined, there was overwhelming support for membership. In countries throughout central and eastern Europe, apart from some extreme left and right wingers, there is a vast consensus in favour of EU membership. People may not agree with every aspect of policy—some of them, particularly in Polish agriculture, have received a sudden wake-up call about the need to change and reform agricultural policy. Nevertheless, the younger generation and people who look to the future rather than live in the past accept that the EU is a magnet for those countries and is the way forward. Having said that we wanted to end the cold war divisions of our continent, and as we believe that we should work together and co-operate as a single Europe, we would do ourselves and the rest of the continent a great disservice if we reneged on our commitment to current and future enlargement.

Mr. Walter: The hon. Gentleman spent the first eight minutes of his speech talking about various European security and defence policy operations. Does he think that the enthusiasm of some countries for the 14 missions is connected to the fact that those missions are second-pillar operations and are intergovernmental in nature? The European Commission is not involved in any of them and the European Parliament does not have competence in that area. He mentioned the mission to Bosnia—Operation Althea. One of the largest contributors to that mission is Turkey, which is an applicant state and not yet an EU member. Several other states, including Ukraine, were involved in those missions.

Mike Gapes: I welcome the fact that non-EU member states have co-operated with the EU in a number of those missions. I welcome, too, the fact that the old theological argument about NATO or the EU has been resolved. It was important that SFOR in Bosnia and Herzegovina was transformed into EUFOR relatively smoothly, with German concerns about national caveats and so on being resolved. In time, the EU may play a greater role in parts of the world from which the United States chooses to step back.

I am not saying that the EU will be in Afghanistan instead of NATO, but we are at the point where European Union countries and other countries—the hon. Gentleman mentioned Ukraine and Turkey, but there are others—can work together in policing, monitoring and even military operations, as we have seen them do successfully in Africa and other parts of the world. There is nothing wrong with that.

Chris Bryant: Is there not another point that we could draw from the instance in Bosnia? The old theology of a divide between NATO and Europe is a false one, as my hon. Friend said—witness the fact that Swedish forces

[Chris Bryant]

are operating alongside British forces in Bosnia, and there are also Swiss forces operating there. The British forces would not have been able to operate very effectively over the past six months without Swiss Cougar helicopters taking them around. However, is not the more important point that in the future it is likely that British forces will rarely work on their own? Consequently, the more closely we can integrate our operations with EU allies, the better.

Mike Gapes: That is already happening. There are not many EU countries—in fact, only ourselves and the French—who can carry out the gamut of defence activities. There are arguments that certain of our EU partners need to do far more on their defence budgets and their commitment to security. In particular, I hope that the new German Government will review their commitments. By relying on just a few European countries, we cannot deal with the many problems, especially in a world where the United States is reluctant to be engaged or feels that it is already over-committed elsewhere. We need others to be involved and to provide a breadth of support. Such co-operation is working and many examples can be quoted.

There are potential problems. I spoke about enlargement, and it is reported that French Government officials are saying that future enlargement will not go ahead if there is not financial support for it. That is code for, "Don't mess around with the budget. Give us more resources, otherwise we will block Macedonia and potentially Turkey". They have some difficulty with the fact that we were so successful at the opening of the accession negotiations on 3 October.

We in the UK must maintain our unity and consensus about future enlargement. I have been encouraged by the remarks about the need for further widening and enlarging of the EU. Whatever changes the Conservative party undergoes in its 18-month reflection period, I hope that it will not go back on the commitment to enlargement and the accession of Turkey.

Mr. Heathcoat-Amory: Does the hon. Gentleman agree that, realistically, Turkey is not likely to join the European Union because President Chirac, in an unsuccessful attempt to buy support for the European constitution, conceded a referendum, and something similar has been done in Austria? Turkish membership is popular among politicians, but not among the people of those countries. I am afraid that Turkey is being led up the garden path and is very likely to be disappointed.

Mike Gapes: There have been great changes in Turkey in the past four or five years. The prospect of EU membership will, I suspect, lead to even greater changes. Nobody is saying that Turkish membership of the EU will occur in the next five, seven or even 10 years, so let us wait and see where we are when that referendum takes place, if it takes place. President Chirac will be long gone by the time Turkey joins the EU.

Angus Robertson: On a related point, is the hon. Gentleman aware of a report that is being drawn up for the European Parliament about the future of the European constitution? It is being prepared by Andrew Duff of the UK Liberal Democrats, together with Johannes Voggenhuber of the Greens, and it is believed that they will recommend that a constitution should be in place in the EU before Turkey could ever accede. Does the hon. Gentleman agree that that would put Turkey's membership in the medium or long term in severe doubt, because we will not have a constitution in the form that has been presented to us over recent months and years?

Mike Gapes: I am not aware of that report, but I shall try to find out what it says.

My hon. Friend the Member for City of York (Hugh Bayley) has spent some time discussing trade and the importance of progress at the negotiations in Hong Kong, which relate to important issues such as the common agricultural policy, US farm subsidies and other international difficulties. It would be absurd if we were to discuss the repatriation of negotiations on trade. The only reason why we, as Europeans, could stand up to the United States when it introduced its illegal and unjustified steel restrictions was because we, as Europeans, were collectively strong enough to take them on.

I do not want a world in which one country, the US, or perhaps two countries, the US and China, totally dominate all the small countries because of their weight in the global economy. There should be a multi-polar negotiating structure that involves trading blocs which are strong enough to resist the most dominant and the most powerful, whether that is the existing great power, the United States, or the coming great power, China, which will dominate the east Asia region. As Europeans, we will be extremely vulnerable if we allow our internal divisions to reduce our ability to negotiate and stand up for our interests in future trade talks.

Kelvin Hopkins: My hon. Friend has discussed internal divisions. Would we not have a much friendlier Europe if we did not have the CAP, which causes all the problems?

Mike Gapes: I am not a fan of the CAP. I represent an entirely urban constituency, which does not even contain a city farm, so I have no interest in my constituents consuming food that costs significantly more than it would had it been bought on the world markets. I also have a commitment to developing countries, and the CAP and related regimes have caused great damage to many poor people in poor countries around the world. However, the aspiration to get rid of the CAP does not mean that it will go, and we must work hard to achieve that objective over the coming years, which is why it is important that the Government stand firm on their commitment to hold a review as soon as possible.

In future, even less of the EU budget should be spent on the CAP. In recent years, there has been a welcome reduction in the percentage of the budget that goes on agricultural spending, but the perspectives for the next few years still mean that about 39 per cent. of the total budget will go under that heading, which is too much. The matter should be re-examined, because the CAP is not in the interests of Europe, the developing world or my constituents in Ilford, South, given the prices that they pay for imported food.

3.38 pm

Mr. William Cash (Stone) (Con): In the course of today's debate, I have sensed a sea change, which is less obvious in some cases than others. I have participated in debates in this House for the past 20 years, and for the first time I have detected an element of realism, although it has not necessarily been reflected in the remarks by some of the more fanatical members of the Europhile contingent.

Enlargement, which I have always supported, and the idea of co-operation in Europe, which I have also always supported, are producing their own consequences. It is apparent and clear, irrespective of whether any of us went to France during the French referendum, that the French people decided against the constitution, and the Dutch decided against it, too, but nobody can claim responsibility for that.

The fact remains that a substantial shift is taking place, even if it is not yet more than a tremor. There is an increasing recognition of the lack of democracy in the European Union. The argument is beginning to move to the question of whether, irrespective of the fate of the constitution, the existing treaties are adequate to deal with the dynamic that I described. I mentioned the best efforts of the Prime Minister, although that is not to say that I think that his best efforts are anything like good enough. I took the trouble to read his speech to the European Parliament and agreed with many of the sentiments that lay behind it.

As I said in International Development questions the other day, I am extremely glad that the Government are taking a far more constructive view about the developing world. We see all the debates that are going on in Hong Kong and in the Doha round, and the attempts to reform the common agricultural policy in the interests of getting a proper balance between farmers in the developed world and those who are desperately and damagingly poverty stricken in Africa and other parts of the world.

Yesterday, the European Court of Justice made a ruling—no doubt on the basis of some argument that had been put to it—gathering to itself the right to make decisions about the Marks and Spencer tax case. Cadbury-Schweppes is another such case. We need not go into the detail of that. Low growth and high unemployment are problems in France and Germany and in other parts of the eurozone.

This realism is not born out of the so-called previous rantings of the Eurosceptic right. In the past, some have no doubt been prepared to point a finger at me, and perhaps even at my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory). I would say that there is no harm in looking at the record and asking who has been right over the past 15 or 20 years. It has been a shared operation by those who have persistently and consistently argued for a policy of Euro-realism. One extremely prominent new Labour Member of Parliament who is not that far from the Chancellor of the Exchequer said to me the other day in the Lobby, "Bill, you call it Euro-realism; we call it realism." Some of the policies that the Chancellor is putting forward show an understanding of the necessity for open markets and competitiveness.

I have visited the countries of eastern and central Europe many times, and I have many friends there to whom I talk regularly. A few weeks ago, I had the pleasure of meeting some of them—they were from the Czech Republic—in this Parliament. They were social democrats, not from the centre right. They expressed their deep concern and disillusionment about overregulation in Europe, their discovery that their agriculture was being put under severe duress, the significant reduction in the amount of cultivated land in the Czech Republic because of the imposition of European quotas on products such as milk and sugar, and the fact that the Czech Republic had been self-sufficient in agricultural products before joining the EU, but was now a net importer of them.

Anyone who heard me say that a few years ago might have remarked, "There they go again—Eurosceptics ranting on." However, I read the information from an informal note prepared by an official in a European Committee, who heard what was said and took careful notes. It is necessary to work towards the co-operation in Europe that I mentioned, bearing in mind the comments of my right hon. Friend the Member for Wells, with which I agree, that the way in which the acquis and the treaties are constructed and the institutions established does not admit of the sort of reform that we want, let alone what the Prime Minister wants. We have an increasing amount of realism and a greater dynamic towards making things right yet a problem that is inherent in the structures prevents the latter from happening.

The right hon. and learned Member for North-East Fife (Sir Menzies Campbell) is right to say that the Prime Minister has failed in the EU recently but that is because he is hitting his head against a brick wall. It is no good talking to us about 68 proposals for deregulation. As my right hon. Friend the Member for Wells said, they mainly deal with accession agreements and matters that are defunct. If we are to make a difference to dynamism and enterprise for those countries that are in a proper relationship in the European continent, we must make sufficiently radical changes to ensure that something happens.

Chris Huhne: Although progress has been glacially slow on reforming the CAP, there is nevertheless progress. How does the hon. Gentleman account for the fact that, when I first knew the CAP in the late 1970s, it took 78 per cent. of the EU budget and the figure is now 40 per cent.? I hope that he is prepared to concede that some progress on reform has been made.

Mr. Cash: I concede that the percentages have changed as the hon. Gentleman described, but we are now at a watershed in Europe. There is therefore a need, which also applies in the context of the developing world and in the interests of efficiency, to ensure that the levels are brought even lower. Time will tell, but at this juncture President Chirac makes it abundantly clear that there will be no change. That has become inextricably bound with the problems of the rebate, which has got bogged down. We shall see what happens in the next few days.

Kelvin Hopkins: Much has been made of the falling proportion of the EU budget that the CAP consumes. However, the EU budget is much larger than when

[Kelvin Hopkins]

Britain joined and, viewed as a proportion of the EU's gross national income, agriculture is more costly than it was when we joined.

Mr. Cash: The structure of the CAP is such that the sole legitimate governmental function is exercised by the European Union, as is also the case for trade, according to the legal arrangements laid down by the treaties. There is no reason on earth why we should not provide the necessary subsidies to our own farmers, or why we should not enter into proper trading relationships with other countries, if there were a tangible advantage in doing so. However, because we are hidebound by the treaty arrangements that created the common agricultural policy, the common fisheries policy and so on, we are unable to make those changes without breaking the law. That is why I reassert my proposals regarding the supremacy of Parliament over and over again. When our vital national interests are affected, it is and should remain the case that we will legislate on our own terms, unilaterally, in our own national interests, if we have to. We should not be overawed by the fact that some treaties that might have been relevant to past thinking have been drawn up to deal with problems that are not relevant to the present.

Chris Bryant: There seems to be a difference of opinion between the hon. Gentleman and the right hon. Member for Wells (Mr. Heathcoat-Amory). Does the hon. Gentleman really believe that there should be a free-for-all in agricultural subsidies across Europe? That seems to be the end point towards which his logic would lead. He seems to be saying that we in Britain should be able to give out whatever agricultural subsidies we want to. The cost of such activities would go through the roof across Europe, and there would be no benefit whatever to the developing countries.

Mr. Cash: We are engaged in a dynamic process at the moment, and changes are needed. At this juncture, however, the proposed changes to the common agricultural policy are being blocked by France in its own protectionist national interests. I hope that, in the course of these discussions, some common sense will eventually emerge, resulting in our not being completely constrained by the common agricultural policy. The CAP is the elephant sitting in the room. It is unnecessary to have a common agricultural policy in order to have a sensible agricultural policy. There is a difference.

We must be radical in our approach to all matters affecting the European Union because its structures were constructed in the 1940s and 1950s and, thereafter, were followed by the treaties of Maastricht, Nice and Amsterdam and, ultimately, by the European constitution. None of these was ever pursued, in this Parliament at any rate, with any kind of rational explanation. We were simply told that this was the way forward and that they involved negotiating positions that we had to try to accommodate.

The problem that we now have in Europe is such that we are at a crossroads. It is therefore essential that everyone, whether in the Government or the Conservative party—or even, to judge by what I have heard from the right hon. and learned Member for North-East Fife, the Liberal Democrat party—takes a realistic view and starts to work out which structures are relevant. We must also recognise that, in order to achieve the necessary changes, there will have to be substantial, radical reforms that other member states in the European Union are not disposed to implement.

Ed Balls (Normanton) (Lab): The hon. Gentleman mentioned pro-Euro-realism. I believe that that phrase was first used by the Chancellor of the Exchequer in his Mansion House speech in 2001. The hon. Gentleman talks about withdrawing unilaterally in regard to agriculture and trade, and gives the impression, as members of his Front Bench have done, that we can somehow pull away from qualified majority voting or even leave important groups in the European Parliament, such as the European People's party. Is he not at that point withdrawing from the world of realism? Is not that form of realism really the realism of withdrawal?

Mr. Cash: I think that it was T. S. Eliot who said that humankind could not bear very much reality. The hon. Gentleman may just have demonstrated the importance of that statement. To be realistic in this context includes accepting the fact that the Lisbon agenda, for all its attempts to improve the competitiveness of Europe, has failed. Recently, in the European Reform Forum, we took evidence from Will Hutton, who was the rapporteur on the Kok report. He indicated that, as he said in his report, he was deeply concerned about the failure to make the kind of progress needed. The European Reform Forum has also taken evidence from Lord Owen, Lord Dahrendorf and those on the left and right such as my right hon. Friend the Member for Wokingham (Mr. Redwood), Rodney Leach, Charles Grant and others. We have asked open-ended questions of a cross-section of people, with a view to trying to find out whether there is a rational basis for the status quo of the existing treaties, and whether there is or ought to be a serious examination of those existing treaties to improve the situation in Britain and Europe as a whole.

Chris Huhne: I fear that the hon. Gentleman is in danger of falling into the same trap as the right hon. Member for Richmond, Yorks (Mr. Hague) in assuming that the failures of the Lisbon process are somehow down to the EU. Let us remember that the competence for the Lisbon process is overwhelmingly with the nation state. I am sure that the hon. Gentleman would be the last person in the House to advocate that competences for labour market reform and other structural matters should be handed to the European Union.

Mr. Cash: I think that the hon. Gentleman is rather perversely misinterpreting the information at his disposal. The fact is that the Lisbon agenda is an EU initiative, and it has failed. The best thing that I can recommend him to do—I am surprised that he obviously has not done it—is to read the excellent, or at least interesting, report by Will Hutton. That will answer his questions.

Chris Huhne: Will the hon. Gentleman give way?

Mr. Cash: No, I think not. I would like to ask the hon. Gentleman, however, whether he had any discussions

with Edward McMillan-Scott before both of them went on to the "Today" programme regarding the European People's party.

Chris Huhne: I can correct the hon. Gentleman on that matter.

Mr. Cash: The hon. Gentleman comments from a sedentary position, but we would be digressing, and you will rightly intervene shortly, Mr. Deputy Speaker, if we are not careful.

Problems relating to fraud are endemic in the European Union and have not been solved. There were the incidents involving Martha Andreasen, about which we have heard a lot. Nothing effective has been done to change the system to make it work properly. The Court of Auditors has failed to sign off the accounts for the 11th year. Those things are now common knowledge.

I remember saying to the Prime Minister, shortly after he took up his post in 1997, that he was walking on water now but he would drown in Europe. At the time, he did not really believe that that was possible, but it really looks as though it might be happening. The cheerleader, Peter Riddell, an eminent columnist whom we all read avidly, said in a recently published book, "The Blair Effect 2001–05":

> "So after eight years Blair had failed in his initial aim of ending the decades of British distance, reservation and hesitation about Europe . . . Europe has been a central failure of his premiership. Moreover, since it was one of his top priorities in 1997, Europe is a failure that will feature heavily in the final assessment of his record in 10 Downing Street."

If that is the case, and the analysis comes from somebody as respected and distinguished as Peter Riddell on a subject that he knows well, all I can say is that the situation has got completely out of control and must be restored, and the existing treaties must be reformed, which will include some extremely difficult but necessary institutional changes. I put it to my party that that will involve a realistic assessment of the kind of Europe that will be capable of delivering prosperity and democracy in the next century. I fear that it will not be capable of reform in its present shape, and that it will therefore fall to the individual member states—and Britain in particular—to take unilateral action to ensure that those things are done, first through diplomatic negotiation and secondly through assertion of the supremacy of our own Parliament.

There is a vast amount at stake in terms of stability. That has been demonstrated by what is going on in France and Germany, and the rejection of the constitution. There is a massive democratic deficit. In my opinion and, I believe, the opinion of a growing number of people here and elsewhere in Europe—not among the elite, but among the ordinary people—there will be an increasing need to move to a form, whatever it may be called, of associate status. That will enable us genuinely to co-operate in a democratic environment, while sustaining enterprise and business in the new global economy and also ensuring that we preserve the rights of the people who elected us to make decisions on their behalf.

4.1 pm

Mr. Wayne David (Caerphilly) (Lab): As we all know, this week's European Council comes at the end of the six-month British presidency. I think it is fair to say that disappointment has been expressed in some quarters about the presidency, but we should bear in mind that just a few months ago there was talk of Europe being in crisis. The constitutional treaty had been rejected by the French electorate and by the electorate of the Netherlands, and in many quarters there was great doom and concern about the future for Europe. Would it implode? Would the crisis lead to an unravelling of the whole nature of the European Union? It is to the credit of the British presidency that the Government have taken the lead in getting to grips with the situation, and in introducing what they have called a period of reflection.

That period of reflection was required. We have now begun to engage in a sensible, down to earth, pragmatic debate on what the European Union is all about. We have also refocused on the issues that really concern people from day to day throughout the member states. Let me give an example. An issue that has loomed large in the British presidency, which I do not think has been mentioned so far today, is the collective emphasis placed on the fight against terrorism. That is tremendously important, and, although it was not anticipated, the presidency has risen to the task of tackling it effectively. For instance, we have seen agreement on the storage of telephone and internet data for use in terrorism investigations, which is of almost inestimable practical importance in the fight that we all face daily.

Mr. Hendrick: My hon. Friend speaks of the progress that has been made on terrorism. One practical example of the way in which European co-operation works in that regard is the use of the European arrest warrant to apprehend an alleged participant in the 21 July bombing attempt. Use of the warrant has often been opposed by many Conservative Members.

Mr. David: That is a very good example. It precedes the British presidency, but it has been put to good effect. As my hon. Friend says, when Europe focuses on issues that are of real concern to people it can be extremely effective, and can command support on that basis.

Angus Robertson: Another issue that is high on the EU agenda is people trafficking. In recent days and weeks, a number of member states have announced that they have launched inquiries into alleged people trafficking by one of our coalition allies in the fight against terrorism. Does the hon. Gentleman believe that the UK Government should work with our EU partners to stamp out all alleged people-trafficking?

Mr. David: Without being drawn into specifics in any oblique way, as a matter of principle, yes, there should be dialogue and discussion, and where practical co-operation is mutually beneficial, it should of course take place.

The other issue of central importance to the British presidency has been the enlargement of the European Union. According to the treaty that was agreed and ratified by this House, at least, Romania and Bulgaria should join the EU in January 2007. It is true that both countries have a great deal of work to do in the next few months to ensure that the European Commission can propose to the Council next April that they are indeed ready to join, but there is good evidence to show that they are making a big effort and that they will be ready.

[Mr. David]

I draw attention in passing to the case of Michael Shields, the football supporter from England who was arrested in Bulgaria, to whom reference was made earlier. The European Scrutiny Committee raised this issue as part of our discussions when we went to Bulgaria the other day; indeed, I raised it with the Bulgarian President. The Bulgarians are acutely aware of that case and I know full well that our Foreign Office has been working hard on it.

Mr. Llwyd: In that context, is the hon. Gentleman also going to refer to Turkey and the Ocalan case?

Mr. David: If the hon. Gentleman will contain his enthusiasm for a moment, I shall logically work my way toward Turkey.

It is noteworthy that in the past six months the European Commission has proposed that Macedonia become a candidate country. That is important, given the recent history of warfare in the Balkans. If the EU can be used to bring more stability to, and cohesion in, the western Balkans, that is to be warmly welcomed.

I turn to Turkey, to which the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) referred. As we know and as Members in all parts of the House will welcome, Turkey—along with Croatia—has begun negotiations on joining the EU. The momentum that has built up in the past few months is likely to continue. Genuine reform has taken place and there is the real prospect of Turkey's future EU membership stimulating further reform. Of course, many things are still wrong in Turkey. When the ESC visited Ankara last week, we discussed with the Turkish authorities some of the current misdemeanours and incidents of human rights abuse in that country. No one would condone such behaviour for one moment, but it is important to recognise that our being able to have that dialogue and to put pressure on the Turkish Government is worth while in itself and is already producing positive results.

Of course, the issue that will loom large in the next few days is the financial perspective: the EU budget for 2007–13. In that regard there are two closely linked issues of central importance: the common agricultural policy and the British rebate. The case for reform of the CAP has been well made time and again in this House and elsewhere. As we all know, it needs fundamental reform in the interests of the British consumer and taxpayer, and of poorer people throughout the world. Our Government are absolutely right to say firmly—to the French Government in particular—that we want nothing less than full-blooded reform and that we will fight on until it is achieved.

Mr. Ian Davidson (Glasgow, South-West) (Lab/Co-op): Does my hon. Friend therefore agree that there should be no deal on the budget unless all concerned, including France, agree to re-examine the CAP, and that such re-examination and reform should take place before 2013?

Mr. David: It would be wonderful and easy for us to conduct negotiations among ourselves about what the financial perspective should look like, but it is important to emphasise that, however long it takes, we must continue to argue the case for reform. Ultimately, that case is unanswerable: sooner or later, the French Government will have to accept it. More information should be provided better to inform the debate.

It is important to recognise that the British Government have moved on the rebate to some extent and for justifiable reasons. We do not want to penalise countries that have just joined the EU in respect of their contributions. We do not want them subsidising the British rebate. Furthermore, many of the new countries are making use of and looking forward to future structural funds from the EU.

One of the biggest problems faced by the east European countries is absorption. Indeed, we had to confront a similar problem in south Wales under the last Conservative Government, when industrial south Wales was classified as an area of support called objective 2. We had real difficulty drawing the money down from Brussels because of the match funding stipulations. There were problems at that time with public expenditure, but the point that I am making is that it is not as easy as simply allocating tranches of money in one direction. The money must be used effectively and the match funding and infrastructure must be in place so that the full amount can be put to the best use.

Many of the Governments of central and eastern Europe now recognise that, under the Luxembourg presidency's proposal, those large sums of money could not be used effectively. We are seeing a greater realisation among those countries that it is important to have the money quickly and up front and to make the most effective use of the structural funds that are allocated. This is not a theoretical debate about large sums of money, but a practical debate about how to invest specific amounts of money as quickly and effectively as possible.

Angus Robertson: Does the hon. Gentleman agree that structural funds have played a significant role in the economy of Wales and Scotland? Does he share my concern that part of the UK Government's position might result in a step-change reduction in structural support, although the need for such support in Scotland and Wales remains? What would be his advice to Ministers about the stage at which such reductions become unacceptable?

Mr. David: Of course I want to see as much money coming into my constituency and nation as the hon. Gentleman does into his constituency and nation, but it is important to recognise what the Chancellor has said on many occasions: whatever the final agreement reached under the British presidency or later, the regions and nations of the UK that are presently in receipt of structural funds will not lose out. We have a cast-iron commitment, whatever the hypothetical scenarios of the future, that that support will continue.

If agreement is reached in Brussels over the next few days—I certainly hope that it will be reached—it will not be the end of the story as far as the financial perspective and the budget are concerned. If agreement is reached, negotiations on the fine detail of the budget will continue next year under the Austrian presidency and discussions will carry on under the inter-institutional

agreement. The European Parliament will be intimately involved and it would be wrong for us to think that those discussions do not matter. They matter a great deal to the fine detail of the final budget arrangement.

We must also recognise that the European Parliament has real powers these days. The co-decision procedure gives it real influence on EU legislation, so it is all the more remarkable for the Leader of the Opposition to suggest that his 27 MEPs should neuter themselves, in effect, by leaving the European People's party, and so consign themselves to political oblivion in the European Parliament.

I am sure that the House is fully aware that the right hon. and learned Member for Rushcliffe (Mr. Clarke) has, in his usual way, made some very trenchant remarks. However, hon. Members may not be so well aware of what some Conservative MEPs have said recently. I refer in particular to an article in this morning's edition of *The Times* by Caroline Jackson, who has been Conservative MEP for South West England for many years. She is a very distinguished European parliamentarian, and has chaired that Parliament's Environment, Consumer Protection and Public Health Committee with some distinction. In the article, she considers where Conservative MEPs might go on leaving the EPP, and with whom they might associate. She states that

"so far the only possibilities may be Polish and Czech peasant nationalists, three eccentric Swedes, a French protectionist Eurosceptic and two MEPs from the Netherlands' extreme Christian party which wants to stop Sunday . . . riding."

That says a great deal about the options facing Conservatives in the European Parliament.

If I may, I shall give the House one other quote. It is from Mr. Edward MacMillan-Scott, a Conservative MEP who is treasurer of the Conservative group in the European Parliament. At one time, he was its leader, and he was quoted in the *Daily Mail* as saying:

"I can't believe that a leader of the Conservative Party would seriously contemplate breaking the last remaining international link that the party enjoys. I negotiated an agreement with William Hague when he was leader in 1999 that we would remain associate members of the EPP. The alternatives are frankly barking."

Mr. Jeremy Browne (Taunton) (LD): Does the hon. Gentleman share my concern that the stance taken by the Conservative party in disassociating itself from the EPP will damage the British national interest, at a time when many large Governments in Europe are run by centre-right politicians? That is especially worrying, given that the recently elected Chancellor of the EU's most populous and, in terms of overall GDP, most prosperous country belongs to a centre-right grouping from which our Conservative party is trying to distance itself.

Mr. David: Yes, I am concerned about that. Of course, it gives Labour Members much joy and pleasure to make fun of the ridiculous position that our Conservative opponents' new leader has put them in, but I am very concerned about our national interest.

The point that I was implying was made explicit by the hon. Member for Taunton (Mr. Browne). It is that the EPP is the largest group in the European Parliament, where negotiations are going on about the EU budget. The EPP is fighting hard for a certain political outcome, and it also contains British MEPs who—I hope—are fighting for the British national interest. Taking those British MEPs out of the EPP and marginalising them is bad for the Conservatives, but it is also bad for our country's national interest.

Mr. Cash: Like me, the hon. Gentleman is a member of the European Scrutiny Committee. Does he accept that Labour MEPs have also disagreed with their Government on occasion? When one cuts to the chase, do not the real questions have to do with the nature of our national interest, and who represents it? I believe that the short answer is that the national interest is represented by our Government, who are elected in the Westminster elections. Final accountability ultimately rests with this Parliament, and the key point is that we are talking about national sovereignty.

Mr. David: With all due respect to the hon. Gentleman, this is not an academic debate; it is a debate about practical politics and practical influence. In the EU as it currently exists, power is divided between the European Commission, the European Parliament and national Governments. If we are to be truly effective in exerting our national influence, as well as changing the face of Europe, we must ensure that we exercise our influence in all those different institutions. That is the important point that we must bear in mind.

In conclusion, it is very fortunate that we are having this sensible and constructive debate on the eve of such an important summit. I do not think that it will be the end of the world—it certainly will not be the end of the EU—if agreement is not reached on the budget. Discussions will have to continue into the Austrian presidency and, possibly, beyond. However, there is a very good chance of reaching an agreement in the next few days. I am absolutely confident that the British Government have ensured that, at the end of their presidency, Europe is pulling together far more than was the case six months ago. Britain's national interest has been clearly and precisely mapped out, and the British Government have done so in such a way that is not just crudely in Britain's national interest; they have couched their arguments so that they are seen as in the interests not only of Britain but of the whole EU. That is why, on balance, I am optimistic that an agreement will be reached on the new financial perspective that will be good for Britain and good for Europe as well.

4.21pm

Mr. Robert Walter (North Dorset) (Con): Thank you, Mr. Deputy Speaker, for calling me in what is a most important debate.

I welcome my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) back to the Front Bench. He brings considerable experience and credibility to debates on foreign affairs and a great deal of knowledge of the subjects that we are discussing. He mentioned in his speech a great deal of disappointment, which is general not only in this country but throughout Europe, at the lack of any real achievement from the UK's presidency of the EU over the past five and a half months, without saying that there would be no achievement at all.

I congratulate the Foreign Secretary and the Government on their one achievement of the presidency: the opening of negotiations with Turkey.

[Mr. Robert Walter]

There were times when I thought that they might be knocked off course by a number of European leaders—most notably, the President of France, Mr. Chirac—but the Foreign Secretary certainly saw his way through and negotiations were opened with Turkey. That is the right way to proceed. The Turks accept that that will be a slow process.

A few months ago, I attended a meeting with the Turkish Finance Minister, who openly said that he was looking at a minimum time scale of 10 years for the negotiation process before Turkey will become a full member of the EU, but it is right that we should be moving in that direction, as we are doing with Romania and Bulgaria. I also welcome the opening of negotiations with Croatia. A number of other states, both in the Balkans and elsewhere, are eyeing EU membership, but I want to talk, Mr. President—*[Interruption.]* I apologise for that slip, Mr. Deputy Speaker.

I want to talk about another presidency that runs in parallel with the presidency of the EU, which the UK Government hold at the moment: the presidency of the Western European Union. They are interrelated, because, as I said earlier, the European Commission and the European Parliament have no competence in European security and defence policy, but the WEU, which predates the EU and the European Economic Community, has such competence. The military operations of the WEU are vested in the EU and the two bodies act in parallel—a concept known as double-hatting.

The WEU Assembly is composed of members from several national Parliaments, including ours; 18 Members of the House and the other place are full members of the Assembly and 18 are alternate members. The Assembly meets twice a year to oversee security and defence policy in the European arena. It is custom and practice that the Government holding the EU presidency come to the Assembly, in the shape of either their Foreign or Defence Minister, to answer questions and make a presentation on the achievements of the presidency in European security and defence policy.

It was thus with great embarrassment that, at the June session of the Assembly, British members found that although the Foreign Secretary's name appeared on the agenda, he failed to turn up as he had discovered that he had business elsewhere. Not only did he fail to turn up, he failed to send any of his junior Ministers at the Foreign Office or a Minister from the Ministry of Defence. Instead, he sent the British ambassador in Paris to read out his speech and answer questions on it. The ambassador was extremely competent, but he is not a Minister.

At the Assembly's most recent meeting, which took place last week, we were full of hope that, given the achievements that had been made, the Foreign Secretary would make a speech to the WEU. His name appeared on the agenda for Wednesday, but on Monday morning the agenda was changed to indicate that yet again his speech would be read by the British ambassador, as the Foreign Secretary had urgent business elsewhere. We all understood what that business was: he was trying to negotiate the budget. Again, however, a Foreign Office with six or seven Ministers, and a Ministry of Defence that probably has the same number, failed to send a substitute and the speech was read by the British ambassador.

That was doubly embarrassing, because Austria, which takes over the EU presidency on 1 January, sent its Defence Minister, who made a speech and answered questions. The Austrians have already agreed to host a series of meetings during their presidency to deal with European security and defence matters. The Finns, who take the presidency for the second half of the year, have agreed to do the same. Austria is not a full member of the WEU because it is not a NATO member, so the British Government have time to make some recompense because they will continue to hold the presidency of the WEU in name for a further six months. I look forward to welcoming the Foreign Secretary to the next Assembly meeting—in Paris, in June—when no doubt he will reply to the questions that he failed to answer.

Britain is a founder member of the WEU, so it was with some embarrassment that I discovered yesterday—I gave the Foreign Secretary prior notice that I would raise this point—that the UK had failed to pay its budget contribution to the Assembly, to meet the salaries and pensions of its staff. The amount is not enormous: €278,000 or about £190,000. I understand that this is not the first time that it has happened, but on the previous occasion on which the United Kingdom failed to pay, the Assembly secretariat was promised that it would not happen again and told that there had been an oversight. An oversight has happened again, so by the time that the Minister makes his winding-up speech, I hope that someone in the Foreign Office will have found their biro and cheque book and made the payments so that the staff of the body can be paid at the end of the year.

We can trace back the whole concept of the European security and defence policy in its present guise to the Maastricht treaty, which quite clearly set it up as a second pillar operation, meaning that it was intergovernmental. As it is an intergovernmental arrangement, it does not involve the European Commission or the European Parliament. There might be some hon. Members who welcome the fact that those bodies are not involved, but there is scope for parliamentary scrutiny.

I am sorry that the Foreign Secretary has left the Chamber again because I going to quote from the speech that was read for him last Wednesday—I hope that he wrote it so that he knows what I am about to cite. It is all about parliamentary scrutiny. As the hon. Member for Ilford, South (Mike Gapes), the Chairman of the Foreign Affairs Committee, said, 14 military operations are taking place under the ESDP, but I am worried about the lack of accountability and scrutiny.

The Foreign Secretary's speech last week said:

"Scrutiny of European defence and security issues by national parliaments is essential. The WEU Parliamentary Assembly remains a unique forum to facilitate interparliamentary dialogue and discussion. The Assembly is inclusive and reaches beyond the boundaries of the EU. It continues to offer an important link between EU citizens and governments in security and defence—vital issues our citizens care deeply about".

If the Assembly is to provide that link between Governments and the people, we must bear it in mind that the Foreign Secretary is presently the representative of those Governments as the holder of the presidency of the WEU.

The Western European Union—I will not go on about this ad infinitum—dates back to the 1948 Brussels treaty, which was why I said that it predates the European Community and the European Union. The Assembly was established in 1954 under the modified Brussels treaty and it had its first meeting a year later.

Mr. Hendrick: The hon. Gentleman may or may not be aware that these debates are normally held before European Councils so that we can reflect on the presidency of whichever country has held it and perhaps offer advice or support for the forthcoming meeting. I understand that the Western European Union is not on the agenda of the forthcoming European Council.

Mr. Walter: If the hon. Gentleman does not believe that the matter is on the agenda, he does not believe in democratic accountability for the European security and defence policy. As has already been pointed out, seven more missions under the ESDP have taken place under this presidency. Surely we, as parliamentarians, should exercise democratic scrutiny of what is being done in our name and the names of the peoples of Europe under the policy. If the ESDP is not on the agenda for the European Council, it jolly well should be. I believe that it will be on the agenda because there will have to be stocktaking of what has taken place regarding the missions, especially the new missions that are under way and those that have been agreed to. Only two weeks ago, the EU agreed to a new mission on the border between Moldova and Ukraine.

Mr. Hendrick: I would appreciate the hon. Gentleman's remarks more if he would discuss the new institutions and not go back to 1948.

Mr. Walter: I was merely trying to give right hon. and hon. Members who may be unaware of their role and powers in this regard an outline of what they are. I will continue briefly to develop that point. It is important that we have scrutiny of European intergovernmental activities because that scrutiny cannot be exercised elsewhere. It must be exercised either through individual national parliaments or through an inter-parliamentary body. That body already exists, and it has existed since 1954. I have made the point about the Foreign Secretary's non-attendance at two important meetings. It is important that Governments take note, and particularly that the presidency takes note, of the fact that parliamentarians deserve to be treated in such a way that they can exercise appropriate scrutiny and achieve democratic accountability.

The nature of the operations that we have embarked upon—the 14 missions—is that they take place under the Berlin-plus agreements, which means that they take place within NATO. They are EU operations within NATO, using NATO assets. The EU military commander in this regard is the deputy Supreme Allied Commander Europe of NATO.

There are missions in the Balkans, to which reference has already been made. There are missions in Iraq, Afghanistan and in Palestine, which the hon. Member for Ilford, South mentioned. There are other missions in Africa and also in south-east Asia. I am concerned about the lack of effective scrutiny of these missions. If the European Parliament has no competence, is it realistic to expect 25 individual national parliaments to exercise effective scrutiny of missions that are intergovernmental and international with an international commander? That is why I make the point that under the second pillar of the European Union, this intergovernmental pillar, we should give real weight to the one inter-parliamentary body that exists, which is the Western European Union Assembly. Power is exercised already in terms of the Council of the WEU in the form of its permanent representatives, which is also the Political and Security Committee of the EU. The western European armaments group has become the European Defence Agency and the military staff are now part of the EU. If we are to have effective parliamentary scrutiny, Ministers must attend.

I will make one other point on scrutiny and I direct it to the Minister, who can relay it to the Foreign Secretary, who holds the presidency of the General Affairs Council. It is that the EU high representative, who is Secretary-General of the European Council, and was also Secretary-General of the Western European Union, Mr. Javier Solana, must also be subject to some form of democratic accountability. His record is worse than that of Ministers. It is four years since he has subjected himself to any form of democratic scrutiny.

I understand that Mr. Solana never appears before the Political and Security Committee of the EU. He rarely appears before the General Affairs Council because he regards himself as solely responsible to Heads of Government and Heads of state. He appears to go round the world like some proconsul taking responsibility for sorting out all this ESDP on his own shoulders and then presenting the occasional report to Heads of State and Government in the European Council.

This democratic deficit must be solved. There has to be better scrutiny of all EU affairs in the House and in other national parliaments. We must make sure that accountability and transparency is much greater in Brussels. I was not in favour of the European constitution, but one of its provisions was that the Council should meet in public for its decision-taking processes. That does not require a treaty or a constitution, and the decision could be put before the Council by the incumbent presidency. Given that the constitution is no longer on the radar screen, I am disappointed that the UK presidency has not put before the European Council the proposal that the Council of Ministers should meet in public so that we can see what decisions are made.

The hon. Member for Leicester, East (Keith Vaz), a former Minister for Europe, said that he always argued Britain's case in the council. It would be nice to see our Ministers doing so, so that we can be sure that a British Minister has argued our case. If they lose, we can see them doing so. At the moment, when Ministers find a decision from Brussels embarrassing they use the cover of blaming Brussels, even though they were at the Council meeting that agreed those provisions. We therefore need transparency in that decision making. Finally, we need much better and much more effective democratic scrutiny of the ESDP, which is a second-pillar measure.

DEFERRED DIVISION

Mr. Deputy Speaker (Sir Alan Haselhurst): I must announce the result of a deferred Division.

On the motion on the national health service, the Ayes were 243, the Noes were 211, so the motion was agreed to.

[The Division List is published at the end of today's debate.]

European Affairs

Question again proposed.

4.41 pm

Mr. Mark Hendrick (Preston) (Lab/Co-op): May I congratulate my right hon. Friend the Foreign Secretary on the UK presidency, and wish him, the Prime Minister and other Ministers all the best for the forthcoming European Council? As a former Member of the European Parliament, I recall that we held the presidency in 1997, not long after our election victory in the UK, when the introduction of the single currency was under way. I was interested to hear my right hon. Friend the Foreign Secretary say that he had saved the pound, only to qualify that achievement with reference to the five economic tests, because I believe that, one day, the UK will join the eurozone, from which it will benefit greatly.

Since then, there has been a great deal of change in Europe. When I became a Member of the European Parliament in 1994, just 12 member states were represented. Three more countries joined the European Union, and last year, another 10 states joined. The progress of those countries and the way in which they have developed since the fall of the Berlin wall in 1989 and the fall of communism are a tremendous achievement and testament to the popularity and success of the EU in recent years. I am therefore dismayed that many hon. Members should take a negative view of the EU. We need only look at recent history to see the role that it has played in maintaining peace, prosperity and democracy and understand why countries are clamouring to join. The EU is the key to peace, prosperity and political stability, as is NATO, which many of those countries have also joined.

Kelvin Hopkins: My hon. Friend talked about prosperity, but is it not the case that the eurozone has grown more slowly than the Organisation for Economic Co-operation and Development area in general and, in recent years, more slowly than Britain? Economically, it has not been very successful.

Mr. Hendrick: The failure of certain countries in the eurozone to grow at a good rate compared with the UK has much to do with structural economic reforms that need to take place, many of which have been discussed by hon. Members on both sides of the House and which include the labour market and competition policy. The competition authorities in Brussels would have liked to improve many aspects but member states have dragged their feet. It is a matter not just of monetary policy, but of the labour market and economic policy adopted by those countries.

Mr. Gauke: The hon. Gentleman says that the EU has been heavily involved in bringing prosperity to Europe. Is it not the case that the four countries with the highest average incomes in Europe are Liechtenstein, Iceland, Switzerland and Norway, none of which is in the EU?

Mr. Hendrick: That is the case, but the hon. Gentleman is not comparing like with like when he compares countries such as Liechtenstein and Norway with countries such as Italy, France, Germany and the

UK. Even though they are not members of the EU, the countries that he mentions benefit from the European free trade zone, which operates alongside the EU. However, they have none of the advantages of being able to influence the rules of the single market, which we operate as members.

I look forward to welcoming Bulgaria and Romania into the EU in 2007 and, further down the track, Croatia and Turkey. Previous speakers have mentioned the importance of Turkey. Like other parts of central and eastern Europe, it will benefit from economic and political security through membership of the EU. Also, as has been mentioned, it is a Muslim country and its accession will get rid of the myth that the EU is some kind of Christian club. That in itself will be a huge achievement and send a signal to the rest of the Islamic world that the west is not anti-Islamic and that it is pro-people, irrespective of their religious backgrounds. I congratulate my right hon. Friend the Foreign Secretary on brokering the historic deal on 3 October.

On the budget and EU perspectives for the period 2007 to 2013, it is important that some agreement is achieved, even if it is less ambitious than our original aims. Hon. Members have mentioned the possibility that France may scupper an agreement because of disagreements over the common agricultural policy. Having witnessed the Make Poverty History campaign over the past 12 months, none of us in our own minds can justify the $2 a day spent on European agriculture, as against the $1 a day spent on people in the poorest countries of the world.

Whatever agreed position is adopted at the Council—I assume there will be agreement—I hope that at the trade summit and the Doha round in Hong Kong, any agreement reached on agricultural subsidies is brought back to the EU, and the EU perspectives in the budget for 2007 onwards adjusted accordingly. Although this week is important for determining a budget for 2007 onwards, it is not the end of the story. We will then be involved in multilateral trade talks in Hong Kong and their implications.

It is not right, as hon. Members have said, that 40 per cent. of our budget is spent on farm subsidies. There is €8 billion on offer for enlargement, for expenditure such as structural fund payments. Let us be honest—those countries must restructure their economies if they are to become valuable trading partners in the European single market, which will benefit them and us. As the European Union becomes bigger, more trade will take place, which will make the EU more prosperous. The €8 billion is not wasted money, because it helps those countries to develop, which, as I have said, benefits them and us.

Despite remarks by Conservative Members, the rebate remains intact. The rebate was negotiated before enlargement, and none of the money that relates to the EU 15 is being given up. The money that is being given up is to help the enlargement countries and, as someone who still describes himself as a socialist, I have no problem with that. The UK will still receive more money that it has in the past through the rebate, and that money will be spent on development in different parts of the UK, so I think it a win-win situation, providing that agreement is obtained on the budget in the European Council.

It would be ludicrous if did not make some movement on the rebate. As has been said, when it was agreed in 1984 France and Germany were far more prosperous than the UK. If things were left as they are, the UK would be the second lowest contributor as a proportion of national income, which cannot be right when so many poor countries have joined the EU.

The failure of the referendums in Holland and France has cast doubt on the future of Europe, and it has perhaps led to a more cautious approach on what Europe is and what it is about. There is nothing wrong with change in itself, and hon. Members have discussed a period of reflection. The Hampton Court summit, which the Prime Minister organised, concerned such reflection, and I shall discuss that matter in greater detail.

This afternoon, Conservative Members have discussed the constitution for a long time. Some of them are not satisfied with dancing on its grave and want to dig up the body and swing it around, which is ridiculous. Given the failure of those referendums, we must ask ourselves what Europe is about in the 21st century. What are the relevant structures for Europe and what are the imperatives for financing Europe in the 21st century? The CAP and the structural funds must play a huge role in the answers to those questions.

As other Labour Members have said, the rebate will not disappear as a whole, and it will not be on the table as a whole until we achieve significant CAP reform. We have already seen some progress, which is why I am unhappy about the degree of negativity in the House. Tremendous progress has been made on sugar reforms, which will save €3.5 billion to €4 billion and which were secured by my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs.

On the Lisbon agenda, the shadow Foreign Secretary said that there had been little progress in this Parliament. As hon. Members will know, the Lisbon agenda goes back to the Portuguese presidency of six or seven years ago. It is down to national member states to implement it. The European Union can make decisions but it cannot implement them without the co-operation of individual national Governments. It is disingenuous to pretend that the issue is just for the EU institutions, and it presents it in an unrealistic and a bad light.

Everybody wants a more dynamic and competitive knowledge-based economy in Europe, but it will take time. The six months of a British presidency is not sufficient, nor was the six years since the Portuguese presidency. Changes in culture will be required. We cannot restructure other countries' economies—that must be done by their national Governments. The CAP is important in relation to budget reform. However, if we could spend money on research and development to develop knowledge-based technologies and economies instead of spending it on agriculture, we would get more bang for our euro in terms of expenditure from the central pot of the European Union. We need value for money.

I was a little dismayed to hear the shadow Foreign Secretary speak in the same way that he did when he was Leader of Her Majesty's Opposition, with continual doom and gloom and negativity about Europe. Many Conservative Members shed crocodile tears over money spent on the CAP, but when they were in government

[Mr. Hendrick]

they were happy to give those heavy subsidies to farmers in their own constituencies. The double standards of the Conservatives' attitude towards Europe will lead to their losing considerable credibility. Withdrawal from the European People's Party would be a huge mistake that the new Leader of the Opposition will come to regret. When I served in the European Parliament, I met the headbangers to whom the right hon. and learned Member for Rushcliffe (Mr. Clarke) has alluded. In my experience, what the right hon. and learned Member for North-East Fife (Sir Menzies Campbell) said about certain Members of the European Parliament is completely accurate. It is ironic that he should mention Sir Robert Atkins, who replaced me as a Lancashire MEP in 1999. That is why I am speaking in this House today.

We are seeing more of the same old Europhobia—in favour of enlargement but asking for a referendum on Nice so that people could say no, and in favour of a referendum on the constitution, again so that people could say no. The constitution would have given new powers to national Parliaments, which would have made enlargement work better and allowed for a repatriation of powers that is now not possible given the existing treaties. What we have seen today is vintage Conservative Euroscepticism. Europe-bashing will not substitute for responsible foreign policy.

The British presidency has been successful because it has been positive. I mentioned the sugar reform, which has improved the quantity and quality of development aid. Sixty per cent. of the €4 billion has gone into the global fund to tackle AIDS, TB and malaria. The EU has been able to move mountains in terms of tackling climate change, as we saw from the historic deal in Montreal.

The successful European security and defence policy was mentioned. Work on the Rafah border between Gaza and Egypt has enabled the peace process to go forward. We expect progress in Hong Kong in the EU and World Trade Organisation negotiations. There has been progress on financial services action plans and directives on services, which account for approximately two thirds of Europe's GDP. Progress has been made on chemicals, for example, through the Registration, Evaluation and Authorisation of Chemicals—REACH—programme, which balances health and environmental concerns with industrial competitiveness.

The work on counter-terrorism measures has been mentioned. The EU has been in action in Bosnia to promote peace and stability. The meeting at Hampton Court was an initiative of the Prime Minister's, which led to debate on the future of Europe and the changes that are needed to meet the challenges of globalisation. There were new initiatives for research and development and universities. Demographic changes in Europe, energy supply security and immigration were also discussed.

It has been a good presidency and I congratulate the Prime Minister, the Foreign Secretary and other Ministers on their success, for which they deserve credit. Europe in the 21st century is a new Europe. It has 25 members and will possibly soon have 27 and then 30 members. Peace, prosperity and political stability have been the key to Europe and we still need the original ingredients that were used to achieve those aims. However, the threats that the new Europe faces are different from those that confronted the old Europe.

The two big issues for the new Europe are not communism and fascism but globalisation and terrorism. The changes that we want and have tried to promote through our presidency are part and parcel of dealing with globalisation. The recent arrest with regard to the 21 July attempted bombings has shown the value of European co-operation, with the introduction of the European arrest warrant before our presidency.

The constitutional referendums in France and Holland were a setback, as is slow progress on the Lisbon agenda. However, the history of Europe shows that it must go forward, even if that means two steps forward and one step back. That approach will take Europe into the 21st century and make for a prosperous and harmonious Union in the future. The Hampton Court meeting was about that. We need more Hampton Courts. The European institutions need to adapt to the blue-skies thinking that happened there.

Our future and destiny continue to lie with the European Union. I believe that the constitution contains much good for the betterment of Europe. I believe that, one day, this country will join the European currency. Perhaps that will not happen this decade, but it makes sense for the future and for a Europe that works in the 21st century.

5.2 pm

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): I join in the welcome to the right hon. Member for Richmond, Yorks (Mr. Hague) on his return to the Front Bench. He made a good speech and although I did not agree with parts of it, the House will benefit from his presence on the Front Bench.

The Commission proposes to modify objective 1 and I shall speak briefly about structural funds as they affect Wales today. Hitherto, no one has mentioned objective 1, which is vital to Wales. Before I deal with the subject, I simply want to say that I accept that reform of the CAP is a given and that we should be prepared to consider an aspect of the Fontainebleau repayment. I also agree with the Foreign Secretary's opening remarks that the more prosperous countries in the European Union should be prepared to assist the incomers who are in need.

I want to confine my main comments to objective 1, which the Commission proposes to modify to highlight the economic convergence aspect. It may become known as the convergence objective. Regions will be eligible if the GDP per head is less than 75 per cent. of the average for the enlarged EU. That is not a fanciful figure. There are already three such areas in the UK, of which west Wales and the valleys is one. Unfortunately, at present anyway, that area is still hovering around the 75 per cent. mark. So it is not fanciful to talk about this; it is the reality. I live in the middle of that area. There will be transitional funding for regions that currently qualify but which will cease to do so as a result of enlargement, and there will be money for whole member states whose GDP is below 90 per cent. of the European average.

In January this year, the Commission published new statistics on GDP per head. These included figures for the average for 2001–02, which will determine the

eligibility for the structural funds. Under the heading "Revised eligibility statistics", west Wales and the valleys is among those areas listed as being below the 75 per cent. threshold, with a GDP at that time of 73.8 per cent. of the EU average, and only 67.35 per cent. of the average for the pre-enlargement 15 EU member states, compared with 73.8 per cent. of the average for the EU 15 in 1999.

Obviously, Wales has benefited to a certain extent from objective 1 funding, and we are as desperate as anyone else to ensure that we continue to do so. However, it appears from recent press releases and from statements by Ministers that the UK Government seem almost to have planned for 2007 on the assumption that only one objective 1 funding area will remain in the UK—perhaps Cornwall. Speaking in Newcastle in June 2004, the then Secretary of State for Trade and Industry said:

"We know that there are challenges in terms of the future of EU funding. The EU has expanded, and most of the new member states are poorer than average. Our ability to provide regional selective assistance will be severely limited . . . But reform of the EU Structural and Cohesion Funds must focus on provision for the poorest member states".

I have already prefaced my remarks by saying that I agree with that in principle. Unfortunately, however, there are still parts of Wales, Cornwall and Scotland that qualify as being poor.

In a letter dated 17 January 2005 to the Chair of the House of Commons European Scrutiny Committee, the then Financial Secretary to the Treasury listed six objectives of UK Government policy in the present EU budget discussions. They included

"for the Structural Funds, to refocus support on the poorest Member states, within an EU framework".

That appears almost to rule out any further European structural objective 1 funding for parts of the UK.

The Competition Commissioner, interviewed in the *Financial Times* on 26 January, argued that even regions falling below the 75 per cent. figure should not be eligible for UK Government state aid, as distinct from EU aid, if they were within member states that were not relatively poor. That would rule out west Wales and the valleys, as well as some regions in eastern Germany. The Governments of the United Kingdom, France and Germany have all objected to this, even though it appears to be UK policy.

So the level of funding for the new convergence objective depends on an unresolved argument about the EU budget as a whole, including the total size of the budget and the proportions allocated to agriculture and other budget headings.

Mr. Walter: The hon. Gentleman and I were involved some years ago in discussions about bringing on objective 1 funding for Wales. I am sure that he will remember that part of the Treasury's problem—this may or may not be helpful to him—is that the combination of the match-funding and the abatement of the rebate means that the Treasury actually meets 70 per cent. of all the EU regional aid that is provided.

Mr. Llwyd: The hon. Gentleman is right, and that has always been a problem, although it is rarely spoken about as factually correct. In a strange sort of way, if the rebate goes, we might be in a better position if we retain objective 1. *[Interruption.]* That is not a perverse argument, but a perfectly logical one, as it happens.

Chris Bryant: A perverse system.

Mr. Llwyd: Perhaps it is a perverse system, as the hon. Member for Rhondda (Chris Bryant) comments from a sedentary position, but there we go.

As I have said, the Government have stated six objectives, and I have referred to what the Financial Secretary said. We really must impress on the Government the need to ensure that objective 1 funding remains available for west Wales and the valleys—I am trying not to be parochial, but the fact is that the area qualifies in any event.

The 1 per cent. ceiling, which was put forward in a joint letter on behalf of the Governments of the UK, France, Germany, Sweden, Netherlands and Austria in December 2003, is important, but the recent EU enlargement, as we know, has increased the EU population by about 30 per cent. but its total GDP by only 5 per cent. That is the pressure with regard to assisting those who are most in need. That implies further pressure to raise EU expenditure as a percentage of EU GDP. The number of farmers, as we know, has increased by 50 per cent.

There are problems in the European Union—I am not saying that everything is hunky-dory—such as not signing off the accounts. I accept that. There are also problems from the UK Government perspective. The Court of Auditors has referred to the UK's persistent errors in transactions, failure to comply with regulatory requirements, delay in closing the 1994–99 structural programmes and poor forecasting of expenditure. Those are genuine problems that need to be sorted out.

All of a sudden, we have arrived at the 11th hour of the UK presidency. It is as if Christmas has leapt up on us, but we knew Christmas was coming six months ago. The Prime Minister is having great difficulty in settling the budget, and I am not altogether surprised. There has been some handbagging and some megaphone diplomacy. It seems to me that the last thing that one would do to the French and Germans is to say that one is going to do away with the CAP—any fool can see that that will not engender any assistance from them. Equally, grandstanding on the Fontainebleau rebate, which has been a thorn in our partners' sides for some time, will not engender any co-operation either. We are now at the last hour, however, and we must find some way forward. If we do not do so, the structural funds to which I refer seemingly disappear. Among other areas of the UK, west Wales and the valleys will certainly suffer.

The Government have been a little lax. It appears that four months of inaction have led to some bad drafting that has been rejected by all but Malta. They are only a few days away from the discussions and apparently nowhere near a deal.

I am also concerned about the low level of the budget and funding for structural funds. The Commission's proposal is €336 billion, Luxembourg's is €306 billion, while the UK's proposal is €296 billion. That means that, whatever happens, there will be less money available for structural funds within the UK. Added to that is the problem of a funding gap because of a late

[Mr. Llwyd]

decision. Many projects in the west Wales and valleys region are dependent on European funding, and those involved do not know at this stage what will happen. If there is no decision, some form of alternative money will have to be found, or the schemes will have to be wound up. If there is no decision this week, and we lose out on convergence, will the Government support statistical effect status, and will they guarantee to make up the shortfall in funding caused by the delay and their late and possibly bad negotiating? Will they guarantee that match funding will be provided?

New GDP figures are due from Eurostat in January. That means that if the budget is not agreed at this week's summit, some areas may not qualify. The new figures may show that the GDP of west Wales and the valleys is marginally above the EU per capita average of 75 per cent. I understand that the Minister for Industry and the Regions has said that if west Wales and the valleys qualifies, Wales as a whole will receive roughly what it receives now from the EU, but if it fails to qualify Wales will receive only about two thirds of what it receives now.

I should like the Minister to consider whether objective 1 money could be spent on housing. The UK presidency apparently proposes such spending for the 10 new EU states, but rules it out for us. Will the Minister tell us where is the logic in that?

West Wales and the valleys is a large and vital part of Wales. The position has improved—it would be wrong of me to say otherwise—but there is still much work to be done. Concern about the loss of structural funds is widespread, as has been made clear in yesterday's and today's press in Wales. We are told, for instance, that

"Welsh MEP Eluned Morgan, on a whirlwind tour of north west Wales"

—presumably she flew over it—said

"This December meeting is critical because it stands the best chance of getting the best deal for Wales."

In fact, it is the last chance. It would be a disaster if we failed to hang on to the money.

I will not labour the point, but I felt that it was important to make it as strongly as I could. Others—in local government, for example—have expressed concern. Denbighshire county council's European officer has said that up to 250 council jobs could be lost if the budget talks fail. There is a similar story from Ynys Môn county council and from Sheila Potter, Conwy county council's head of regeneration. If we do not retain our designation, Wales is in danger of losing about £1bn over the next seven years. More important, there is a distinct possibility of our losing convergence status over the following seven years, which would have even more dire consequences for us.

The Foreign Secretary said that my point about objective 1 would be responded to by the Minister for the Middle East. Will the Minister answer this question as well? Some 10 years ago, my party and I referred to all the jollity surrounding where the Conservatives might or might not be sitting in the European Parliament. At the time, my party sat with the European Free Alliance. We discovered a rather unsavoury character there—indeed, a bunch of them—and left the group within a week or so. The Minister discovered that, and sent out a very nasty press release calling Plaid Cymru all kinds of things for having sat with the "nasties", albeit for only a few days. The "nasty" concerned was Silvio Berlusconi. May I ask the Minister what advice he gives the Prime Minister when the Prime Minister holidays in the home of Silvio Berlusconi?

5.19 pm

Chris Bryant (Rhondda) (Lab): I think that the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) must be mistaken. As a neighbour of the Minister, I am certain that he has never issued a press release in his life—unless we include his putting a post-it note on an exhibit in the Turner exhibition describing it as conceptually difficult to understand. If we are going to talk about press releases condemning people, I should point out that the hon. Member for Meirionnydd Nant Conwy frequently issues press releases about me that call me all sorts of things that I would not want to bring up in the House.

It is very good to come to the regular gathering of the anoraks—

Mr. Llwyd: I really do resent that remark. I have been a Member for nearly 15 years and in that time not one Member in any part of the House has had occasion to say what the hon. Gentleman just said.

Mr. Deputy Speaker: Order. It would probably be generally beneficial if we got back into a moderate tone and to the substance of the debate.

Chris Bryant: I am very grateful for your guidance, Mr. Deputy Speaker.

It is nice to welcome everybody this afternoon to our regular meeting of anoraks who express an interest in the European Union. We seem every time to be pretty much an identical set of people, but it was good to welcome the right hon. Member for Richmond, Yorks (Mr. Hague) among us today. It is also good to have my neighbour, my hon. Friend the Member for Pontypridd (Dr. Howells), the Minister for the Middle East, to wind up for us. He is not normally an aficionado of such debates, so I hope that this one has proved enlightening.

I particularly want to congratulate the hon. Member for North Dorset (Mr. Walter) on his speech. He gave the best articulation I have yet heard of why the European Parliament and the EU itself should have an explicit responsibility for European security and defence policy. All his argument led toward that, although I doubt whether that is quite where he intended to take it.

The most important issue that we have to debate as we move toward this weekend of negotiations, which the Government will chair, is the budget. Few Members of the House would want us to start from our current position or, for that matter, from the position of five or 10 years ago. The honest truth is that the EU budget is one of the most complicated and recondite pieces of administration in the world. There are remarkably few people, even in the body politic or, I suspect, even among us here today, who fully understand precisely how either side of the budget—the expenditure and the process of contribution by member states—is arrived at. The ordinary member of the public stands not the barest

chance of understanding the complex arrangement of customs duties, sugar levies, VAT-based contributions and gross national income-based contributions.

The ordinary member of the public does not stand a chance of understanding the way in which the system of contributions has changed, either. The tectonic plates of the way that the EU is financed constantly shift. For example, the element of the entire EU budget that came from VAT-based contributions was 40 per cent. in 2000 and 37 per cent. in 2001, yet this year it will account for only 15 per cent. The whole premise on which the budget is put together is constantly changing and difficult to understand.

Furthermore, as many Members have said today, EU expenditure is not geared toward proper priorities for a 21st century European Union. We have referred many times this afternoon to the €46.5 billion spent in 2004 on the common agricultural policy, and many Members have also referred to the fall in the percentage of the EU's total budget that that represents—from 70 per cent. in the 1970s to a mere 45 per cent. today. Very few would accept, however, that that is enough of a change.

The complexity of the way in which the budget is put together is best explained simply by looking at the Luxembourg proposals that the then presidency put forward earlier this year, and which were of course rejected by the UK and four other member states. The proposals state that

"the rate of call of the VAT resource shall be frozen at 0.30 per cent."

I do not suppose that many in this Chamber, let alone in the wider population, could tell us precisely what that means. The proposals continue:

"for the period 2007–2013 the rate of call of the VAT resource for Germany, the Netherlands and Sweden shall be fixed at 0.15 per cent . . . on top of the collection costs foreseen in Article 2(3) of the own resource decision. for the period 2007–2013 the Netherlands and Sweden shall be allowed to retain an additional benefit equivalent to 10 per cent. of the amounts referred to in Article 2(1.a) and 2(1.b) of the same decision."

It is difficult to see how anyone could think that an open, transparent and sensible way of putting together a budget.

Kelvin Hopkins: I must say that, for once, I agree entirely with what my hon. Friend says about the complexity of the budget, but I have suggested many times that if the net contributions to the European budget and the net receipts were in proportion to the level of prosperity in each member state—measured by GDP per head or some other measure—everyone would be happy and we would all understand it.

Chris Bryant: My hon. Friend is an eternal optimist, but arriving at universal happiness around the EU about the budget is going to be slightly more difficult than that. I believe that we should try—certainly by the time we reach the next round of budget talks in 2013—to provide a much more principled budget, based on

"from each according to his ability, to each according to his need",

which is similar to what my hon. Friend has just said. Such a principle is, however, difficult to apply.

Mr. Walter: I am interested in how the hon. Gentleman is developing his argument, as I believe that the same approach was developed by Baroness Thatcher when she was Prime Minister and was negotiating the Fontainebleau rebate. She argued that, on the basis of our gross domestic product, we were contributing too much to the European Union.

Chris Bryant: The question of how to decide whether a country is or is not a wealthy nation should be fully taken into account. I was about to say that although one might want to assert a simple principle—that the wealthiest contribute the most and the poorest receive the most—it remains complex and difficult to achieve because, as we heard from the hon. Member for Meirionnydd Nant Conwy, countries have both wealth and poverty. One of the oddities of the present structure of the financing system is that it is in the member state's interest to be rich but to have areas of poverty that attract moneys from the EU. That is the best way of ensuring that the net contributions are as low as possible. As I say, that is one of the genuine complexities of the position.

I suspect that we would all accept that member states as presently constituted are, in many regards, a mere quirk of the history of the past five centuries. That explains, for example, why Austria and Hungary are separate and why the Czech Republic is separate from Slovakia and so forth. Aspects of history have, in a sense, produced the member states of Europe today. Within those member states, there may well be significant regions and areas of wealth and of extreme poverty. As the hon. Member for Meirionnydd Nant Conwy would agree, it took a considerable degree of effort to draw up a map that included all the poorer areas of Wales, which is precisely the problem that we constantly face in attempting to build a budget for the EU that is based simply on principle.

The second difficulty is that the relative wealth of member states may change quite dramatically over a period of five to 10 years. The economic success of the UK, Spain and Ireland has meant that the relative contributions and receipts of those three countries have changed quite dramatically. The ability of the UK agricultural industry to reform itself has laid it open to receiving fewer subsidies than other countries.

Mr. Bone: The hon. Gentleman is making a powerful argument and I think that I agree with him, but is it not just plain daft that the net contribution of the UK, per head of population, is more than 50 per cent. higher than that of France? Surely that cannot be right.

Chris Bryant: I agree. Another principle that we should strive towards as far as humanly possible is that the big, prosperous countries, which are in many ways remarkably similar in their financial structure, should contribute broadly the same. It depends on how we choose to cut the cake of wealth. Whether we analyse it in terms of gross domestic product, gross national income per head or ability to buy will affect the conclusions that we reach about which country is the richest. Consequently, we end up with a lengthy debate between the Netherlands and Spain about how to assess each country's wealth precisely. That is one of the complexities.

[Chris Bryant]

I am constantly surprised at how discussions between colleagues from France, Spain and Greece feature arguments in favour of the CAP that, translated into English, would be almost the same, word for word, as those put forward by the Countryside Alliance. Moreover, I have always been perplexed to hear Conservative Members argue forcefully in this Chamber on a vast range of topics in a vein similar to that adopted by the Countryside Alliance, and then be the most aggressive opponents of the CAP.

However, the hon. Member for Stone (Mr. Cash) gave the game away this afternoon. What he is really interested in is repatriating agricultural subsidy to member states, because that would mean that each country could go on giving as much money as it wanted to its own farming and agriculture. I am less interested in reforming the CAP than in ensuring that agricultural subsidies across Europe fall substantially. Such a fall would mean that this country was not competing in the agriculture sector on an unfair basis with the poorest countries in the world, and that we did not prevent those countries from earning a decent living.

I believe that those Conservatives who argue most ferociously against the CAP are not really interested in doing away with agricultural subsidy, but that they are interested only in doing away with elements of the EU.

Kelvin Hopkins: I agree with much of what my hon. Friend has said, but would not giving back agricultural policy to member states mean that we could choose to have lower prices and subsidies? That cannot happen under the CAP.

Chris Bryant: I am delighted that my hon. Friend agrees with nearly everything that I have said. He has said that twice in one afternoon, which must be something of a record, although it does worry me slightly. However, what he does not recognise is that an agricultural subsidy free-for-all in Europe would lead to dramatically increased subsidies in Spain, Greece, France, Germany and Italy. That would give us a far greater problem with the WTO, and mean that we would stand not an earthly chance of delivering anything for countries in Africa, Latin America and south-east Asia. There is therefore a strong moral obligation on us to argue for reduced subsidies. In the interests of internationalism—and of socialism, for that matter—we must try to do our best by the poorest countries in the world. I therefore think that it is vital that we retain a version of the CAP, but we must make sure that it is a restrained version.

The question of structural funds is slightly different. I agree with the hon. Member for Meirionnydd Nant Conwy that we need a process to make sure that economies that are peripheral—in the geographical rather than the political sense—have a chance to prosper. It is important that the Rhondda in Wales, or Ronda in Spain, or places in eastern Europe, have equal opportunities to prosper—

Mr. Colin Breed (South-East Cornwall) (LD): What about Cornwall?

Chris Bryant: As the hon. Gentleman suggests, Cornwall is another example. Only by sharing prosperity around Europe will we stand a chance of creating a just and fair EU.

The question is whether repatriating large amounts of structural funds would open the door to a vast expansion of inappropriate state aid in the eastern bloc, in those countries that have joined the EU most recently, and in those that intend to do so in the future. My worry is that any extension of state aid in Poland and Hungary would not be in the interest of the south Wales valleys, as the competition would be entirely unfair and unsustainable. Again, we want to maintain a structural funds system that brings money not only to the poorest countries but to some of the richest countries.

That takes me to the UK abatement, which, of course, like many aspects of the budget, is not as simple as it sounds. I would guess that most of my constituents, in so far as they know about the abatement at all, would presume that it is a fixed amount of money that we get back every year—that we get a cheque for £2 billion or £3 billion, or whatever, every year. Of course, the abatement is far more complicated than that, because of several determining factors. It is proportional to 66 per cent. of the net contributions in the previous year. Of course, net contributions cannot be finally adducted until four years after the year in question, because we do not know precisely what the expenditure will have been in each member state and, consequently, we cannot know what each member state's net contribution will have been. Also, most people will not realise that, by definition, our abatement will therefore rise and may frequently fluctuate. Over the past few years, it has fluctuated between €5.2 billion and €5.7 billion a year.

People might also think that the system is straightforward in that we get some money back and everyone else pays a little bit extra. Broadly speaking, that is true, except that it is not entirely true, because Germany, the Netherlands, Sweden and Austria pay only a quarter of the extra share of our abatement. France and Italy pay nearly half of our abatement. Of course, that might explain the major problem that we have in negotiations with France. There is a row not just about the CAP and the UK abatement, but about the fact that France and Italy between them effectively pay half our abatement—notwithstanding the fact that, as the hon. Member for Wellingborough (Mr. Bone) mentioned earlier, France is not one of the larger contributors to the EU, because of its receipts under the CAP and structural funds. Nevertheless, politicians—especially President Chirac, who is wanted for a third term by a mere 1 per cent. of his country's population and is not particularly popular—obviously have an opportunity to play to their home market and perhaps to fight unfairly.

Given the way that the abatement is structured, the new 10 countries will pay €290 million of our abatement this year. If there were no UK abatement, France's net contribution would therefore be a mere €1.6 billion and ours would be €9.9 billion. So it is right—indeed, it is entirely ethically and morally justifiable—that the Government should hold to the idea that the UK abatement must continue, but I disagree with some people because I do not believe that the structure of the abatement can remain exactly as it is today. First, it places a particular emphasis on some nations, not on others. Secondly, it places a requirement on new member states—some of the poorest in the EU—to contribute towards our UK abatement, which can only

lead to resentment against the UK among those members states' populations. That cannot be in our long-term political interests.

We were the country—I include hon. Members on both sides of the House—that argued most forcefully for the enlargement of the EU. The right hon. Member for Richmond, Yorks said that we should provide a hearty welcome for the new members of the EU. I do not think that that means that we can invite them to dinner, sit them down at the table and say, "Sorry, we all just had Christmas dinner, but you're now going to have mulligatawny soup." We must be able to provide a clear sense that the welcome is met by the financial requirements that must surely fall on us.

I believe that there should be a principled rebate. We should welcome the new members and pay our fair share. As I told the hon. Member for Wellingborough, the major, prosperous nations should pay in proportion to one another. That is what we should strive to achieve, because the biggest irony of our situation is that, as I said earlier, given the present structure of finance, rich countries with poor areas do best. Repatriation of agricultural and structural funds might be possible under some form of co-financing, but the last thing we want is a free-for-all.

I want to stray slightly into the area of how the House carries out European business. We hold debates such as this regularly and the speeches are more or less interesting, but we are poor at scrutinising the process of European legislation coming into UK law. For the most part, we undertake it through statutory instrument, or secondary legislation, which is debated—I use the word generously—for an hour and a half at most in Committee, with no opportunity to amend. That provides us with only scant understanding of how the EU genuinely affects us.

We tend to consider that European policy is always part of foreign policy, whereas in fact it is largely part of domestic policy. Sometime today, the Government will probably finally agree an artists resale right for the UK, to meet our obligations under the directive passed last year, which we have to put in place by 1 January 2006—we shall have to proceed at quite a pace to do that. When the matter is eventually debated, it will be for only an hour and a half upstairs, even though it is remarkably controversial for some people. To my mind, it is a great progressive measure that will enable many UK artists who struggle on a remarkably small amount of money to retain some of the value of their reward.

Philip Davies (Shipley) (Con): Does the hon. Gentleman agree that one of the problems is that there is so much European legislation? Will he acknowledge that about two thirds of all the laws applied in this country each year come from the EU rather than from Westminster? That is probably why there is not enough time to scrutinise all that stuff. We are overloaded.

Mr. Breed: Absolute rubbish.

Chris Bryant: Indeed. There is certainly a lot of legislation, but there is plenty of opportunity to debate it. Unfortunately, remarkably few of us attend the debates. We need a halfway house between the full legislative process that we undertake for UK-originated Bills and the one and a half hour statutory instrument procedure that allows no amendment and no great degree of debate.

We need an opportunity for Ministers who attend Council meetings to report back. While I worked in Brussels for the BBC, the number of times that Ministers agreed something that was never reported in their country was extraordinary. We do not need an oral statement every time a Minister has attended a Council, but a written statement should be made to the relevant Committee after each Council meeting.

Furthermore, there should be a specified period for Europe questions—

Mr. Brady *indicated assent.*

Chris Bryant: The hon. Gentleman agrees; he wants his hour in the sun, and I am sure he would be well tanned by the end of it.

A Europe Question Time would be an important part of the accountability process for our membership of the EU. One of the difficulties is that, due to the ballot, there is all too often no question on the EU from month to month in Foreign and Commonwealth questions.

I do not want to intrude too much on private grief in the Conservative party, but I am perplexed that a party with a certain degree of respect in the European Parliament and certain positions of responsibility, including a vice-presidency, a quaestorship and various committee responsibilities, should choose to walk away from every element of influence that it enjoys. That is a matter of concern not only for the Conservative party but for the whole country, because, for instance, before a summit there is normally a meeting, organised by political grouping, of Opposition leaders. I would have thought that a leader of the Conservative party—the Leader of Her Majesty's loyal Opposition—would want to meet other people in his political grouping, such as the new Chancellor of Germany. By leaving the European People's party, it is almost certain that the Conservative party will lose influence for not only itself, but this country.

I hope that the hon. Member for Witney (Mr. Cameron)—or the right hon. Member, if he has become a member of the Privy Council yet—understands the system whereby groupings are organised in the European Parliament, although I wonder whether he does. If he does not, he might like to know that an alliance must be formed with at least 19 Members from at least five countries, because otherwise a party's Members stand no chance of being a rapporteur on a Committee, of being a Committee Chair or deputy Chair, or of getting the opportunity to speak for more than one minute in the European Parliament at any one time. All that will be impossible unless he can find new people to join him.

I have looked through the list of non-attached Members of the European Parliament. It includes Philip Claeys, Koenraad Dillen and Frank Vanhecke. They are all from Belgium and are members of Vlaams Belang. In case anyone is uncertain about what that party is, it is the renamed Vlaams Blok party, which was condemned by the Belgian Government for being fascist and originally founded to ensure that there was an amnesty for former members of the SS. That party is one possibly ally.

[Chris Bryant]

Another individual is Jana Bobošíková, who is from the Czech Republic. There are plenty of French MEPs: Bruno Gollnisch, Carl Lang, Fernand Le Rachinel, Jean-Claude Martinez and Lydia Schenfardi. Of course, the two most famous members of that group are Jean-Marie Lé Pen and Marine Le Pen. Those people are members of the Front National.

Italy is even better. Its MEPs include Alessandro Battilocchio, Gianni De Michelis, Gianni Rivera, Luca Romagnoli and Alessandra Mussolini. That is great because the Conservatives will have a choice between the fascists and the communists, which is a delight. It is always difficult to talk about Austrian politics without mentioning Jörg Haider's old party, but the two possible Austrian candidates for supporting the Conservatives' new grouping are Andreas Mölzer and Hans-Peter Martin. Of course, there are four Polish Members representing the Polish Peasant party, none of whose names I will be able to read out.

Finally, and perhaps most importantly, the Conservatives might want to combine with other British Members of the European Parliament. There is Ashley Mote, who represents the UK Independence party. There is James Hugh Allister, who represents the Democratic Unionist party—*[Interruption.]* They have one ally. There is also Roger Helmer, but the Conservatives might have difficulty getting him on board as they only lost him just last year. Finally, there is Robert Kilroy-Silk. It says on my list that he represents the UK Independence party, but I think that that is somewhat out of date.

In a sense, I beg the Conservative party to reconsider its position on the issue for the simple reason that it will do its own future no good. This is not a caring Conservative party, but the most ideologically driven Conservative party that we have yet seen.

5.48 pm

Mr. David Gauke (South-West Hertfordshire) (Con): I thank the hon. Member for Rhondda (Chris Bryant) for his kind thoughts about the Conservative party, even though I did not agree with a word of it—*[Interruption.]* He was kind to address matters affecting the Conservative party, but we have more important issues to talk about today.

Following the defeat of the European constitution through referendums in the Netherlands and France, there was an opportunity for Europe to readdress fundamental issues. The Government talked about a pause for reflection, but there has been no adjustment to the European model and no change. The European model continues in an integrationist manner. I wish to attend to one specific aspect of that with regard to criminal justice. We live in a world of consensus politics these days. We can probably find a consensus in the House and in the country on criminal justice. I think that we all believe that criminal offences that are committed in the UK should be defined by the House. Presumably, we believe that criminal penalties should be determined by the House and the UK courts. I hope that no one takes that to be an extreme or unrepresentative view. I hope that even the hon. Member for Rhondda supports the view that criminal justice and the determination of crimes and penalties should be a matter for UK institutions. The Government recognise that that is the case.

In a debate last week in a European Standing Committee, the Under-Secretary of State for the Home Department, the hon. Member for Wythenshawe and Sale, East (Mr. Goggins), was clear on the matter, and I will quote him. He said:

"It would be completely unacceptable for the operation of the criminal law in this country to be determined in Brussels or anywhere else."

When pressed further, he said:

"I am happy to reinforce the fact that changes to criminal law are a matter for this Parliament."

I pressed him on concern about approximation of criminal laws. "Approximation of criminal laws" was the wording used in the European constitution. Despite the fact that that constitution is not proceeding, it appears that the European Commission is working on the basis that "approximation of criminal laws" is the correct approach. I asked the Minister whether this would mean that we would all have to follow particular European crimes, if Europe and other member states determined what a crime should be. Again, he was clear. He said:

"I can visualise a situation where the United Kingdom might find itself in a minority of one but would still hold on to the view that criminal law is a matter for this Parliament. Whatever views are held by different hon. Members or different political parties, we should be able to hold a common view about that."—*[Official Report, European Standing Committee C*, 8 December 2005, c. 12–13.]

I think that we have a consensus on this subject.

We must have regard, however, to a European Court of Justice decision of 13 September. I shall provide a little background. The Commission adopted a proposal for a directive on the protection of the environment through criminal law. The Council of Ministers refused to adopt it. Eleven of the 15 member states claimed that the Community could not prescribe criminal penalties and instead adopted a framework decision. The Commission appealed to the European Court of Justice, which, as I have said, reached its determination on 13 September. The ECJ concluded that because environmental law is a first pillar matter, the imposition of criminal sanctions is a matter for the Commission and the Council of Ministers, acting sometimes through qualified majority voting and the European Parliament.

The logic is that that approach should apply not only to environmental law but to other matters where the EU has power to legislate. That would include single markets, consumer protection and cross-border mobility. It has been suggested by some analysts in this area that criminal procedure should also fall within the European Community's ambit if it relates to a first pillar matter.

On 23 November, the Commission issued its communication on its view of the ECJ judgment. It states that the judgment of 13 September recognises

"the exclusive competence of the Community to adopt criminal law measures to ensure the effectiveness of Community law."

It states also that the scope of the judgment

"exceeds by far the field of the environment taking the whole range of community policies."

It proposes not only to change the basis of legislation relating to environmental law, to scrap the framework decision and to change the bringing in of a directive, but to provide directives to cover areas such as money laundering, computer-related crimes, maritime pollution, corruption, human trafficking and euro and bankcard counterfeiting. That runs counter to the Government position that criminal law is a matter for the British Parliament. When I pressed the Minister in Committee on the matter, he was less certain than he had been about the position on criminal law and Europe, saying that

"member states will have to consider it and come to their own conclusions. We are currently doing so."

That was three months after the judgment. He went on to say that

"we . . . wish that the ECJ had not taken the course that it did. We reflected very carefully about the consequences of that, and we retain very strongly the view that criminal offences and sanctions should be a matter for member states."—[*Official Report, European Standing Committee C*, 8 December 2005; c. 13–15.]

That is the Government position. The British Parliament and all parties represented at Westminster believe that we should have exclusive power to determine and define criminal offences and the appropriate penalties. The European Commission thinks differently. That is not the case in general—the Commission is not arguing that it has the right to act in every area of criminal law, solely in substantial areas that fall under the first pillar does it believe that it has that right.

The European Court of Justice agrees with the Commission, and there is nothing—if I am wrong, I would be grateful if the Minister would correct me—that we can do about that. The Commission's view has been confirmed by the ECJ and, in areas that fall under the first pillar, including European Community law, it is the exclusive right of the European institutions to lay down what the criminal law is, even though some of those areas are subject to qualified majority voting. Astonishingly, someone in this country can be convicted of a crime that has not been determined by the democratically elected Chamber but by European institutions. The penalties that apply will not be determined in the UK but in Brussels.

That substantial constitutional change has taken place without a vote—there has certainly not been one in this country—or a debate, which is why I am keen to raise it today, and despite the fact that European integration, on almost every test, is unpopular and unsupported by the populations of the Netherlands and France. If a referendum on the European constitution were ever held in Britain, it would no doubt be defeated. There has been a substantial grab of power by the EU in the few months since the House last debated European matters. That has taken place almost unnoticed but, increasingly, criminal law is becoming a matter for Europe, not the British Parliament. That is consistent with the general direction that Europe is taking.

Realistically, the constitution will not be ratified, but steps have still been taken to increase integration. We oppose the establishment of the post of European public prosecutor—I am grateful that the Government have made their position clear—but steps have none the less been taken at the European level to develop the proposal. There is a host of other areas in which similar action is under way, but I am grateful for the opportunity to highlight to the House a specific and important constitutional matter that has been changed without any democratic accountability whatsoever.

5.59 pm

Kelvin Hopkins (Luton, North) (Lab): We have had a long and interesting debate, in which a certain amount of change has taken place. The tectonic plates may not have moved, but certainly the sands are shifting, which I very much welcome. We are now talking about things that I used to raise a year or two ago, such as doing away with the common agricultural policy.

For once I find myself substantially in agreement with my hon. Friend the Member for Rhondda (Chris Bryant). He emphasised that the EU budget is a mess and has been for a long time. It needs to be rationalised and made fairer. The hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) spoke of his concern that structural funding might be taken away from Wales as a result of the entry of poorer new member states. He ought to be saying to the Government that every pound taken away should be replaced by the British Treasury. In his position, I would be arguing that strongly. Many Labour Members represent areas that receive such funding and, if it is taken away, it should be replaced by the Treasury.

Mr. Breed: I am grateful to the hon. Gentleman for saying that. Does he agree that the way that money is spent is better organised and controlled in the region where it is to be spent, rather than being directed from central Government, particularly the Treasury?

Kelvin Hopkins: I agree. Perhaps democratic local government could have more of a say. In general, it is better for decisions to be made closer to where people live and where the funding is to be spent. Funding coming from the British Government rather than the EU would be better spent, and there is a parallel in the aid budget for the rest of the world. The Department for International Development does a much better job than the EU. If more funding went through DFID and less through the EU, the people who benefit would benefit more.

I take issue with the hon. Member for Meirionnydd Nant Conwy on another point. He spoke about handbagging, as though we had started the argument that has caused the impasse in the budget. To go back to the politics of it, if he remembers, following the victory of the French people in their referendum—I put it that way because that is the way I see it—it was the French President who immediately wanted to deflect attention from what he saw as his failure by attacking the British rebate. He raised the issue.

Shortly afterwards, I suggested in my modest way in a debate in the Chamber that if the French President wanted to open the question of our rebate, we should open the question of the CAP. If there were no CAP, there would be no need for a rebate. I do not suppose that the Prime Minister listens very much to what I say, but he took up the same theme not four or five days later, and I am very pleased about that. He put together a reasonable argument, but the handbag was first raised by the President of France, not by Britain.

[Kelvin Hopkins]

We must appreciate that the problems arise entirely from the CAP. It is time to consider a way of abandoning the CAP and to state our intent to get rid of it over a period, in a sensible and negotiated way, not in a big bang.

David Taylor (North-West Leicestershire) (Lab/Co-op): Is my hon. Friend aware of a document that has been produced by the Treasury and the Department for Environment, Food and Rural Affairs jointly that envisages just that as an option by 2020? Does he share that ambition and does he agree that it ought to be achieved earlier than that—perhaps by 2013?

Kelvin Hopkins: My hon. Friend took the words out of my mouth. I was about to suggest a five-year phasing-in period. We heard a sensible suggestion from the right hon. and learned Member for North-East Fife (Sir Menzies Campbell), who spoke about co-financing, whereby some subsidy comes from national Governments and some from the common agricultural policy. If that was phased in, it would reduce the level of the CAP by 20 per cent. a year over a five-year period and replace it as national Governments choose with national funding. We could adopt a phased, sensible approach and we might even persuade countries not to take actions that were unacceptable and that had damaging effects on the outside world.

Much of the argument today has been made by hon. Members who would normally be the free traders—people who believe in economic liberalism. I do not share their view that the CAP is an instrument of economic liberalism and free trade and helps the third world. Even socialists have argued that. I do not believe that to be the case. If agricultural policy were repatriated, perhaps in a phased way, we could persuade individual countries, and certainly our own country, to reduce the level of overall subsidies to agriculture.

At the same time, I do not think it politically feasible to suggest that others should abandon subsidising their own agriculture, which is fundamental to the culture and economy in some countries. One cannot say to the French, "Get rid of all subsidies and go for free trade in agriculture", because the effect would be politically devastating. We cannot expect the French to do that, because we would not withdraw selected subsidies from our own agriculture. I keep mentioning Welsh hill farmers—I hope this goes down well with Welsh Members—who are part of our culture. Small-scale livestock farming is beneficial to the countryside, and if a degree of subsidy is appropriate, let us proceed with that policy.

Sometimes countries want to maintain a degree of agriculture for strategic reasons. The Czech Republic used to be able feed itself, but since it has joined the European Union, it cannot do so, which is upsetting.

Mr. Breed: Does the hon. Gentleman believe that food security for every European country is an important aspect of agricultural policy?

Kelvin Hopkins: Some food security is necessary, but trade in agriculture will always occur, because we must import those things that we cannot produce.

Agriculture should be decided democratically within each member state. Some member states would have larger sectors than us, but we would maintain our own distinctive style. For example, I would like to see us abandon the large-scale production of sugar beet. It would be beneficial if we started to produce biofuels, which provide CO_2-neutral green energy. We could use the open spaces in East Anglia in which sugar beet is currently grown to produce biofuels, and my approach would involve national production.

Mr. Richard Bacon (South Norfolk) (Con): Is the hon. Gentleman aware that sugar beet can be used as a biofuel?

Kelvin Hopkins: If we were to use it as a biofuel rather than dumping it on Malawi, I would be very pleased. Selling cheap subsidised sugar to the Malawians is not the way to proceed, when they can produce sugar themselves.

I want briefly to discuss the effects of the CAP by considering EU agricultural spending per head in member states with comparable living standards to our own: in Ireland, agricultural spending—these are rough figures and might be out by a few euros here or there—amounted to €460 per head of population in 2004; in Denmark, the figure was €275; in France, €160; and in Britain, €65. Ireland, which has a similar standard of living to our own, has seven times the subsidy per head for agriculture; Denmark, which is a richer country than Britain, has four times as much subsidy; and France, a big country which is comparable to Britain, has two and a half times as much subsidy. The position on subsidies is nonsense.

I agree with those hon. Members who have argued that we should provide more for the newer member states and if any redistribution takes place, it should be towards them and not the richer western European nations. If we compare the subsidy per head in Spain and Poland, which have similar populations but different living standards—Spain is considerably richer than Poland—Spain spends €150 per head and Poland spends €15 per head, which means that spending differs by a factor of 10.

Hon. Members have discussed structural funding and I have examined the structural funding tables for 2004. The Spanish get 10 times more in structural funds than the Poles. I know that such funding is phased over a period. We keep saying that we want to be generous to those countries, but we are not being generous, and the fault lies with the CAP.

Britain is being guilt-tripped about our rebate, which is justified on the basis that we are the least favoured by the CAP among the western European nations. The problem is not our rebate but the CAP. If we were to get rid of the CAP tomorrow, reduce contributions accordingly and repatriate spending, we could examine what we need to do and allow the situation to settle down. In that case, the budget would be more understandable, which would allow us to adjust it to make sure that poor nations receive according to their living standards and that we give according to our wealth.

We should not accept any accusations of guilt from the big beneficiaries of the CAP and we should not back off. I am glad that my right hon. Friend the Foreign

Secretary is negotiating for us, because I have great confidence in him. I am pleased that he is batting for Britain on this very sticky wicket. I am not sure that members of the Commission understand cricketing metaphors—if they played cricket, we might get a bit further. My right hon. Friend is doing the best job in difficult circumstances. I hope that he will emphasise that the main issue is not our rebate but the CAP. If we want to help the poorer nations more, we can, but first we have to deal with the CAP.

We must move towards an EU budget—I have said this many times before in these debates—that is fair and equitable according to the living standards in the different member states, which means that the rich give most and the poor receive most. That is completely screwed up by one simple fact—the existence and operation of the CAP. I urge my Front-Bench colleagues to consider how to move away from the CAP and towards a more sensible approach to agriculture.

Many people argue that, if we got rid of the CAP, member states would subsidise their agriculture even more and we would have a worse problem. I do not think that that would happen, because a Government's own taxpayers would have to bear the cost of the subsidies and they would be under pressure not to spend too much and to reduce those subsidies. At the moment, they are spending other people's money—largely British money, in fact. It is always easier to spend other people's money than one's own. In Britain, we would stop subsidising Tate & Lyle to the tune of nearly €200 million a year—a ridiculous amount. We would also stop subsidising some of the very wealthy farmers—the landed gentry who in the past were represented by Conservative Members. Indeed, royalty, including the Duchy of Cornwall, gets these subsidies. If we did that, other countries might do the same, especially if we appealed to them to play their part in helping the world's poor to find their way forward.

I would go further. I am not automatically a free trader. If a poor country wanted to restrict imports of subsidised agricultural products from countries such as France, we should let them do so in order to protect their own farmers. Simple free trade and forcing them to open their markets to our goods will not help them in any way. There are two sorts of protectionism—by the rich to help themselves and by the poor to ensure that they have a chance in this difficult and competitive world.

6.13 pm

Mr. Peter Bone (Wellingborough) (Con): Thank you, Madam Deputy Speaker, for calling me to speak in this European affairs debate. It is a great pleasure to follow the hon. Member for Luton, North (Kelvin Hopkins). I listened very carefully to everything that he said, and I am afraid that I could not disagree with one word.

The hon. Gentleman covered some of the topics that I wanted to address. As he said, it is extraordinary that we are going into the World Trade Organisation negotiations with a European Union position whereby we are not prepared to make proper cuts to the tariffs, and yet we are asking some of the developing countries to make huge cuts in their protection. That is "Alice in Wonderland" politics.

I have learned two important things while listening to the debate. First, the new leader of the Conservative party must be absolutely right to take Conservative MEPs out of the European People's Party because his decision has been so hotly disputed by Government, Liberal and Plaid Cymru Members. That is good enough for me—he must be right.

Mr. Breed: Does the hon. Gentleman accept that the proposal has been roundly abused by Conservative Members of the European Parliament?

Mr. Bone: That intervention simply proves that we must have a party that speaks with one voice in Europe. Perhaps the Members of the European Parliament should be more in tune with the new leader.

Let us think about the pause for reflection. I understood why that happened after the French and Dutch victories over the constitution, but it must have ended by now. Early in his speech, the Foreign Secretary let slip that the euro is dead and the pound is safe. That must be new Government policy. It is good news. If nothing else, I have learned that, and I hope it is widely reported.

What is the European Union? Someone said that it was a little like a large public limited company. It spends a great deal of money and has a huge budget. I thought about that and realised that there is no proper control over the plc. The auditors have not signed the accounts for 11 years. If the EU genuinely resembled a plc, it would have gone bust and its directors would have been imprisoned. Clearly, that was not the right definition.

I therefore thought that I would ask my son Thomas. He is a bright lad, but he is only four. I sat him down and asked, "Thomas, can you tell me what a large area of land is called that has a president, courts, a parliament and taxes people?" He asked, "Is it a piece of land that has a flag and. Members in a parliament?" When I said "Yes", he replied, "Don't be silly, Daddy, that's a country." Unfortunately, that is way that the EU has gone.

Labour Members have expressed the federalist approach with some clarity. I do not doubt their sincerity and it is right that they make their point. They believe in a central country called Europe with nation states that become regions, rather like a united states of Europe.

David Taylor: Does the hon. Gentleman accept that Europhiles are not confined to the Labour party and that Eurosceptics are not confined to the Conservative party, as evidenced by the fine speech of my hon. Friend the Member for Luton, North (Kelvin Hopkins)?

Mr. Bone: All I said was that, today, the federalist case was made eloquently by Labour Members. However, I do not believe that they are right. We need a Europe of nation states that is based on free trade and co-operation. I welcome enlargement—I should like the EU to be enlarged much more and include the North American Free Trade Agreement area so that we have a proper free trade area and not a superstate in Europe.

The budget surprises me most. When we joined the European Economic Community, nobody spoke to me about a budget of £600 billion. That is so much money that nobody can comprehend the sum. The EU now is much nearer the federalist position than mine. I cannot believe that it simply happened, but it did. How did we

[Mr. Bone]

get into that position? There was no great debate in this country about whether we should be part of the EU. No referendum took place. Suddenly, one sunny winter's morning, we woke up in the EU.

How did it happen? I put it down to the salami approach. If we try to eat a salami sausage in one go, we spit it out in disgust. It is horrible and we cannot possibly taste it. Yuck. Some of the powers of this country have gone to the EU slice by slice. We can put up with each piece individually, but over the years we will find that we have become part of the superstate of the European Union.

The elite of Europe—the Commissioners and the failed politicians who run the European Union—have got a bit ahead of themselves and started to believe their own spin. They said, "Why don't we have a constitution, and why don't we put it to the people of Europe?" Of course, that is where they fell down because the people of Europe rejected it. I have a real fear that the bureaucrats, Commissioners and politicians in Europe are simply going to say, "Okay, we can't get this through using a constitution, so we'll use the salami approach that has worked so well over the years. We'll just put the bad bits in piece by piece, so that nobody really notices."

I want to talk about the democratic deficit in the European Union. We have heard that countries are queuing up to come into the EU, and that may well be right. However, it is their Governments who are queuing up to come in, and they never ask the people. If the European Union can impose such regulations and conditions on countries coming into the union, why cannot it impose the simple regulation that a country has to hold a referendum of its people before it can come in? We would then know that that country really did want to come in.

That is a suggestion for the future, but we have a problem in this country now. We were never asked whether we wanted to be in the European Union. There is a strong argument for holding a referendum every 10 years to see whether the people of this country want to stay in the EU. That would take the issue out of the daily political argument, because people would know that, every 10 years—

David Taylor: What country does the hon. Gentleman live in?

Mr. Bone: Well, it seems to me to be a reasonable approach.

We talked about Romania and Bulgaria earlier. They have just escaped from the yoke of the Soviet Union, and the great thing is that they now have democracy. However, they have been brought into the European Union without any consideration of their people's wishes. That seems fundamentally wrong.

I want briefly to talk about the £600 billion budget. We have talked about the budget largely in generalities today, but there has been a lot of spin about the rebate. Can we just look at the actual figures? In 2005, this country was taxed £12.7 billion, and at the end of next year, we might get back £3.6 billion. So the taxpayers of the United Kingdom will have paid £9 billion in 2005 alone to belong to the free trade area called the European Union. That £9 billion could have been spent on many things in this country. I would have liked to see a new hospital and a new secondary school in my constituency, for example, and they would have cost only a fraction of that £9 billion that we are giving to the European Union. People will say, "Ah, but we get a lot of that money back." According to the figures, we will get £4.8 billion back, but we get it back to spend on the projects that the European Union decides we can spend it on. So we give the European Union our money, and it makes bureaucratic regulations to determine what we can spend it on. What a weird world we live in.

There has been much talk of the Prime Minister giving away our rebate, but I do not believe for a minute that he will do so. I am sure that he will pull a rabbit out of the hat. But let us just assume that he did give it away. The United Kingdom would then have to pay five times the amount that France pays into the European Union. This is a topsy-turvy world and the Government have failed in their presidency of the European Union. It is time that we got the European Union sorted out, and time that we got the common agricultural policy scrapped.

6.24 pm

Nia Griffith (Llanelli) (Lab): I very much welcome the publication today of the UK presidency's proposal on the financial perspective 2007–13. Leading European Union member states in agreement on such an immensely important issue as the budget for 2007–13 is tremendously challenging. It is particularly challenging when we remember that any agreement must be unanimous and that every member state wants to go home with a victorious message. Everybody wants to be a winner, and that is all the more difficult now that we have an EU of 25.

Our proposal shows magnanimity and generosity and leads the way. We have put an offer on the table to start the drive towards tackling CAP reform. It is a sensible offer, which reflects our increased prosperity as well as our sincerity and determination to do business. The way to ensure that that document is seriously and sensibly considered is to make sure that as many member states as possible have a good message to take home. No fewer than 13 individual member states are specifically mentioned in the proposal, as they will benefit from specific funds such as the regional development or rural development funds. In addition, there is the progressive proposal that will ensure that new EU states can access funds more easily, with less reliance on match funding—real funds that they can use, rather than theoretical funds that they cannot access. That is a good message to take home. Furthermore, several of the richer countries not mentioned in the proposal will welcome the overall reduction in the overall percentage of EU funds, which will be a good message for them to take home.

It is vital that the financial framework for 2007–13 is decided as soon as possible, so that all member sates can begin their planning in good time to be able to take advantage of the funds available in 2007. Not least, of course, we need an early settlement, which will mean that forward planning can begin in our areas, which have, until now, benefited from objective 1 funding, and which will benefit from transitional funding in 2007–13. Those areas include west Wales, the Welsh valleys, the Scottish highlands, Northern Ireland and parts of

England. I also welcome the Chancellor's assurances that if EU funding to those areas is reduced, the Treasury will ensure that the shortfall is made up to ensure the continuity of the excellent economic progress that has been made in those areas.

Mr. Breed: Does the hon. Lady agree that it is not only important that the Treasury provides the money to make up any shortfall, but that the control and direction of the spend of that money lie in the region concerned?

Nia Griffith: Indeed. It is extremely important that there is a firm partnership between UK-level, EU-level and regional-level auditing.

That brings me, lastly, to the good message that we will bring home. What have we done? We instigated the proposals, put the UK rebate on the table and paved the way for CAP reform. We proposed a reduction in our rebate that reflects not only our prosperity but our determination to make real progress on EU budget reform. That reduction, however, has been linked to an overall reduction in the EU budget.

I therefore welcome this realistic document, and I very much hope that, later this week, my right hon. Friends, through this document, will make substantial progress towards setting the EU on the path to genuine budgetary reform.

6.28 pm

Mr. Graham Brady (Altrincham and Sale, West) (Con): As ever, we have had an interesting and wide-ranging debate. I am pleased to follow the hon. Member for Llanelli (Nia Griffith), not least because she managed to squeeze so much into three minutes, and I am sure that there would have been much more had she had more time. Llanelli, of course, has produced many great parliamentarians, not least my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard).

Earlier, we heard from the right hon. and learned Member for North-East Fife (Sir Menzies Campbell), who endorsed our position that the rebate should only be negotiated in return for CAP reform. He raised the prospect of reform of the CAP to return its funding streams to national Governments. That view was later endorsed by the hon. Member for Luton, North (Kelvin Hopkins), whose contributions to these debates the Opposition very much value, although we do not always agree with everything that he says. I know that he is reassured by that.

The hon. Member for Leicester, East (Keith Vaz), a former Minister for Europe, spoke about the Foreign Secretary's panache and charm and about having voted for him in *The House Magazine* awards. We were privileged to hear what might well be his last intervention from the Back Benches. He is clearly working very hard to return to his earlier brief, although he is currently looking after the Westminster kids' club party, where I would have been were I not in the Chamber, as one of the co-hosts.

The Foreign Secretary advised Members to back a horse rather than putting money on his chances of success in the budget negotiations. Some Members may find that a bit rich, given the Foreign Secretary's own readiness to gamble £6 billion of British taxpayers' money this week in the European Council.

My hon. Friend the Member for Stone (Mr. Cash) said that enlargement would inevitably lead to a looser, freer European Union. My hon. Friend the Member for Wellingborough (Mr. Bone) spoke passionately on behalf of his constituents, particularly the younger ones—notably one Thomas Bone. He put the case for much wider free trade, bringing in countries outside the EU. We strongly endorse that.

My right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) rightly reminded us that for 11 years the European Court of Auditors has refused to sign off the EU's accounts. My hon. Friend the Member for South-West Hertfordshire (Mr. Gauke) spoke of the way in which the EU is extending its influence and powers even without the constitution that was rejected earlier in the year. My hon. Friend the Member for North Dorset (Mr. Walter) expressed concern about the failure of the British presidency to make itself accountable to the Assembly of the Western European Union, not once but twice. He also issued a plea for the small but necessary funding in that regard. I am sure that the Minister will sign a cheque as soon as he leaves the Chamber.

The hon. Member for Preston (Mr. Hendrick) produced the astonishing revelation that he still believes that Britain will join the eurozone. We hoped that he would go on to tell us what he expected Father Christmas to bring him shortly, but sadly he left us in suspense.

Opening the debate, my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) was the living embodiment of the new politics. [HON. MEMBERS: "Where is he?"] He will be back shortly. The winding-up speeches began slightly earlier than expected.

My right hon. Friend warmly congratulated the Foreign Secretary on the opening of Turkish accession talks, and I am delighted to echo his tribute. [HON. MEMBERS: "Here he is!"] As ever, my right hon. Friend is on time. It is just that we started a little early.

Not only will Turkey's eventual EU membership bring benefits; the process of reform and development that will precede it is important, and the Minister and the Foreign Secretary can be proud of their role in that process. I suspect that they will also be relieved—relieved that, whatever may happen over the next few days, there will be at least something to show for the six months of the British presidency. It is all too clear that, to date, no one in the European Union is terribly impressed by anything else that they have done.

There is too much relevant material for me to quote from all of it, but I shall cite one or two of the comments that have been made. The French Minister for European Affairs recently said:

> "Five months have passed and there is still no proposal likely to shape an agreement. There is not even a proposal setting out figures. Many delegations were surprised by this method of conducting budget negotiations."

The Belgian Foreign Minister was quoted by diplomats as saying:

> "We are sitting here wasting our time."

The Portuguese Foreign Minister said:

> "They have done nothing about the financial prospects . . . We are not going to get any numbers today, just words."

[Mr. Graham Brady]

One Brussels civil servant is quoted as saying:

"the British presidency—you don't see it, you don't feel it, it's very curious".

Mr. Marco Incerti, an EU expert at the Centre for European Policy Studies, said:

"the famous speech by Tony Blair raised expectations, but those that criticised Blair for just saying nice words are being proved right".

That was reported in *The Times* on 22 September.

The last comment, from Mr. Incerti, hits home hardest. As was pointed out by my right hon. Friend the Member for Richmond, Yorks, our EU partners have learnt something about the Prime Minister and his Government over the past six months—something that it has taken the British people much longer, with far more pain, to discover. They have seen the dramatic difference between the fine words and high aspirations in the Prime Minister's speeches and his dismal record of underachievement, lack of delivery and lack of direction.

It all started so well. On 23 June, the Prime Minister told the European Parliament:

"Just reflect. The Laeken Declaration which launched the Constitution was designed 'to bring Europe closer to the people'. Did it? The Lisbon agenda was launched in the year 2000 with the ambition of making Europe 'the most competitive place to do business in the world by 2010'. We are half way through that period. Has it succeeded? I have sat through Council Conclusions after Council Conclusions describing how we are 'reconnecting Europe to the people'. Are we? It is time to give ourselves a reality check. To receive the wake-up call. The people are blowing the trumpets round the city walls. Are we listening?"

That wake-up call came in June with the referendums in France and the Netherlands. But six months on, the British Government show every sign of having overslept. Instead of replacing the crisis of political leadership with a real vision and a new direction—a move towards a more flexible European Union—we have had six months of business as usual. We have had the same old arguments, the same resort to horse-trading and the quest for a deal that makes everyone equally unhappy.

In recent weeks, we saw the undignified spectacle of the Prime Minister engaged in what Bronwyn Maddox of *The Times* described as a

"doomed last-gasp diplomatic mission"

to find a friend somewhere in eastern Europe. We should note the danger of agreeing to what the right hon. Member for Rotherham (Mr. MacShane)—sadly, he is not with us today—described to *The Daily Telegraph* as

"a one-sided deal that even out-and-out pro-Europeans like me would find it hard to support."

Hugh Bayley: What proposal would the Conservatives have come up with, had they been in government, to achieve a budget settlement?

Mr. Brady: We very much agree with the Prime Minister's aspiration, but the crucial difference is how hard one is prepared to negotiate. My hon. Friend the Member for Ashford (Damian Green) summed up the situation brilliantly the other day when he described the Government's stance as a "pre-emptive surrender". They have been prepared to put concessions on the rebate on the table; originally, they said that they would do so only in return for CAP reform. However, without any promise of reform—without even a promise of discussion of reform—they have been prepared to cave in and to give further concessions.

Hugh Bayley *rose—*

Mr. Brady: The hon. Gentleman can try again.

Hugh Bayley: The hon. Gentleman must have misheard my question. What proposal would his party have come up with that, in his view, would have broken the deadlock?

Mr. Brady: We would have stuck to the Government's policy and not caved in at the first opportunity. They set out a very good, solid negotiating position in June. The Prime Minister spoke in the European Parliament and there was a great deal in what he said that we endorse and would be happy to support; but instead, the Government caved in at the first opportunity.

The day before the Prime Minister spoke to the European Parliament, the Chancellor of the Exchequer spoke in his Mansion House speech of the pressing need for radical reform of the EU. He spoke of a "new urgency" and of

"questioning not just what is the right policy for the European economy but what is the right balance, economically and politically, between national decision making and European decision making to fit us to meet these challenges. So questions that Europe might find it easier to avoid—how we reform inefficient state aids, especially in farming; how we might break out of all too the familiar stand off in trade with the one other advanced global power, north America; how, with 20 million unemployed and almost half of them half long term unemployed, we reshape and modernise the European social model—are questions that must be addressed if we are to meet the challenge of globalisation."

He continued:

And we should start with agriculture. In 2013 Europe will still be spending almost 40 per cent of its budget on protecting and sheltering inefficient and counterproductive agricultural subsidies. The reason why Tony Blair has made the reform of the budget such an important issue is that the failure to reform the budget impedes the very economic changes we need."

The Prime Minister and the Chancellor were right to prioritise reform of the CAP, but that makes it all the more startling that not a single concrete proposal emerged until a week or so ago. A joint document from the Treasury and the Department for Environment, Food and Rural Affairs—the Foreign Secretary referred to it earlier—set out the costs of the CAP, which are staggering on the Government's own assessment. It states that the

"economic analysis, even on conservative estimates, suggests the CAP will leave the EU economy around €100 billion poorer over the period of the next financial perspective (2007–13); . . . The financial cost to ordinary citizens—

this is according to the Government's own document—

"is much greater—around €100 billion each year, according to OECD estimates, half from taxpayers and half from consumers owing to higher food prices. This is an average cost to an EU family of four of about €950 a year, with only around €20 of this spent as EU money on targeted environmental programmes".

The Government were right to flag up the huge importance of fundamental reform of agricultural policy, but yet again, they have achieved nothing to that end during the British presidency.

Several hon. Members *rose—*

Mr. Brady: I have an embarrassment of choice before me, but I give way first to the hon. Member for Preston.

Mr. Hendrick: The hon. Gentleman fails to refer to the £3.5 billion to £4 billion that will be saved from the CAP budget by the sugar reforms.

Mr. Brady: That, however, is not the fundamental reform of the CAP that the Government talked about at the beginning of the presidency, and it will not save the €100 billion relating to the next financial perspective or the €100 billion a year that the Government acknowledge to be the cost of the CAP.

A pathetic signal of defeat and pessimism in respect of the Government's negotiations is the fact that the vision set out in the Government paper focuses on

"where we need to be in 10 to 15 years time, and why. It does not set out a route map for getting there."

They have no idea—and not just for the six months of the British presidency—about how to get to where they want to be in 15 years' time.

Mr. Cash: On that very question of the route map, I entirely agree with my hon. Friend's comments on the Government's position, but does he accept that clear decision-making will be necessary on the Conservative Benches in order to reclaim the powers that are needed to give effect to economic enterprise, to engage in open markets, deal with the CAP and ensure that democracy remains where it should be—namely, in this House?

Mr. Brady: I am grateful to my hon. Friend and I look forward to further more, detailed conversations with him on that subject.

Here lies the real tragedy of this EU presidency. It is not that Conservative Members regard it as a failure or that the Government have damaged their relationships with so many EU partners; the real tragedy is that they have failed to live up to their own laudable objectives. If, following the rejection of the constitution, there was a crisis of political leadership in Europe, it is worse now. If there was a pressing need for economic reforms, it is even more pressing six months on. If there was an overwhelming need for fundamental reform of the CAP in June, the need for a better world trade deal makes the case even stronger today.

It was notable that even the Foreign Secretary made little effort to claim that the presidency has been a great success. We are keen on political consensus, but we are sorry to see the firm consensus developing around Europe—that the British presidency has been a failure. It may be that no deal is achieved on the budget this week. If that is so, the Government will have squandered reserves of good will for nothing. If, however, a deal is done, it looks increasingly as though it will be the worst of all possible worlds—bad for the new member states, no reform of the CAP and billions more being taken from British taxpayers.

We agreed with so many of the objectives set out in June, so it is with real sadness that we move towards the end of this British presidency with no real prospect of agreement on the key challenges facing Britain and the European Union.

6.43 pm

The Minister for the Middle East (Dr. Kim Howells): May I add my words of welcome to the right hon. Member for Richmond, Yorks (Mr. Hague), particularly as he and I entered the House together on the same day? I also welcome the hon. Member for Altrincham and Sale, West (Mr. Brady) to his new position. It is good to see them both on the Front Bench.

I apologise for the absence of my right hon. Friend the Minister for Europe, who is required to be in Strasbourg today. Instead, Madam Deputy Speaker, you are stuck with me, fresh from witnessing the devastation of the earthquake in Kashmir and the fight to relieve poverty, corruption and the corrosive effects of the heroin trade in Afghanistan. Those scenes put this debate in perspective: it is very good to be back in Britain and in Europe—and to be Welsh is very heaven—because hon. Members should try living out there.

As in every debate preceding a European Council, we have had a vigorous discussion about the key issues that European leaders will address tomorrow, and about many other matters in which the EU plays a role. Many important questions have been raised, and I shall attempt to answer at least some of them.

As my right hon. Friend the Foreign Secretary set out so clearly, the focus of tomorrow's European Council will be to agree a budget for the European Union for the period from 2007 to 2013 that is fair and meets the needs of an enlarged EU in an increasingly competitive global economy. My right hon. Friend the Prime Minister stated at the start of the UK presidency that, to get the budget right, the EU needs to decide what direction it takes in the future. Under our presidency, we have begun that debate.

At the informal meeting at Hampton Court in October, EU leaders agreed to take forward, in a number of key areas, an agenda to meet the challenges of globalisation. Those areas include research, development and innovation, as well as university reform and the university sector in Europe. I shall come to those important points in a moment, as they were raised by the right hon. Member for Richmond, Yorks. Other key areas include the development of a European energy policy and the impact of changing demographics in Europe.

In Brussels tomorrow, EU leaders will discuss how to follow up the Hampton Court agreement. They will also consider progress on the EU's strategies to promote growth and create new jobs, and to manage migration and curb illegal immigration. The leaders will also consider ways to take forward the important agreements reached at the UN conference on climate change in Montreal. In that connection, I am sure that I reflect the feelings of the House when I take this opportunity to congratulate my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs. She led the EU delegation in Montreal, and played a crucial role in bringing about those agreements.

[Dr. Kim Howells]

I turn now to some of the questions raised in the debate, in which there was much discussion about economic reform and how that can be taken forward. I understand that the job of Opposition Front Benchers is to give us a battering whenever they can and, in opposition, we did the same thing. However, it is churlish to say that we have not worked very hard over the past six months to make progress towards a focused and results-oriented set of reforms that will create jobs and boost skills. Our priorities have included better regulation, and real progress has been achieved on impact assessment and simplification. Another priority has been the chemicals directive, on which we reached agreement on Monday, and progress has also been made on the services directive and the working time directive—both of which I know have been of great concern to the House.

Adapting to globalisation is one of the biggest challenges facing Europe. We have worked to develop a consensus on how we should respond to these challenges through economic reform, and we have made some progress. At the most recent ECOFIN meeting, EU Finance Ministers built on the discussions at Hampton Court and for the first time set out their views on the reforms needed to maximise the benefits of globalisation. Those reforms were raised by many hon. Members in the course of today's debate, and they include improving the regulatory environment, completing the single market in services, and achieving an ambitious and balanced multilateral trade agreement. They also feature improved regulatory co-operation.

Our conference on better regulation in Edinburgh provided an unprecedented opportunity for business, officials and Ministers to meet and discuss the twin themes of competitiveness and consultation. In November, EU Finance Ministers agreed on a common method for measuring the administrative costs of regulation, and supported Commission proposals for a lighter touch and more effective regulatory framework in the financial sector. The Austrian and Finnish presidencies are committed to carrying that work forward, and that is something that we ought to remember.

The right hon. Member for Richmond, Yorks quite properly credited my right hon. Friend the Foreign Secretary with the Turkish accession negotiations, and I want to reflect that as well. He also spoke about something about which I feel very strongly. He talked about the way in which, all too often, we have genuflected towards the Lisbon agenda but failed to make real progress in key areas. The right hon. and learned Member for North-East Fife (Sir Menzies Campbell) also spoke eloquently about that issue and how we might lift that agenda and take it forward, and we have been trying very hard to do so.

I have told the right hon. Gentleman before that every leading economy in the world has great universities. The way in which European universities have been sliding down the world scale has troubled me. The lists of the world's best universities are dominated by the Americans and British. I still have the scars of taking the Bill on tuition fees through the House, but it is no coincidence that the extra funding that is going into British universities is helping them to remain in the first division of universities in the world.

I very much hope that the right hon. Gentleman will take that very difficult argument into the Conservative party. It took a lot of courage to take the Bill on tuition fees through the House, and I hope very much that he will argue for a consensus on the issue. We must get more funding into our universities. We must ensure that our universities right across Europe interact with the economy around them, so that we can start to address the Lisbon agenda issues; we are not doing so at the moment.

Hon. Members mentioned Will Hutton and Wim Kok's committee's report on competitiveness—something that we must work very hard to take forward, and the right hon. Gentleman was right to highlight it. I remember attending the Council of Ministers when, as a rapporteur, Will Hutton gave his report on that key issue, and the body language showed that Ministers were either not concerned with the subject or too frightened to take forward that agenda in their own countries. It is extremely important to understand that issue, and I am very glad that it was raised.

We have seen the publication of the document on the future of agricultural policy, drafted by the Treasury and the Department for Environment, Food and Rural Affairs. It came in for a bit of stick because of the lateness of its publication. I do not think that six months is a very long time in which to draft such a document—it is a difficult one to draft—and to come up with answers about how to reform the CAP is not easy, as we have all learned from the debate.

The right hon. Member for Richmond, Yorks asked about the European Court of Justice judgment on the protection of the environment using criminal law and whether that represented a new power for the Commission. We should look closely at the whole ECJ judgment, which reiterates that criminal law is not generally a matter for the European Community. Only in specific circumstances where criminal sanctions are necessary to uphold European Community rules can the Commission introduce proposals, but they must still be approved by member states. The judgment interprets the current treaties; it is nothing to do with the constitutional treaty. I hope that that helps.

Mr. Heathcoat-Amory: Will the Minister give way?

Dr. Howells: I have almost no time. I will to try acknowledge something that the right hon. Gentleman said earlier.

The right hon. and learned Member for North-East Fife raised, as he put it, the lack of substantial achievement during our presidency. He spoke, quite properly, of course, of geopolitics, the new power across the globe—as did my hon. Friend the Member for Ilford, South (Mike Gapes), who is absent from his seat—and the rising economic and political power of China and India.

Other Members drew our attention to one of the basic notions that drove forward the growth of the EU, and which I am old enough to remember: there were two great poles of influence—America in the west and Japan in the east—and we would be competing with those great

powers. There are at least four great powers now. There is no question but that India and China will be very different powers. The right hon. and learned Member for North-East Fife drew our attention to the important point that they will be great political powers. How should we come to terms with them? How do we begin to compete, for example in research and development? How do we pool together for the great projects in which we shall certainly need to be involved? Whether in communications or science-based industries, there are big questions and I am sorry that we have not had time to discuss them. They are at the core of what we should be doing in the EU from here on, which returns to the point made by the right hon. Member for Richmond, Yorks about the Lisbon agenda. We need to concentrate hard on that. If we want a mission, there it is.

I am about to contradict myself. Members spoke about the great single market inside Europe, but in fact it has by no means been completed. I come from the energy sector—try selling electricity to the French, although I would not wish to name a country. Sure enough, the market has been pushed forward, even more starkly so for financial services. In the UK, we excel in financial services and if we were let loose on many of the still highly protected markets in many European countries we would create many more jobs in this country, making economies abroad much more efficient and growing those markets. We must certainly take that forward. The single market in services has only just been completed and the implementation is only just beginning in many countries. We need to consider that.

My hon. Friend the Member for City of York (Hugh Bayley) raised an important issue. We have been talking in that special Euro language, to which the hon. Member for Stone (Mr. Cash) and I have listened so many times. My hon. Friend the Minister for Europe is not in the Chamber; he speaks that special euro language—the problem is that half the time I do not understand a word of it. My hon. Friend the Member for City of York said, in effect, "Hang on a minute. Actually lots of money has been allocated to the new economies in the east but they can't spend it." They cannot spend it because they do not yet have the governance capacity to do so.

The hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd), who is a friend of mine, knows that in its first year the Welsh Assembly was paralysed by arguments about how the European structural and cohesion funding should be spent. That was a difficult issue. The point is important: we are dealing with a great continent where people are at different stages and there are problems of underdevelopment. We must remember that and make careful judgments.

The right hon. Member for Wells (Mr. Heathcoat-Amory) and the hon. Member for Stone made challenging, thoughtful speeches. The hon. Gentleman said something that was reflected in the words of my hon. Friend the Member for Luton, North (Kelvin Hopkins). He said that we might not be seeing seismic shifts, but that there were shifts in the sand and we were talking a much more pragmatic language. I, too, sensed that during the debate. I was extremely interested, for example, in the idea that we should look at how institutions respond to the great challenges that have been mentioned—whether the growth and influence of China and India or our ability to compete in big international markets. We have to ensure that the institutions evolve to meet those challenges.

The hon. Member for Altrincham and Sale, West is an excellent parliamentarian and debater, but my hon. Friend the Member for City of York put his finger on something when he asked the hon. Gentleman what the Conservatives would have done. What did the hon. Gentleman say? He said that they would have stuck to the Government's policy. That is pathetic. That is the same ancient whinge about the EU—that is all. Look at all the years the Conservatives were in power. What did they do about reforming—

It being Seven o'clock, the motion for the Adjournment of the House lapsed, without Question put.

ENVIRONMENTAL AUDIT

Ordered,

That Mr Peter Ainsworth be discharged from the Environmental Audit Committee and Mr Tim Yeo be added.—*[Rosemary McKenna, on behalf of the Committee of Selection.]*

ADMINISTRATION

Ordered,

That Mr Patrick McLoughlin be discharged from the Administration Committee and Mr Andrew Robathan be added.—*[Rosemary McKenna, on behalf of the Committee of Selection.]*

PETITIONS

Herceptin

7 pm

Mr. Phil Willis (Harrogate and Knaresborough) (LD): I wish to present a petition, which has been organised by Hazel Bennett and signed by more than 5,000 people in Harrogate and Knaresborough and the surrounding areas, about the plight of women with diagnosed breast cancer who cannot obtain access to the drug Herceptin on the national health service.

The petition

Declares that Breast Cancer is a killer disease affecting thousands of women each year and that the life saving drug Herceptin is currently available to patients who are privately treated but will not be available to NHS patients until mid to late 2006.

The Petitioners therefore urge the Secretary of State for health to make Herceptin immediately available to all NHS patients who, in the opinion of their specialist clinician, would benefit from Herceptin.

And the Petitioners remain, etc.

To lie upon the Table.

Royal Ordnance Factory (Puriton)

7.1 pm

Mr. Ian Liddell-Grainger (Bridgwater) (Con): I have a petition from the residents of Bridgwater that is signed by 2,500 people.

[Mr. Ian Liddell-Grainger]

The petition

Declares that the Royal Ordnance factory at Puriton should not be closed; that the jobs it provides are vital to the Sedgemoor economy and that the plant is vital to the nation's defences.

The Petitioners therefore request that the House of Commons call upon BAE and the Ministry of Defence to save the Royal Ordnance factory at Puriton.

And the Petitioners remain, etc.

To lie upon the Table.

Post Boxes

7.2 pm

Mr. Ian Liddell-Grainger (Bridgwater) (Con): I am sorry, Madam Deputy Speaker—it is a job lot.

I present a petition from the villagers of Westonzoyland that is signed by 490 people.

The petition

Declares that Westonzoyland should have post boxes adequate to deal with the needs of 700 dwellings and many small businesses. The Post Office and adjacent post box closed on 23rd September. Since that date there has only been one very small box in Monmouth Road. This is some distance from the centre of the village and invariably full to overflowing with letters long before the collection times. The Petitioners further declare that there is not another box within three miles in any direction and that the village urgently needs at least one large box, conveniently placed to the majority of residents.

The Petitioners therefore request that the House of Commons urge the Government to provide at least one large post box in the village of Westonzoyland, conveniently placed to the majority of residents.

And the Petitioners remain, etc.

To lie upon the Table.

Community Hospitals

7.3 pm

David Taylor (North-West Leicestershire) (Lab/Co-op): North-West Leicestershire is fortunate to have two fine community hospitals. One is in Ashby-de-la-Zouch, which is my birthplace, and the other is a 96-bed hospital at Coalville. A primary care trust review is under way on the future of one specific ward at Coalville hospital, which is the home for numerous patients with chronic mental health problems. Such uncertainty has triggered a local campaign, part of which is this petition.

The petition states:

To the House of Commons,

The Petition of 3,170 residents of North West Leicestershire and nearby areas

Declares that

Despite the present financial pressures on primary care trusts, their community hospitals must continue to play a key role in the provision of mental health services and closures of dedicated wards providing long-term residential care (or their amalgamation with other similar facilities elsewhere) should be avoided at all costs.

Further declares that

They strongly oppose any amalgamation of Coalville Hospital long term care services with Loughborough Hospital and any closure of CCH (Thringstone) Ward 4.

The Petitioners therefore request that the House of Commons urge the Secretary of State for Health to ensure that there is adequate finance for the continued provision of high quality residential mental health care in local community hospitals.

And direct Charnwood and North West Leicestershire primary care trust to undertake all due consultation with families of patients in local long-term residential mental health care and take into account their needs and wishes in the review of mental health care provision.

And the Petitioners remain, etc.

The petition has been signed by Pauline Chamberlain, who has worked hard to organise it, and myself, as the local Member of Parliament.

To lie upon the Table.

Integrated Kent Rail Franchise

Motion made, and Question proposed, That his house do now adjourn.—*[Mr. Coaker.]*

7.5 pm

Sir John Stanley (Tonbridge and Malling) (Con): Madam Deputy Speaker, do I have five minutes of injury time as a result of the petitions?

Madam Deputy Speaker (Sylvia Heal): The debate will end at 7.35 pm. The right hon. Gentleman has the additional five minutes.

Sir John Stanley: I am grateful, Madam Deputy Speaker.

I am glad to have secured the debate on the integrated rail franchise for Kent and to be able to cover some of the surrounding counties as well. It will affect the lives, journeys to work and rail use of many hundreds of thousands of people in my constituency and surrounding constituencies. I am in some difficulty in having the debate at this moment, although I wanted it as quickly as possible, in that I have sought a copy of the franchise agreement between the Department for Transport and GoVia, which was announced as the successful franchisee by the Secretary of State on 30 November.

GoVia has told me that it cannot provide the document—it is debarred by the Department for Transport from providing it—and that some details are still under negotiation. It is difficult, therefore, for me to know precisely what service details and service requirements have been imposed on GoVia. I hope that the Minister will be able to assure me that it is an extremely important document and that GoVia needs to be publicly held to account for its performance under the contract. I hope also that he will tell me that the document will in due course be made public, either in full or, if there are some necessary deletions of financial information on the grounds of their being commercial in confidence, with deletions. I trust that he will be able to assure me that the document will be made public and that a copy will be placed in the Library.

I shall start with the service level commitments on the four main railway lines that run through my constituency. The four lines are the Malling line to and from London, the Tonbridge-Hildenborough line to and from London, the Edenbridge line to and from London and the east-west line from Tonbridge through to Edenbridge, Redhill and Gatwick.

The all-important Malling line covers the stations of East and West Malling and Borough Green in my constituency. In all three areas there has been growth. The most dramatic growth has been in the Kings Hill area of my constituency, which is close to West Malling station. In effect, a mini-new town is under construction as a result of a development by what is now called Liberty Property Trust UK, in conjunction with Kent county council, on what was the extremely famous and historic RAF West Malling airfield, from which a major part was played in the second world war during the Battle of Britain.

The development of Kings Hill has led to a huge increase in demand for rail services from West Malling station. The managing director of Liberty Property Trust has told me that at Kings Hill there are now about 5,000 people working there and some 3,500 resident there, and that by the end of the franchise period, in some six to eight years, there will be about 5,000 to 7,000 more people working at Kings Hill, and another 3,500 residents there. At Kings Hill alone, by the end of the franchise period, there will be some 10,000 to 12,000 people working there and some 7,000 living there. That clearly necessitates significant improvement and growth in rail services. Sadly, we are starting from a base in which rail services are clearly inadequate to meet demand. The chairman of the Borough Green and Malling rail users group, Mr. Jeremy Westhead, wrote to me yesterday, saying:

> "This morning, however, there were people standing all the way in from West Malling to Victoria on the 7.35. I am also aware of people who already drive from West Malling and Kings Hill to Chelsfield, Sevenoaks, Mottingham or Paddock Wood to avoid our line."

Rail services are already inadequate on the Malling line, even before further development takes place. GoVia advises me that the franchise contract that it is due to enter into does not include significant changes in service levels, which is of serious concern.

Adam Afriyie (Windsor) (Con): As a former resident of West Malling, may I say that it was clear several years ago that there were enormous pressures on the railways and the local roads? Will my right hon. Friend urge the Minister to take a serious look at the franchise and the rail network in the area?

Sir John Stanley: My hon. Friend will have heard me describe the situation as wholly unsatisfactory. As he rightly pointed out, it will become even more unsatisfactory with the significant growth that is under way. I am delighted, however, to welcome my former constituent to the House.

The main line from London through Tonbridge and Hildenborough is the second important line. The area has not undergone as much growth as Kings Hill, but there is significant growth in Tonbridge, where there is serious congestion on rail services at peak times. Once again, GoVia advises me that there will be no significant improvements in capacity on that line to London, which is unsatisfactory.

As for the third line, from Edenbridge to London, there is some growth in Edenbridge. I can only describe the existing service to London as threadbare. It is so poor, in fact, that my constituents in Edenbridge and the surrounding villages get into their cars in the morning but, instead of going to Edenbridge, they drive across Kent and to Sussex or Surrey to find better railheads. GoVia says that it will not make a decision on improvements to Edenbridge to London services until a decision has been made on the Brighton rail utilisation study. I hope that, in his reply, the Minister can tell me when that decision will be made so that we can address the issue of rail services between Edenbridge and London.

Finally, the important cross-country or east-west route linking Tonbridge, Edenbridge, Redhill and Gatwick has extremely significant but underutilised potential, particularly in the provision of an adequate rail service to Gatwick airport from Kent. Almost without exception, my constituents travel by car to

[Sir John Stanley]

Gatwick. They have to park at the airport and pay a heavy charge for doing so. They travel by car simply because there is not a frequent, reasonably rapid rail service to Gatwick from Kent.

As we are creating Ashford International, with channel tunnel rail link domestic services from there, surely it must make sense to establish a decent rail link from Ashford—stopping, I urge the Minister, at Tonbridge and Edenbridge—to Redhill and Gatwick. If that service were in place, I am in no doubt at all that it would take many cars off the road and many more people would access Gatwick by rail. I am disappointed that, again, the Government have not insisted on getting any undertakings from GoVia, as far as I can see, on establishing a good rail service from Ashford directly to Gatwick and stopping at Tonbridge, Edenbridge and Redhill.

Damian Green (Ashford) (Con): Since my right hon. Friend has mentioned the growth in Ashford, may I, though him, urge the Minister to address not just the Ashford-Gatwick link, about which I entirely agree, but how the growth affects the smaller village stations around towns such as Ashford, particularly Charing, Pluckley, Chilham and Appledore, all of which are threatened with cuts in services at a time when they will face rising demand, which we should all surely encourage? I hope that the Minister can address that issue as well.

Sir John Stanley: I am grateful to my hon. Friend for his intervention, and I am sure the Minister will respond to the point, if he can.

I make one last point to the Minister on service provision. I welcome one decision that the Government have made. They have rightly intervened on the drastic reductions in ticket office opening hours that South Eastern Trains, the outgoing franchisee, put out to consultation earlier this year. I was glad to see, buried in note 5 to editors at the end of the Department for Transport's stock market statement on 30 November, the following wording:

"It is appropriate for the new franchisee to have the opportunity to review proposals on changes to ticket office hours on the SET network. It is expected that discussions among interested parties will take place in due course."

I am grateful for that intervention by the Government, but when will the discussions take place and when will they be concluded? Can the Minister give me an assurance in reply to the debate that there will be no reductions in ticket office hours, as proposed by South Eastern Trains, until the new consultation and new review has been completed?

Finally, the biggest single issue for my constituents in relation to the announcement that the Government made on 30 November is the implications for rail fares. Across my constituency, my constituents have been appalled at the Government's decision to allow GoVia to increase its fares by 3 per cent. above the rate of inflation for each of the first five years of the franchise.

I refer to a small piece of history, which is relevant. There were three Conservative Members of Parliament who declined to support the last Conservative Government on the Second Reading of the rail privatisation Bill on 2 February 1993. One was the late Robert Adley, our colleague who knew more about railways, both in this country and overseas, than the rest of the House put together. Another was my hon. Friend the Member for Macclesfield (Sir Nicholas Winterton), and the third was myself.

I declined to support the then Government on that Bill, not because I was opposed to rail privatisation, which I support—indeed, I believe that in broad terms it has produced a more successful outcome for rail passengers than if we had gone on with nationalised British Rail—but because I was not prepared to see my constituents, many of whom have to fork out a huge sum for their annual season ticket, put into the hands of an unregulated private sector monopoly, any more than I would want them in the hands of an unregulated public sector monopoly.

Happily, the last Conservative Government, when our former colleague Dr. Mawhinney was Secretary of State for Transport, announced on 15 May 1995 that for the three years from January 1996 to 1999 rail fares would be capped at the rate of inflation each year, and for the four years after that, from January 1999 to January 2003, rail fares would be capped at 1 per cent. below the rate of inflation in each year. That was an excellent deal from the last Conservative Government for rail travellers and for my constituents, but as that deal expired in January 2003, the present Government have provided them with a much worse deal—indeed, it is a rotten deal.

That situation seems set to continue under the franchise from GoVia. A fare increase of 3 per cent. above the rate of inflation for each of the first five years of the franchise means a real-terms increase of 16 per cent. over that five-year period. Unsurprisingly, the arrangement has met strong resistance from my constituents. The secretary of Tonbridge line commuters, Mr. Lionel Shields, wrote:

"We believe that there is no justification for such draconian increases."

The secretary of the Edenbridge and District rail travellers association, Mr. John Bigny, has also written to me:

"The increase in rail fares at up to 3 per cent. above the rate of inflation has to be deplored. How many rail travellers are going to get increases in salary, wages and pension of 3 per cent. above inflation. A single pensioner is to get an increase of £2.20—that will be swallowed up by increased Electricity and Gas charges, let alone Council Tax."

Greg Clark (Tunbridge Wells) (Con): May I associate my constituents with those of my right hon. Friend, because they share the same issues? Our constituents will benefit not one jot from the channel tunnel rail link, but they will have to pay for it through the increase in fares.

Sir John Stanley: I am coming to that very point and agree with my hon. Friend.

The Minister will no doubt say that the increase in rail fares above the rate of inflation for five years is justified by rail investment. However, the overwhelming proportion of that rail investment will go into channel tunnel rail link domestic services, which will not benefit most of those who travel into London from mid-Kent and west Kent.

The Minister knows that I foresaw that we could get into this position two years ago, and I have been campaigning for channel tunnel rail link domestic services to be ring-fenced financially, for channel tunnel rail link domestic services to be recognised as national infrastructure on which losses should be met by the general body of taxpayers—in other words, through the Department for Transport—and for a prohibition on cross-subsidy under the integrated Kent franchise from non-channel tunnel rail link services, which would result in a fair and equitable position.

In a written ministerial statement on 30 November, the Secretary of State for Transport said:

"It is therefore justifiable for the new operator to increase fares by 3 per cent. above inflation from January 2007 for five years to ensure there is fair balance between the taxpayer and fare paying passenger."—[*Official Report*, 30 November 2005; Vol. 440, c. 34WS.]

My constituents and many others all over the franchise area regard the balance as grossly unfair. My constituents are having their fares ratcheted up way above the rate of inflation to meet losses on rail services—the channel tunnel rail link—that are of no use to them.

Once again, I urge the Minister to ring fence channel tunnel rail link domestic services financially. Does he recognise that those services are national infrastructure and that losses should be financed by the general body of taxpayers? Will he introduce a prohibition on cross-subsidy from non-channel tunnel rail link services into the channel tunnel rail link, because unless such a prohibition is introduced, rail travellers in Kent and elsewhere will be treated grossly unfairly?

7.24 pm

The Parliamentary Under-Secretary of State for Transport (Derek Twigg): I congratulate the right hon. Member for Tonbridge and Malling (Sir John Stanley) on securing this important Adjournment debate. The document that he mentions will become public, and when that happens I will ensure that he gets a copy. Many improvements have been agreed, and I will dwell on some of them. It would be impossible to cover all the points in the time that I have left, but I will do my best to get through them as quickly as possible.

Let me summarise the situation before I get to the main point. I believe that the contract that my Department has secured is a tough one that will deliver good value for taxpayers and real improvements for passengers. In particular, it commits the company to introducing the high-speed commuter trains that will use the channel tunnel rail link from 2009. Journey times to London for passengers from stations such as Ramsgate and others in east Kent and the Thames Gateway will be reduced by as much as 35 minutes. It will be a commuter service unlike that seen anywhere else in the country. It will provide the flagship Olympic Javelin service that will link St. Pancras with the Olympic village in Stratford in under eight minutes. In addition, the company has committed to improving performance across the franchise. More than £70 million will be invested in passenger services. It will build on the investment that has already been made: £600 million on new trains and £93 million on infrastructure improvements to allow them to run. A further £250 million is still to be invested in the new high-speed trains.

Let me come to some of the more specific points. From the franchise commencement date in spring 2006 until the introduction of CTRL domestic services, services will be broadly the same as now in order to avoid repeated service alterations. Once the CTRL domestic services are introduced in 2009, they will operate between London St. Pancras and Stratford International, Ebbsfleet through the Thames Gateway to the Medway towns, and to Ashford, Ramsgate and east Kent. There will be comprehensive changes to the service pattern on existing lines at the same time—December 2009—to reflect the anticipated changes in travelling patterns and to simplify and improve performance. The new service specification is intended to provide capacity where it is most needed while making the best use of existing resources within the bounds of affordability. The Government's responsibility is to make the best overall strategic decision on services on behalf of the majority of passengers and of the taxpayer. With service changes of this magnitude, it is difficult to balance the needs of all, but we believe that we have provided significant benefits for the majority of passengers.

The reorganisation will bring many benefits. For example, 10 per cent. more trains—an increase from 171 to 188—will come into London in the morning peak, and there will be a considerable improvement in off-peak services, with the number of trains increasing from 39 to 46 every hour during the daytime. The off-peak improvements are spread between inner and outer suburban services. Key improvements include two additional trains per hour on the following lines: Bexleyheath, Orpington-Sevenoaks via Grove Park, on the Herne Hill route west of Beckenham Junction, and on the Hastings line around the Tunbridge Wells area.

In any exercise of this kind, it is not practical to deliver every request for services, but where representations were made, and it was possible to accommodate them, changes were put in place to address the most difficult problems for local rail users. There have been several rounds of consultation, through which a number of stakeholder concerns were identified and addressed—for example, the retention of the hourly service at quieter stations on the Maidstone East route.

The franchisee intends to provide some services before 2009, when the timetable will change, that are additional to the basic specification required by the Department. They include a strengthened half-hourly service to Beckenham Junction from Victoria, an additional peak service between Faversham and Cannon Street, two additional peak trains between Ashford and Charing Cross, and a few additional mid-evening and late evening trains to various suburban and Kent destinations from London.

With regard to train services in the right hon. Gentleman's constituency, there will be no immediate changes on the Borough Green and Wrotham-Maidstone East line. When the CTRL domestic services begin, more frequently used stations on this route, such as Borough Green and West Malling, will benefit from additional services in the peak. However, less busy stations such as East Malling will experience some reductions. Peak services between Tonbridge and the Kent coast will experience improvements on today's service at Paddock Wood, Marden and Pluckley. Services to Staplehurst and Headcorn remain unchanged. Off-peak, Paddock Wood and Staplehurst

[Derek Twigg]

will lose one train an hour, mainly because the two stopping services, and one fast train to London will be replaced by two semi-fast services.

Given that the new high speed service is expected to result in a significant transfer of demand from classic services east of Ashford, the volume of residual service required to operate via Tonbridge will be reduced. The resources released will be used to enhance some services in west Kent, particularly in the Tunbridge Wells area.

Two trains an hour to Dover all day will link that corridor to east Kent, with alternate trains continuing to Ramsgate via Deal. The journey from London to Ramsgate and Margate via Canterbury West will no longer be direct, but passengers will be able to change at Ashford to pick up connecting services either using CTRL to Margate or the Victoria to Canterbury West via Maidstone service. We expect the operator to develop a timetable providing convenient connecting timings for that. Services from Tonbridge via Redhill to Gatwick airport fall under the Brighton main line route utilisation strategy. That is currently under consideration by the Department and an announcement will be made in due course.

Subject to rolling stock availability and operational and financial practicalities, it is open to the franchisee before 2009 to run additional services or make additional calls at stations, provided that he can demonstrate that that is worth while and that any changes can be achieved without increasing the subsidy. I urge the hon. Gentleman and local groups to work with the operator to consider the scope for such changes.

The hon. Gentleman referred specifically to fare changes. Passengers on the new high speed trains will pay around 20 per cent. to 35 per cent. more than passengers on the classic services, depending on the journey. In general, the premium will be approximately £1 or £2 on a single fare. Passengers will be able to choose routes via CTRL on high speed services or the classic routes to south London terminals. Passengers who use CTRL domestic services will pay premium fares to reflect the enhanced service that it will provide.It is not unusual for faster rail services to be more expensive than alternative slower services. Even with the premium fare, we anticipate a high demand for the high speed services.

The retail prices index + 3 per cent. fare increases have been made to recognise the investment that has already gone into the railway in the region, and will help keep a balance between the taxpayer and the fare-paying passenger.

The hon. Gentleman mentioned South East trains and the press release that was issued. We believe that the new franchisee should consider the matter and we wait to hear its views. I do not want to pre-empt those discussions. Clearly, once they have taken place an announcement will be made.

As I stated earlier, more than £600 million has been invested in new rolling stock in Kent in the past three years. In addition, there has been £93 million of investment in power supply, stations, depots and related infrastructure in Kent. All the slam-door trains have been removed and many trains' interiors have been upgraded. That does not come without a cost. We have to ask whether it is fair for the taxpayer to foot most of the bill. We have to try to strike a balance between how much the taxpayer pays and how much of the cost passengers should bear.

In summary, it is probably worth putting on the record that this has been a good time for the railway. Significant improvements have taken place, with more than 1 billion passengers a year using it. Every week, £87 million is being invested and we have the fastest growing railway in Europe. In addition, the public performance measure of 85 per cent. that was set for next March has been passed on three occasions in the past three periods. We are not complacent—there is more work to be done. We must ensure that we reach and exceed our target, but we have experienced an increase in the reliability of trains and the biggest single replacement of rolling stock and refurbishment in our time.

I do not suggest that we should be complacent or that there is no room for improvement. However, important improvements and strides forward have been made. Performance is improving and passengers are receiving a better service. The current South East franchise has had its share of the benefits and the new integrated Kent franchise will experience more of them in the future.

Question put and agreed to.

Adjourned accordingly at twenty-four minutes to Eight o'clock.

Deferred Division

National Health Service

That the draft National Health Service (Dental Charges) Regulations 2005, which were laid before this House on 22 November, be approved.

The House divided: Ayes 243, Noes 211.

Division No. 117]

AYES

Abbott, Ms Diane
Anger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Bell, Sir Stuart
Benton, Mr. Joe
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Brennan, Kevin
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Mr. Des
Bryant, Chris
Burden, Richard
Burnham, Andy
Butler, Ms Dawn
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, Yvette
Crausby, Mr. David
Cruddas, Jon
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hanson, Mr. David
Harman, rh Ms Harriet
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Iddon, Dr. Brian
Ilsley, Mr. Eric
Iranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Ann
Kelly, rh Ruth
Kennedy, rh Jane
Khabra, Mr. Piara S.
Khan, Mr. Sadiq
Kidney, Mr. David
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laxton, Mr. Bob
Lazarowicz, Mark
Levitt, Tom
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marshall, Mr. David
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McFadden, Mr. Pat
McFall, rh Mr. John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McKenna, Rosemary
McNulty, Mr. Tony
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Mr. David
Miliband, Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mountford, Kali
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Oliver, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, James
Reed, Mr. Andy
Robertson, John
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, Joan
Salter, Martin
Seabeck, Alison
Shaw, Jonathan
Sheridan, Jim
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andrew
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thornberry, Emily
Timms, Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Twigg, Derek
Vaz, Keith
Vis, Dr. Rudi
Waltho, Lynda
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Winnick, Mr. David
Winterton, Ms Rosie
Woodward, Mr. Shaun
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Baker, Norman
Baldry, Tony
Baron, Mr. John
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim

NOES

Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, Mr. David
Campbell, Mr. Gregory
Campbell, rh Sir Menzies

Carh, Mr. William
Clappison, Mr. James
Clark, Greg
Clegg, Mr. Nick
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davies, Mr. Quentin
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Mr. Alan
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Foster, Mr. Don
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hermon, Lady
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howard, rh Mr. Michael
Howarth, David
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Malins, Mr. Humfrey
Mates, rh Mr. Michael
Maude, rh Mr. Francis
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Moore, Mr. Michael
Mulholland, Greg
Murrison, Dr. Andrew
Newmark, Mr. Brooks
Opik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paisley, rh Rev. Ian
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Reid, Mr. Alan
Rifkind, rh Sir Malcolm
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Robinson, Mr. Peter
Rogerson, Mr. Dan
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Sir Robert
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Tredinnick, David
Turner, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Williams, Stephen
Willis, Mr. Phil
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Question accordingly agreed to.

House of Commons

Thursday 15 December 2005

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

LONDON LOCAL AUTHORITIES AND TRANSPORT FOR LONDON BILL (*By Order*)

Read the Third time, and passed.

Oral Answers to Questions

ENVIRONMENT, FOOD AND RURAL AFFAIRS

The Secretary of State was asked—

EU Sugar Regime

1. **Mr. Peter Bone** (Wellingborough) (Con): If she will make a statement on the future of the EU sugar regime. [37687]

4. **Miss Anne McIntosh** (Vale of York) (Con): What recent representations she has received on the EU sugar reforms. [37691]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Jim Knight): As you know, Mr. Speaker, my right hon. Friend the Secretary of State is attending the World Trade Organisation talks in Hong Kong. Under the Secretary of State's chairmanship, the European Union Agriculture Ministers reached an historic agreement to reform the sugar regime, which has remained largely untouched for the previous 40 years. Reform of the sugar regime was a key priority of the UK presidency.

Mr. Bone: I thank the Minister for his response, but does he agree that the sugar regime demonstrates everything that is wrong with the European Union? Consumers in the EU pay three times the world price, EU taxpayers pay £1 billion a year and, worse still, farmers in the EU dump their product on developing countries, destroying local farming. Is the reform not a case of too little, too late?

Jim Knight: I was just about to say how much I agreed with the hon. Gentleman, as I concurred with all the reasons why it was important to reform the sugar regime. However, the reform is good for consumers and taxpayers because it will reduce prices and halve the current €7 billion a year cost. It is good for jobs, given that we lost 16,000 food processing jobs while sugar prices were three times the world price, and it is good for growers, because it ends the scandalous distortion under which EU growers receive only £1 for every £5 spent to support them. That is why it has been broadly welcomed by most key UK interests, that is why Tate & Lyle's share price soared after the deal, and that is why it should be welcomed in the House.

Miss McIntosh: The British farmer is not frightened of change, as the Minister knows, but he is only too aware of the pace of change, particularly the question of the rate of compensation and which growers will receive it. Can the Minister explain the future of the British Sugar factory at York, and what alternative break crop is available to arable farmers if the demise of sugar beet takes place?

Jim Knight: As I said, the deal offers the EU big sector sustainability and long-term certainty. The Commission estimated that twice as many jobs would be at risk from failure to reform as from the market-based approach that has been agreed. Farmers will receive more than 60 per cent. compensation for the sugar price cut through the single farm payment, including recognition of the UK's deficit area status. Consultation will take place with the industry on the exact way in which the compensation will be paid. The future of the sugar factory in York is in the hands of the market.

Paddy Tipping (Sherwood) (Lab): I congratulate the Minister and his colleagues on reform of the sugar regime, which shows that, with commitment, reform of the common agricultural policy can take place, although it needs to go further. As there are consequences for both producers and processors, will the Minister publish details of the scheme as quickly as possible so that decisions about future planting, the operation of the market and its effect on the British Sugar factory in Newark can be made?

Jim Knight: I am sure that as soon as we have the details requested by my hon. Friend, they will be published.

David Taylor (North-West Leicestershire) (Lab/Co-op): Could the Minister say a little about the impact on African, Caribbean and Pacific countries—especially Guyana, where 35,000 people work in the sugar industry, on which they and their families are heavily dependent? The anticipated changes will reduce their national income by about $40 million per year, which wipes out by a factor of five the $8 million from which they have benefited in G8 debt relief. Will the Minister address the problems experienced by Guyana?

Jim Knight: The UK shares my hon. Friend's concerns and we accept that the deal will reduce prices received by our traditional African, Caribbean and Pacific suppliers and reduce the attractiveness of the EU market for least developed countries. However, EU prices will still be at twice world levels and preferential access will still be guaranteed under the terms of the existing sugar protocol. Contrary to certain reports, the deal contains no new import restrictions. In addition, ACP countries will benefit from a two-year delay in price cuts. The amount of aid has still to be determined

and cannot be settled until the new EU financial perspectives are agreed. The UK is pressing for at least €250 million a year over seven years.

Mr. Henry Bellingham (North-West Norfolk) (Con): As the Minister knows, contrary to popular myth a large number of the growers in East Anglia are not large estates or large farmers. They are smallholders and small farmers and they are a vital part of the rural economy. Will the deal protect their specific interests?

Jim Knight: Certainly, as the details of the compensation are worked out, we will have in mind the hon. Gentleman's constituents—the small farmers who play an important role in the rural economy. Until the details have been agreed, it is difficult for me to add any more.

Climate Change

2. **Simon Hughes** (North Southwark and Bermondsey) (LD): If she will make a statement on progress towards meeting climate change targets. [37689]

The Minister for Climate Change and the Environment (Mr. Elliot Morley): The UK expects to exceed its Kyoto commitment by about 8 percentage points. The UK is committed to moving beyond our Kyoto protocol target and towards our national goal to reduce UK carbon dioxide emissions by 20 per cent. below 1990 levels by 2010.

Simon Hughes: Everybody will be pleased at the progress made over recent days in Montreal, but from the written answer that the Minister gave my hon. Friend the Member for Lewes (Norman Baker) on 29 November at column 312 on greenhouse gases, it looks as though we will not have met our targets over the past two years. To make sure that we can all have confidence that we are going in the right direction, will the Minister agree to annual targets from now on, independently assessed and adjudicated? That way, we would know that there was no spin and no dishonesty.

Mr. Morley: I agree with the hon. Gentleman that it was a tremendous outcome at the Montreal talks. My right hon. Friend the Secretary of State deserves a great deal of credit and she was much admired for the way that she led the whole EU delegation. Let me make it clear that there are two targets. First, there is our Kyoto target, which is legally binding and which we are well on track to meet and, as I said, to exceed. Then there is our domestic voluntary target of 20 per cent., which we are not on track to meet, but we are having the climate change review in order to ensure that we do so. As regards independent monitoring, the inventory is already independently monitored by the National Environmental Technology Centre, the United Nations framework convention on climate change and the National Audit Office. On individual targets, reductions in CO_2 have been up and down in different years, but we are willing to consider any suggestions that the hon. Gentleman may have.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): It was indeed a considerable achievement to obtain a Montreal agreement, which I notice Friends of the Earth described as an "historic agreement" that would "strengthen global resolve". The Secretary of State deserves slightly more enthusiastic praise than we heard from the Liberal Democrat Benches. In the spirit of consensus that affects us all nowadays, will my hon. Friend give us an idea of how he intends to build upon the agreement at Montreal, which was a major step forward but will clearly require a great deal of work, at European level in particular, to take it forward?

Mr. Morley: My hon. Friend is right, and there will be further opportunities to discuss the Montreal outcome. It gives us effective rules for implementing the Kyoto protocol, agreement on new targets and frameworks post-2012 and a global approach based on the convention, incorporating all signatories to the convention including non-Kyoto signatories—among them the US and Australia.

Mr. James Gray (North Wiltshire) (Con): I hope that one day I will have the opportunity to answer the questions, but on this occasion I shall just ask a question. The Sustainable Development Commission's report, conveniently enough for the Government, is due out tomorrow, but we understand that of all the targets in the report, three are set at red, the rest at amber, and as regards green lights, the Government achieved zero. We know that since 1999 carbon has not reduced at all in the UK; indeed, it has gone up by 9 per cent. Whatever the Government are doing, it is not working. Is it not time that they got together with the Conservative Opposition and perhaps even the Liberal Democrats to find some kind of cross-party consensus to tackle the greatest threat facing the globe for generations ahead?

Mr. Morley: The hon. Gentleman is incorrect—CO_2 has gone up 3 per cent. since 1997. It went up 3 per cent. in 1996—in one year alone—and subsequently fell back. It would have gone up 5 per cent. if not for measures introduced in the 2000 climate change review. There is no room for complacency. We are committed to getting our domestic target of 20 per cent. on track. We will introduce the climate change review and, as our amendment made clear in the recent debate on climate change, we are more than willing to consider ideas from the Opposition. So far, none has been submitted.

Colin Challen (Morley and Rothwell) (Lab): I add my congratulations to the plaudits already given to the Secretary of State for the agreement reached in Montreal. I note that Paula Dobrianski, the US Under-Secretary of State for Global Affairs who was present in Montreal, said that the United States would not welcome formal discussions geared towards a one-size-fits-all approach, which perhaps ties in with the Byrd-Hegel resolution of the US Senate. May I therefore suggest that contraction and convergence are the way forward? That is not a one-size-fits-all approach, and I hope that the Government will provide time for a Bill on that point, which has its Second Reading on 14 July.

David Taylor (North-West Leicestershire) (Lab/Co-op): Whose Bill is it?

Colin Challen: It is my Bill.

Mr. Morley: The principle of contraction and convergence undoubtedly has some attractive elements, and I am interested in the concept. Given the talks in Montreal, the principle does not appear to command a great deal of international support at the moment.

Mr. Peter Ainsworth (East Surrey) (Con): You may share my sense of déjà vu, Mr. Speaker: I am here again; you are there; the Minister is in his place; and the Secretary of State is not here—so not much has changed. I am sorry that the Secretary of State is not here because I want to place on the record my congratulations on her personal contribution to the limited success of the Montreal discussions. However, it will need more than an agreement to talk to reduce the risk of a catastrophic slide into climate change. Will the Minister reconsider his answer to my hon. Friend the Member for North Wiltshire (Mr. Gray)? Just as it is vital to have international agreements to tackle climate change, is it not vital to have a cross-party approach to tackling those issues in order to set a framework in which to deliver climate change emission reductions?

Mr. Morley: I welcome the hon. Gentleman back to the Front Bench, although given his chairmanship of the Environmental Audit Committee and the number of times that I have appeared before it, he does not appear to have been away. I welcome his recognition of the crucial role played by my right hon. Friend the Secretary of State at Montreal, but he will find that non-governmental organisations and the international community think that the agreement was much more significant than his assessment. I welcome an approach based on consensus, and a consensus exists within this House on the principles, which is helpful in tackling the real environmental threat. On exploring that consensus, however, we need to know where the Opposition stand, and I repeat my invitation to them to spell out their position and ideas on climate change, because we cannot wait for 18 months while the matter is referred to a working group.

Mr. Ainsworth: We will spell out our considered recommendations in due course, and I look forward to working with the Minister on them. Does he accept that normal politics are not working when it comes to climate change, because the problems are too long term and too great? May I press him again on the concept of an independent body that transcends individual Parliaments, individual Governments and individual changes in party leadership, in order to monitor progress, set targets and achieve progress against those targets? The Government are trying to provide leadership internationally on that vital issue, but that should not be undermined by failure to make progress at home.

Mr. Morley: I do not disagree with those general points, but Conservative Members have not done enough homework on the procedures by which our progress is audited. Our targets and the inventory are calculated by an independent organisation, the National Environmental Technology Centre, by the United Nations framework convention on climate change and by the National Audit Office. Those are respectable bodies that provide independent assessment, but if the hon. Gentleman does not think that they are adequate, I would be willing to consider his points.

Ed Balls (Normanton) (Lab): Will my hon. Friend report to the House on progress on building an all-party consensus on the measures that are needed to meet our climate change targets? Has there been any indication thus far that the main Opposition party intends to drop its opposition to the climate change levy?

Mr. Morley: No. I know that my right hon. Friend the Prime Minister pressed the Leader of the Opposition on that, but as far as I understand it, the position of the Conservatives is that they are against the climate change levy, which has made a significant contribution in reducing CO_2. If they have changed their position, I will be willing to hear about where they stand now.

Norman Baker (Lewes) (LD): I add my congratulations to the Secretary of State for her efforts in Montreal. She has done a very good job. I look forward to her perhaps taking over the Office of the Deputy Prime Minister and the Department for Transport as well.

The Minister will agree that in order to deal with climate change it is important to get renewable technology up and running. Can he therefore explain or justify the fact that £210 million of the £270 million raised so far under the non-fossil fuel obligation fund has been siphoned off by the Treasury under the cloak of the Civil List Act 1952? Does he agree with that new Treasury stealth tax?

Mr. Morley: I do not agree that it is a stealth tax. If the hon. Gentleman looks at the overall accounts in relation to the Treasury books, he will find that, yes, some of that money goes into the Treasury, but the Treasury pays out a great deal more in terms of overall support to renewables. The money is not simply siphoned off.

Biofuel Industry

3. **Dr. Ashok Kumar** (Middlesbrough, South and East Cleveland) (Lab): If she will make a statement on the biofuel industry. [37690]

The Minister for Climate Change and the Environment (Mr. Elliot Morley): The UK is on course to achieve our target of 0.3 per cent. use of biofuels by the end of 2005. A renewable transport fuels obligation will be introduced to require 5 per cent. of UK fuel to come from a renewable source by 2010. Biofuel processing plants are being established in the UK, which will include feedstocks sourced from the UK.

Dr. Kumar: I thank my hon. Friend for that reply and add my congratulations to the Secretary of State for all the efforts that she has made at the United Nations conference on climate change. I also give great credit and praise to the Department for reducing carbon emissions.

Will my hon. Friend consider the Australian model of bringing the biofuel industry, oil companies, petrol retailers, car manufacturers and consumer groups together to give greater focus and attention to meeting our targets in 2010? That represents a great opportunity, and I hope that he will consider setting up such a body.

Mr. Morley: I very much welcome my hon. Friend's interest in biofuels, and the fact that Teesside appears to be developing as one of the centres of biofuel production. I have looked at the Australian model. It is worth saying that the prime reason for setting up the Australian committee was that there were problems with consumer confidence in biofuels, particularly ethanol. That is not the case in the UK, where the mix of 5 per cent. is accepted by all car companies. However, it is important that we look at ways in which we can encourage the uptake and development of a biofuel industry in the UK, and I will give my hon. Friend's suggestion serious thought.

Mr. Philip Hollobone (Kettering) (Con): Biofuels are the great hope for British arable farming. Farmers in my constituency are keen to grow biofuels but tell me that the economics are not yet right. What encouragement can the Minister give them that the Government will address this issue properly?

Mr. Morley: An obligation of 5 per cent. on the oil companies is a considerable driver in relation to the demand for biofuels and the opportunities for supplying them from the domestic market. I should point out to the hon. Gentleman that farmers are allowed to grow biofuel crops on set-aside land, for which they already receive a payment. They get a payment for the set-aside and a payment for the crop, and there is also the encouragement of a 20p per litre discount.

Nia Griffith (Llanelli) (Lab): Will my hon. Friend have urgent talks with Treasury colleagues in order to restore the tax concessions on biodiesel that is made from vegetable oil collected from restaurants and canteens, which represents an even better use of the world's resources than biodiesel directly derived from plant sources?

Mr. Morley: There has been no removal of tax concessions for biodiesels from crops or recycled cooking oil. The problem is whether the biofuel fulfils the quality standard to qualify for the discount.

Mr. Richard Benyon (Newbury) (Con): With biofuels responsible for only 0.25 per cent. of road fuel sold, how is the Minister's target for 2010 of 5 per cent. of road fuels sold progressing?

Mr. Morley: The current target is 0.3 per cent., which we met in 2005. The target of 5 per cent. will be ramped up from 2008 onwards. I have no doubt that we can meet that target. We need a stepped approach to avoid simply sucking in large quantities of imports. It is inevitable that imports will account for some of the market, but the Government want a viable industry in this country involving local growers and processors.

Milk Prices

5. **Mr. Jim McGovern** (Dundee, West) (Lab): What recent discussions she has had with dairy farmers on the price of milk. [37692]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw): Provided that competition law is respected, the Government do not get involved in discussions about price. However, issues around the state of the industry are regularly discussed in the dairy supply chain forum, which is chaired by my noble Friend Lord Bach.

Mr. McGovern: I thank my hon. Friend for that response. Notwithstanding that, with milk prices low and dairy farmers struggling, will he assure dairy farmers that today's statement on bovine TB will not have a detrimental effect on milk prices and producers?

Mr. Bradshaw: The measures that we have announced this morning—we also have an urgent question on the matter later—will help the dairy industry. There will be no quick fixes in the measures on bovine TB, but they will make a difference in the medium and long term.

Sir Nicholas Winterton (Macclesfield) (Con): Does the Minister share my concern and unhappiness about the fact that several efficient long-standing milk producers in my constituency have gone out of dairy production? Is he worried that the dairy trade and the superstores exercise too much influence? They make huge profits while dairy farmers, who manage the land that is so important to this country, are forced out of business by the price that they receive.

Mr. Bradshaw: I agree that it is worrying when efficient dairy farmers go out of business. Many may choose to do that for commercial or other reasons. However, farm-gate milk is at its highest level since October 2001 and there is also the dairy premium. It is important to consider all the issues, including the role of supermarkets, which, as the hon. Gentleman knows, is constantly reviewed by the independent competition authorities.

Mr. Brian Jenkins (Tamworth) (Lab): We all recognise the problem with the milk industry. It is not on the farmers' but the purchasers' side. We have an oligopoly in Britain, with large supermarkets exercising their purchasing power. Does my hon. Friend feel frustrated that while the Department is trying to knit together deals with farmers and supermarkets, other Departments are considering ideas to strengthen the position of supermarkets by extending the hours and taking out further competition?

Mr. Bradshaw: If the issue to which my hon. Friend refers is the suggestion that Sunday opening hours may be extended, he has an ally in me as a member of the Union of Shop, Distributive and Allied Workers. I have already dealt with the question about milk in my reply to the hon. Member for Macclesfield (Sir Nicholas Winterton). The independent competition authorities constantly review the role of the supermarkets.

Dr. William McCrea (South Antrim) (DUP): The Minister says that the Department will not get involved in determining the price of milk, yet in Northern Ireland, at the most recent auction of United Dairy Farmers, which is the largest processor, it fell by more

than 10 per cent. We believe that that happened as a result of the recent common agricultural policy reforms. Does the Minister believe that there will be a viable milk industry in the United Kingdom if the Government succeed in achieving another major reform of CAP?

Mr. Bradshaw: Yes, I do. Those who know our dairy industry and our climate all recognise that the United Kingdom, including Northern Ireland and my part of the world, is extremely well suited to dairy farming. We could do extremely well if the common agricultural policy were reformed even further, as our dairy farmers would flourish.

Mr. Michael Foster (Worcester) (Lab): Further to the point made by the hon. Member for Macclesfield (Sir Nicholas Winterton), the retail price of a litre of milk in 1996 was 63p. In 2004, it was 62p—a fall of 1p. But the price that farmers are paid for a litre of milk has fallen by 7p over that same period. Somebody else is making 6p a litre more, and I think that we know who that is likely to be. May I urge my hon. Friend to use his good offices to introduce a more co-operative approach between the retailers and the dairy farmers, before irreparable damage is done to the dairy industry?

Mr. Bradshaw: I can assure my hon. Friend that we will do that. My noble Friend Lord Bach and the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for South Dorset (Jim Knight), are meeting fellow Ministers in the Department of Trade and Industry shortly to discuss the supermarket code of practice and competition matters affecting the dairy sector.

Bill Wiggin (Leominster) (Con): We have heard about the parlous state of dairy farming from hon. Members on both sides of the House. According to the statement today, the costs to dairy farmers are going to increase further because of the cost of the pre-movement test. Why will the Minister not insist that vets should not charge farmers more than they charge DEFRA for those tests?

Mr. Bradshaw: If the Conservatives are suggesting that there should not be a fair balance of costs between the taxpayer and the industry, that is very interesting. We think that it is right that if the Government are introducing measures that will benefit the dairy industry through reducing the levels of bovine tuberculosis, the costs should at least be fairly shared.

Landfill Waste

6. **Tim Loughton** (East Worthing and Shoreham) (Con): How much waste went to landfill in 2004–05. [37694]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw): An estimated 81 million tonnes of waste was sent to landfill in England in the last year for which we have figures. That is 45 per cent. of the waste stream, compared with 50 per cent. in 1998–99.

Tim Loughton: We are running out of landfill sites, and the Minister will be aware that some 90 per cent. of household electrical goods are dumped into landfill. The future is unclear because of the complete Horlicks that the Government are making over the waste electrical and electronic equipment directive. In the meantime, however, charitable organisations such as the GreenHouse project in Worthing, of which I am a patron, are doing great work to promote the reuse of electrical goods and household furniture, which is restored and sold on at a discount to families on benefits to help them to kit out their homes. These are fantastic projects. What is the Minister doing to promote that kind of innovative reuse?

Mr. Bradshaw: I am very interested in the project to which the hon. Gentleman refers. He is welcome to write to me about it, because it is the kind of project that the Government are doing a great deal to support. We have an excellent record on recycling, compared with the miserable record that we inherited from the previous Conservative Government. We have trebled the rate of recycling in eight years. His question about the WEEE directive needs to be referred to my colleagues at the DTI.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Does my hon. Friend agree that we still have far too heavy a dependence on landfill in this country? Is he aware that a European framework agreement that is expected to be finished early in the new year states that no European nation will have any landfill after 2010? We could not possibly meet that target. Representatives of the industry are universally saying that they have not been consulted on this matter or called in to talk to the Minister's Department. Is it not time that the Department got moving?

Mr. Bradshaw: No, I do not accept that. My hon. Friend is talking about something that is not a legally binding directive; it is a discussion document. Our landfill targets are certainly challenging, and we will have to do a lot better than we are at the moment if we are to meet them. However, I would point out to my hon. Friend that we are not doing badly. As I said, we have trebled our recycling rates in the past eight years. We are also reviewing our waste strategy to see whether we need to set even more ambitious targets. However, we are improving from a very low base. We had the worst record in Europe on landfill under the previous Conservative Government.

Mr. Dan Rogerson (North Cornwall) (LD): Given that one of the significant waste streams that could be diverted from landfill is organic matter, when will the Government define when compost ceases to be waste and can be classified as a product? The lack of that qualification is hampering the development of markets for the output of sustainable waste management.

Mr. Bradshaw: The hon. Gentleman makes an important point. He will be aware that this matter is being discussed at European level. However, that does not mean that we should take our foot off the accelerator in regard to composting. Composting rates in this country are showing encouraging increases, as are our recycling rates.

Dr. Alan Whitehead (Southampton, Test) (Lab): I am sure that my hon. Friend, like me, will welcome the increase in the landfill levy escalator that will take place next year. Is his Department considering ways in which a fraction of the percentage increase in that escalator could be returned to business for the purpose of recycling and reuse of materials, as has already been done this year?

Mr. Bradshaw: My hon. Friend will be aware that the landfill tax escalator is not intended only to incentivise local authorities to divert waste away from landfill, in which it has been successful, but to recycle the money raised through schemes such as the Waste and Resources Action Programme. That scheme advises business and helps local authorities to increase their recycling and waste minimisation and to improve and find better markets for recycled goods, as certain materials pose a number of challenges.

Mr. Andrew Turner (Isle of Wight) (Con): The Minister and the Environment Agency followed up effectively my question to the Prime Minister about the designation of pet cemeteries as landfill. I know that the Environment Agency has recommended that his Department adopt a new position. When will he make a decision on that recommendation?

Mr. Bradshaw: I am pleased that the hon. Gentleman was happy with the response elicited by his question. My understanding was that we had already made a decision in principle, along lines that would have met his wishes, and that the matter was now resting with the Environment Agency. I pledge to check up on that and I will write to him about it.

Climate Change

7. **Ben Chapman** (Wirral, South) (Lab): If she will make a statement on the role of developing countries in the Montreal climate change talks. [37695]

The Minister for Climate Change and the Environment (Mr. Elliot Morley): The developing countries played a positive role in the Montreal climate change talks. They supported a process that will consider further commitments of developed countries under the Kyoto protocol as well as dialogue among all parties on long-term co-operative action to address climate change by enhancing implementation of the United Nations framework convention on climate change.

Ben Chapman: Will my hon. Friend join me in welcoming the fact that China, despite being driven by the need to cater economically for its growing 1.3 billion population, has been a key supporter of the Kyoto process, and that, as the world's second largest producer of greenhouse gases, it will, along with other developing countries, play a key role in future climate change talks?

Mr. Morley: Yes, I agree with my hon. Friend. I found the atmosphere at Montreal, in relation to the views and co-operation of developing countries, much better than at Buenos Aires last year. One reason for that was the successful Gleneagles process involving China and India. The Gleneagles dialogue, which came out of that process, with the first meeting on 1 November, helped to build confidence and pave the way for the successful outcome in Montreal. China played a positive role in that, as did other major emerging economies.

Mr. Michael Jack (Fylde) (Con): Welcome as the Minister's comments about the new co-operative atmosphere with China are, China builds each year the equivalent of the United Kingdom's entire power output, predominantly using coal. What has China committed itself specifically to do to engage in the process of reducing greenhouse gas emissions, along with India? How will the Government persuade the United States to participate fully in that whole programme? Without that, China and India will carry on saying comfortable things but not contributing positively to reducing greenhouse gas emissions.

Mr. Morley: It is true that China and India are not annexe 1 countries and are not therefore obliged to take targets. It is also true that what the United States does has an influence on all countries. I do not dispute that. China is engaging positively, however. In the EU-China summit, we agreed co-operation with China for a near-zero coal-burning power station as a demonstration project to develop that technology. China is moving ahead on a range of technologies, including renewables, as is India, and both those countries are keen to engage in the clean development mechanism, which also transfers technology and investment from developed countries to developing counties. All those framework issues were agreed at Montreal.

As far as the United States is concerned, what struck me at Montreal was that a number of American companies, American organisations, American states, American mayors and, not least, a former American President attended to say that their Government should do more. I am sure that that bottom-up pressure will have an effect on the attitude of the Administration in due course.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): My hon. Friend may be aware of a report produced recently by the all-party group on the Niger delta. According to the report, the development of that part of the world has been held back by absolute corruption at every level of government. Will he read the report, especially the part dealing with the role of oil companies, which are using gas flares, destroying the environment and choking to death the poor people in the community surrounding the oilfields?

Mr. Morley: My hon. Friend is clearly very knowledgeable about such matters and I have a great deal of sympathy with what he has said, which goes well beyond the climate change conventions.

The oil companies are drawing up agreements on reducing gas flaring and taking action. I hope that we shall soon see a range of improvements in environmental quality and an engagement in social issues in all parts of the world including the region mentioned by my hon. Friend.

Gregory Barker (Bexhill and Battle) (Con): Developing countries stand to be among the hardest and first hit by climate change. In combating climate change,

it is essential that we are not seen, particularly in the poorest developing countries, as a brake on their drive for greater prosperity. While much progress is needed on a number of fronts, does the Minister agree that improving the efficiency of the energy sector in the developing world, especially electricity supply, is an important way of cutting the growth in emissions without hindering economic advance? What are the Government doing internationally to promote carbon reduction through energy efficiency?

Mr. Morley: I welcome the hon. Gentleman to his new position and look forward to debating with him.

Energy efficiency is a key issue in the developing countries. One of the main ways of achieving it is the application of the clean development mechanism. Under the leadership of my right hon. Friend the Secretary of State, the European Union has pledged significant sums to the board of the clean development mechanism to be invested in clean energy, energy efficiency and similar programmes. The Gleneagles conference itself was carbon-offset by the Government, and the offset funds have been invested in a clean development mechanism in Cape Town.

Sea Walls

8. **Mr. Mark Francois** (Rayleigh) (Con): What representations she has received on guidance to farmers on the maintenance of sea walls; and if she will make a statement. [37696]

The Minister for Climate Change and the Environment (Mr. Elliot Morley): We have received representations from the hon. Gentleman and others about the need for guidance for landowners who wish to maintain sea walls at their own expense on, for instance, the implications of the habitats regulations. The Environment Agency expects to consult on such guidance shortly, and will report on progress at the end of January.

Mr. Francois: I genuinely thank the Minister for his reply. He is aware from our previous discussions that farmers are being caught by the habitats directive, although I do not think that that was intended to happen when it was produced. I am pleased that there is to be consultation and that we can hope for an answer by the end of January, but can he give us an idea of when he thinks the guidelines themselves will be produced?

Mr. Morley: According to the latest information from the Environment Agency, it will produce them as soon as possible. I shall be happy to obtain a more precise date and write to the hon. Gentleman, because I am aware of his interest.

As the hon. Gentleman will know from our discussions, balancing national expenditure and investment, environmental issues and the need for long-term sustainable flood defences is a complicated process. We are trying to get the balance right, as outlined in the policy document "Making space for water", but I am more than ready to take account of the representations that he has made on behalf of his constituents.

Common Agricultural Policy

9. **Mr. David S. Borrow** (South Ribble) (Lab): If she will make a statement on reform of the common agricultural policy. [37697]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Jim Knight): We secured major improvements to the CAP in 2003 and 2004 and again last month, on the sugar regime. In the EU budget discussions, we are pressing for further fundamental reform, and my right hon. Friend the Secretary of State is in Hong Kong this week working for agreement on the liberalisation of agricultural trade.

Mr. Borrow: May I refer my hon. Friend specifically to the current discussions in Hong Kong? Does he share my concern about the fact that, whereas we in the House of Commons face considerable pressure from civil society to reform agriculture policy by reducing subsidies and removing trade barriers, there seems to be no such pressure on politicians in France?

Jim Knight: I cannot disagree with my hon. Friend. We are working for a successful outcome to the World Trade Organisation negotiations this week, which could bring significant benefits to developing countries, cut consumer costs and lead to wider economic benefits for Europe. Given the Secretary of State's negotiating triumph on CAP reform in 2003, her triumph on REACH—registration, evaluation and authorisation of chemicals—and on sugar during the UK presidency and her most recent triumph in Montreal at the UN climate change conference, I cannot think of a better person to lead those difficult negotiations than her.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): Given efforts to reform the common agricultural policy, will the Department, with the same political capital, consider reform or abolition of the common fisheries policy?

Jim Knight: We do not see any merit in the abolition of the CAP, which is important in ensuring a level playing field for our farmers. Without it, they would undoubtedly suffer competitive disadvantage.

Michael Connarty (Linlithgow and East Falkirk) (Lab): The symbol of the Scottish National party is a fish rather than anything else. That is all there is.

On the question of the CAP, should not the Government take some of the blame? In 2002, they signed up to a modification to the CAP that did away with the link to production. It still costs a vast amount of the EU budget. We trapped ourselves into that position because we wanted enlargement. Now we are trapped in there to 2013. Anything positive that we can do should not be done on the basis of nationalistic arguments, but by convincing all the 25 countries that there should be a substantial modification to the principles of the common agricultural policy in Europe.

Jim Knight: A great deal has been done. The reforms of 2003–04 break the link between the bulk of subsidy and production and make subsidy dependent on meeting environmental, animal health and welfare

standards. It is hugely significant that we managed to break that link, making the CAP significantly less trade distorting and less environmentally damaging. Clearly, there is much more that we need to do. That is why the UK is at the forefront of those calling for reform, which will help farmers become more competitive, benefit taxpayers and consumers, improve the environment and increase opportunities for developing countries.

Mr. Roger Williams (Brecon and Radnorshire) (LD): I am sure that the Minister agrees that the recent reform of the CAP has eliminated the financial incentives for farmers to engage in food production. Before he embarks on any further reform, will he make some assessment of food security in this country, because I can assure him that a hungry nation will not be a happy nation?

Jim Knight: I caution the hon. Gentleman about saying that we have removed the incentives for food production. What we have done is made it easier for farmers to grow to the market rather than to grow to subsidy. That is the importance of the reforms of 2003–04. Food security is important as we obviously need to ensure that people have enough food on their tables, but in the globalised world in which we live, I have every confidence that the current regime is sufficient to meet and indeed go beyond those food needs. For all the reasons that I have stated, further reform remains important.

Mr. James Paice (South-East Cambridgeshire) (Con): Two weeks ago, the Government published "A Vision for the Common Agricultural Policy", which suggested that future support should be concentrated on pillar two payments for environmental benefits and rural development. My party wholly supports that principle. Last week, however, the Government's proposals for the EU budget included cutting £40 million from pillar two. Why?

Jim Knight: It is important to achieve a negotiated settlement on the future financing of the EU for the benefit of all member states and all their residents, but we are committed to sustaining the level of payments within pillar two. That is why voluntary modulation is part of our present position, ensuring that we can move money across from pillar one to pillar two to sustain the important work that I am glad the hon. Gentleman agrees should be continued.

Climate Change

10. **Joan Ruddock** (Lewisham, Deptford) (Lab): If she will make a statement on the outcomes of the climate change talks in Montreal. [37701]

The Minister for Climate Change and the Environment (Mr. Elliot Morley): The outcomes of the conference in Montreal are hugely significant. The Kyoto parties agreed to launch a process for agreeing new greenhouse gas targets beyond 2012 and all parties agreed to review the framework convention with a view to ensuring a truly global effort to tackle climate change. The Kyoto protocol was strengthened with the adoption of the Marrakesh accords compliance mechanism and greater support for the Kyoto mechanisms.

Joan Ruddock: May I add my congratulations to the Secretary of State on her skill and leadership in negotiating in Montreal and on the very successful outcome? My hon. Friend the Minister heard today of the 50 dirty coal power stations being built in China per annum. Does he agree that one EU demonstration plant for clean coal technology is insufficient in the light of those emissions? Does he have any plans for bilateral technology exchange with China and will he look to the Export Credits Guarantee Department to see what help can be given to UK industry, which is now a leader in this field?

Mr. Morley: It is certainly true, given China's energy demands, that one clean coal plant is not enough, so I entirely accept my hon. Friend's point. We are co-operating with the Chinese on a range of issues—biomass, waste collection and renewable energies, for example—and other European countries also have co-operation programmes with China. There is no doubt that, although China wants to combat poverty through economic growth, which we can all understand, it recognises the great implications of climate change in terms of air quality, water shortage and floods. Those issues are as important to the Chinese Government as they are to all Governments throughout the world, which is why we believe that such co-operation will be extended and that China is serious about tackling climate change.

Mark Pritchard (The Wrekin) (Con): On climate change, does the Minister agree with his noble Friend Lord Sainsbury, who suggested that new nuclear is now the new green energy?

Mr. Morley: The hon. Gentleman should ask Zac Goldsmith, who is a member of his own party's working group, whether he agrees with that. The Prime Minister has announced an energy review, which is the responsible and sensible way forward. We need to look at this country's long-term energy demands and at energy efficiency, the range of energy mixes and the costs associated with the various energy generation options. The review will answer some of those questions.

Mr. David Chaytor (Bury, North) (Lab): My hon. Friend will know that some of the biggest challenges that lie ahead relate to constraining emissions in the transport sector. What are the prospects of achieving all-party consensus on the greater use of environmental taxation as a means of reducing transport emissions? Does he think that the basis exists for a consensus on a more progressive form of taxation to deal with gas-guzzling 4x4 vehicles, which would be hugely popular with the 95 per cent. of the population who do not drive 4x4s?

Mr. Morley: It is not just 4x4s that guzzle gas. Other models also do so, but I understand my hon. Friend's point. If we are going to have a consensus—there are good arguments for having one—there are some difficult issues that we have to address. For example, with rising

world fuel prices and with some people taking to the streets and putting up blockades, we need to argue the case for achieving the right balance of environmental taxation to reflect the environmental impact of road transport, rather than trying to get a few populist headlines by talking about cutting fuel duty, given the chance to do so. The opportunity exists for all parties to address these issues, including differential rates of taxation, in a mature and sensible way. I look forward to that debate.

Recyclable Waste

11. **Andrew Rosindell** (Romford) (Con): If she will make a statement on the shipment abroad of recyclable waste collected in England by local councils. [37702]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw): There is nothing wrong with the export of recyclable waste, provided that the strict rules applying to this trade are adhered to. The growing international market for recyclables helps to boost recycling in Britain and the more sustainable use of the world's resources.

Andrew Rosindell: The Minister will be aware that, according to the Environment Agency, half the 8 million tonnes of green bin material thrown away in the UK is sent overseas, often to third-world countries that have great difficulty in managing their own waste. How does he intend to reassure people in this country that it is worth continuing recycling if we cannot even cope with the situation here?

Mr. Bradshaw: It is not the case that we cannot cope. As I said, there is a legitimate trade in recyclable materials and in the growing economies of China and India, in particular, there is huge demand for paper and plastic. We should welcome that, as it means that trees are not being cut down instead, but very strict rules apply to the export of such material. They are important, and the Environment Agency has an enforcement role: it has already taken out prosecutions and is investigating a number of other cases. It is important to reassure householders so that they continue to recycle. They are doing much better than they have ever done, but need to do a lot better yet, safe in the knowledge that the vast majority of what they put aside is genuinely recycled in a sustainable way.

Dr. Vincent Cable (Twickenham) (LD): Large amounts of recyclable waste are not being recycled, but is not one reason for that the fact that the system of Government targets encourages councils to collect small amounts of such waste from large numbers of households? In contrast, a great deal of trade waste—from florists, or paper from offices, for example—is not being collected and does not count against the targets.

Mr. Bradshaw: It does not count against certain targets, but the hon. Gentleman will know that we are doing better on recycling business and commercial waste than on recycling domestic waste. The Government will look carefully at all those matters in the waste review that we intend to begin early in the new year, with the aim of developing a new waste strategy by next summer. He is right that there are a number of what some people might call perverse incentives in the system and we hope to tackle them in the review.

Colchester Oysters

12. **Bob Russell** (Colchester) (LD): When she expects an announcement to be made on the application to give protected geographical indication status to the Colchester oyster. [37703]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Jim Knight): It is difficult to predict when a final decision on the application to give protected geographical indication status to the Colchester oyster will be made. The application is at an early stage and there are several more steps to go through before the European Commission can take a decision on the application.

Bob Russell: I am grateful to the Minister for the progress that is being made and urge him to keep the pressure on. He will be aware that oysters from Colchester were shipped to the eateries of Rome a good 2,000 years before the treaty of Rome.

Jim Knight: I am certainly aware of the excellence of the Colchester oyster. I am sure that the whole House will celebrate Christmas with top-quality British food, of which Colchester oysters are a fine example. I am sure that the hon. Gentleman's great strength in advocating his constituency is informed by his consumption of Colchester oysters.

Farming (Government Support)

13. **Mr. Edward Leigh** (Gainsborough) (Con): What steps she is taking to target Government support for farm businesses at family-run small and medium-sized farms. [37704]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Jim Knight): The Government's sustainable farming and food strategy aims to create a framework that will encourage all farmers to improve their business performance while managing their land and natural resources in a sustainable way, and to contribute to strong, healthy communities by producing safe, quality food that consumers want to eat. Within that framework, support is provided to help farm businesses of all sizes adapt to the opportunities and challenges of the future.

Mr. Leigh: I was going to ask about the recommendation from the Public Accounts Committee in favour of a farm advisory service, but does the Minister agree that that would be a mere palliative for the crisis facing our smaller farmers? Is it not absurd that one absentee landlord in my constituency, who allows people no access to his land, receives £2 million a year from taxpayers, while other small family concerns that have farmed 100 or 200 acres in my area for generations are in dire poverty? What is he doing to argue the case for shifting subsidies away from production and acreage and towards incomes—for instance, through a working farmer tax credit?

Jim Knight: We are ensuring that the farming industry becomes productive and competitive, and that means that we do not want to differentiate between the size of farms, as we need to reward those who are growing properly for the market. That said, we are considering the next round of the England rural development programme, which will include measures to support the farmers to whom the hon. Gentleman referred, along with many others.

Recycling

15. **Mr. Jim Cunningham** (Coventry, South) (Lab): What plans her Department has for increasing the range of materials collected for, and improving the efficiency of, recycling. [37706]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw): We provide significant help to local authorities' recycling through the Waste and Resources Action Programme. In addition, the Household Waste Recycling Act 2003 requires waste collection authorities to provide kerbside collection of at least two recyclable materials by 2010.

Mr. Jim Cunningham: How is my hon. Friend assisting local authorities to dispose of certain items, especially electrical items such as refrigerators? There are many dumps around the country, but there does not seem to be any movement towards getting rid of them.

Mr. Bradshaw: Significant grants are available through the programmes to which I referred in my answer to help local authorities both develop facilities for recycling and receiving such electrical waste and provide a collection service. Some charge a small fee. That is better than people being tempted either to fly-tip or to use rogue operators to fly-tip, for which they are now liable to significant fines under the Clean Neighbourhoods and Environment Act 2005.

Dog Training Collars

16. **Tony Baldry** (Banbury) (Con): What discussions she has had with the Kennel Club in the context of the Animal Welfare Bill on the use of electric shock training collars on dogs. [37707]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw): I met the Kennel Club in the summer to discuss the issue of electric shock training collars in the context of the Animal Welfare Bill.

Tony Baldry: I am sure that the Minister will have heard from the Kennel Club, representing responsible breeders, that there is no justification at any time for electric shock training collars. We will have before us the Animal Welfare Bill in the new year. Can he give a simple commitment that this form of cruelty of electric shock training collars for dogs will be abolished?

Mr. Bradshaw: I am afraid that I cannot give the hon. Gentleman that commitment. Some contest the claims made against such training collars. Some trainers and individual owners say, for example, that they have used such a collar once and it has prevented their dog from chasing sheep and they have never had to use it again, so they have helped themselves and farmers. There is a debate to be had. We have committed the Government to conducting some research because I am not in favour of banning things unless there is good evidence for so doing.

Bovine Tuberculosis

11.31 am

Mr. James Paice (South-East Cambridgeshire) (Con) (*Urgent Question*): I am grateful to you, Mr. Speaker, for allowing me to ask an urgent question, of which I have given notice. Will the Secretary of State for the Environment, Food and Rural Affairs make a statement on the conclusions of the independent study group on the triplet studies of bovine tuberculosis and what action she proposes to take?

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw): This morning the Government announced new measures to tackle bovine tuberculosis. At 9.30 am, a written statement was published. These measures include a 12-week public consultation on the control of badgers to reduce the disease in high incidence areas, the introduction of a requirement for the pre-movement testing of cattle to reduce cattle-to-cattle spread, and changes to the compensation arrangements that will bring payments for bovine TB into line with those for three other cattle diseases. Copies of all the relevant documents have been placed in the Libraries of both Houses and are available on the Department for the Environment, Food and Rural Affairs website.

Mr. Paice: I am grateful to the Minister for his reply and earlier conversation with me.

This year roughly eight times as many cattle will be slaughtered as in 1997 from reactions to TB tests. Herd incidence is rising at 20 per cent. a year. The whole farming world believes that the Government have spent the past eight years putting off what we all recognise is a difficult decision. However, I welcome the introduction of pre-movement testing, for which we have been calling. I ask the Minister to reflect again on the answer that he gave to my hon. Friend the Member for Leominster (Bill Wiggin). I do not think that he fully appreciated the question that was being asked.

Can the Minister tell us whether there will be a regional basis for pre-movement testing or does it apply automatically across the whole country? Will he publish the proposed table for compensation under the new arrangements? Will there be an opportunity for farmers to appeal against whatever is allocated to them?

I welcome the extension of gamma interferon tests, but why do the Government persist in their own little world of trials of testing systems? Is it not clear from other countries that gamma interferon and polymerase chain reaction can significantly improve test results and reduce the culling of unhealthy cattle, and can indicate whether badgers in a particular sett are carrying TB? It is worth emphasising that badgers suffer mercilessly from TB.

Why have the Government not published specific proposals for badger culling? Is it not clear that the low level of trapping in the triplet studies, down to 30 per cent. in some areas, has caused massive disturbance, making badgers move into adjoining areas, thus spreading the disease rather than controlling it? Does the Minister agree, therefore, that only by efficient and humane culling of whole family groups can we be certain of removing infected animals?

We agree that strict cattle controls and better testing are necessary, but alone they will not work. I believe that the Minister will have general cross-party support for a badger culling programme. Such a decision is clearly distressing and unwelcome, but it is inevitable and the further delay for another consultation is unnecessary. We do not wish, however, to create a badger-free zone, so will the Government develop a plan so that badgers from clean areas can be reintroduced once the infection has disappeared? Then we can have what we all desire: healthy cattle and healthy wildlife.

Mr. Bradshaw: I am grateful to the hon. Gentleman for his comments and questions. He is right to stress that this is a health and welfare issue for badgers as much as for cattle. It is not quite fair of him to say that the Government have been putting off a decision for six years. After all, the Government initiated the Krebs trials. No previous trials had been conducted by Governments to get to the bottom of the role played by badgers and, indeed, the extent of that role. I think that he would be the first to acknowledge that there is still a lot of uncertainty in the science.

Far from putting anything off, we brought this announcement forward to today; a lot of people did not expect the Government to say anything until 2007—a year after the Krebs trials finish. The hon. Gentleman asked why have a delay and a consultation now, but he should accept that it would not be right to jump to conclusions less than 24 hours after we have received the results from the very long-running and important tests. I want hon. Members and other people to have the opportunity to take a careful and, I hope, calm and rational look at not just the results of the Krebs trials, but the experience gained in the Republic of Ireland and elsewhere in the world. The executive summary to the document that we published today states:

"international experience indicates it is not possible to contain and eradicate bovine TB if its background presence in wildlife is left unaddressed."

We go on to say:

"The scientific evidence shows that intensive culling of badgers over large areas can be effective".

The hon. Gentleman is right to highlight the dilemma that is posed by the results that were published last night by the independent scientific group on cattle TB, which showed a significant benefit in terms of the incidence of bovine TB in the area where badgers are culled, but a significant disbenefit in a circle around the periphery. It also showed, however, that the balance of benefit tended to improve with the intensity of culling and with the size of area. It is clear that a number of uncertainties still exist, which is why the Government think it important to have a proper, full and open consultation.

In answer to the hon. Gentleman's question about pre-movement testing, it will not be regional as such, but for the first year at least, there will be a requirement for all cattle moving out of one and two-yearly testing herds. It will depend on the incidence of TB, rather than on an arbitrary regional boundary. Yes, we will publish the tabulation system for compensation, if it has not been published already in the documents before the House.

I am sorry that the hon. Gentleman does not think that I responded to the point made by the hon. Member for Leominster (Bill Wiggin) on pre-movement testing

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and the charges. I did not quite understand it—perhaps someone else may like to put it to me again during this session—but the testing will be a private transaction between a farmer and a vet. Certainly, DEFRA has no intention of profiteering or charging more than would otherwise be charged. Indeed, our objective is to roll out testing by lay testers, which should significantly reduce the cost to farmers.

The hon. Gentleman asked about gamma interferon and PCR. It is important to stress that nothing that we are announcing today means that we can take the foot off the accelerator in terms of the work that is already going on to develop a vaccine both for badgers and for cattle, or to develop a PCR. He is not quite right to suggest that we have already got a reliable PCR test for bovine TB in badger setts. That work will continue, as will the rolling out of the gamma interferon test, which is an important adjunct to, not a replacement for, the skin test.

Mr. Eric Martlew (Carlisle) (Lab): I am grateful to the Minister for announcing that there will be pre-movement testing. I am sure that he is aware that bovine TB was introduced into Cumbria, following the restocking from the west country after the foot and mouth outbreak, because there was no such testing. It is over 10 years since I asked what progress was being made on a vaccine for bovine TB. There seems to have been no progress. Is that because of a lack of resources or a lack of will?

Mr. Bradshaw: It is neither of those things. We announced field trials for vaccines for badgers back in the summer and there is more work to be done to progress the field trials to cattle, too. However much money one throws at such difficult scientific, medical and veterinary issues, I am afraid that one cannot hurry the science. Scientific research on the development of an effective vaccine cannot be speeded up—it takes time. That challenge is faced by not only this country, but other countries that suffer similar TB problems.

Mr. Colin Breed (South-East Cornwall) (LD): I welcome the statement. I think that we can wait another 12 weeks given that we have waited several years for Government action to address what we all accept is a crisis in the countryside regarding bovine TB.

The Minister is apparently ruling out any chance of DEFRA being involved in any control measures for badgers and is leaving it all to the farmers. I suspect that he will tell us that that is because of cost, but if the action was successful, compensation payments would reduce, which would cover some of the cost of any control measures implemented by DEFRA itself. How will he ensure that such control measures are effective if all farmers in a specific area do not propose to participate? Does he perceive that farmers who undertake such control measures might be threatened or intimidated? What is the current state of the Krebs trials? Are they just continuing, or will the results be available before the implementation of any measures that he might introduce after the consultation process?

I support the contention that pre-movement tests will result in pretty significant costs, especially for small farmers. At the minimum, could there be a transitional period so that they would not have to meet the full force of those costs straight away? On the tabulated valuations, I am sure that there will be disputes about the value of specific cattle because of their pedigree and so on. Does the Minister intend to have at least an appeal system so that farmers are not just told, "Sorry, that's what your valuation is."? We need a mechanism whereby farmers can challenge the valuation of compensation.

Mr. Bradshaw: DEFRA is not ruling anything in or anything out, but if the hon. Gentleman reads the document that we have published today, he will note that we suggest three different scenarios for consultation. He is right that none of them gives the state a role in any culling process. It would be carried out by farmers not only for the reason of cost that he suggests, but because of practicality, as well as the capacity of the Government to deliver. Farmers and farming bodies have understood that during conversations that other Ministers and I have held with them. There is a general desire that farmers should have ownership of any policy that is pursued.

On effectiveness and farmer compliance, the hon. Gentleman put his finger on one of the real question marks over how effective a culling policy could be if compliance was not high. The Krebs trials that reported last night showed that the more edges there are, the greater the edge effect. It is better, if possible, to have coherent areas in which culling is intensive and widespread. It is a problem if farmers and landowners in such areas do not want culling to take place on their land because there is no way in which the Government would compel them to cull.

The discussions that we have had with farmers and the industry show that they do not envisage that threats to farmers would be a major problem. On the contrary, they rather think that the scheme would be more effective if it were run by farmers because local farmers could get together to organise any possible cull.

The Krebs trials have not finished yet. Although the culling has finished—the last culling took place about two weeks ago—the independent science group is still evaluating the latest figures. As the group has indicated, we expect that the latest figures will show more benefit than the earlier ones because, as I said, the evidence suggests that the longer repeated culling goes on, the greater the reduction of bovine TB. The data will be provided as they come through during the consultation and, no doubt, afterwards.

On pre-movement testing and costs, I remind the House that the costs to the taxpayer at present are more than £90 million a year. I hope that there is cross-party support for the idea that the taxpayer should not shoulder all the costs and that they should be shared if the Government are doing something that we think will help farmers. In respect of the hon. Gentleman's question about valuations, there is no appeal.

David Taylor (North-West Leicestershire) (Lab/Co-op): Like most Members with rural or part-rural seats, I have regular discussions with my local branch of the National Farmers Union. I am sure that the NFU will welcome the statement made today, as there is a serious risk of the loss of farmer co-operation, which is so

essential if we are to eradicate the disease. I seek the Minister's reassurance on a point made recently to me by the NFU. Is not there at least a theoretical risk to human health? That is starting to concern the NFU, the rural community and all food consumers—all of us in the United Kingdom, in fact—so could my hon. Friend reassure us in that regard?

Mr. Bradshaw: I am grateful to my hon. Friend for his support for today's announcement. He is right: bovine TB is probably our most serious animal health problem. It is devastating for the farmers whom it affects; it is extremely distressing for a farmer to lose some, or in some cases all, of their cattle. It is also a serious health and welfare issue for badgers, but as my hon. Friend rightly says there are potential human health risks—they are not even theoretical—if we do not get the disease under control.

Mr. Michael Jack (Fylde) (Con): Paragraph 58 of the Minister's consultation document on culling states:

"The scientific evidence shows that intensive culling of badgers over large areas can be effective in helping to prevent the spread of bovine TB",

yet paragraph 59 states:

"On the other hand, the scientific data is not available to reliably quantify the beneficial effect."

Given those conflicting statements, will the Minister spell out to the House, against the background of a Department that relies on sound science for its decision-making process, what criteria he will deploy to make the decision at the end of his 12-week consultation period?

Mr. Bradshaw: I refer the right hon. Gentleman to the executive summary. The criteria—this is nothing new—would be that culling was supported by the best available science, and he is right to highlight the fact that there is still a degree of uncertainty about the science. It would have to be successful; we would have to be convinced or satisfied that what we did would be effective, cost-effective, practicable and sustainable.

Paddy Tipping (Sherwood) (Lab): This is a difficult and contentious issue where it is important to make progress quickly, but is not it important to build on consensus? One point of consensus is improved farm biosecurity. Surely that is why pre- and post-movement testing is so important. Is the Minister committed to the maximum scope for pre-movement testing? When will it start and who will carry the costs?

Mr. Bradshaw: Pre-movement testing will begin in February. As my hon. Friend will know it has already begun in Scotland where post-movement testing also takes place. He is right that improved biosecurity is important, although it will not solve the problem completely. One thing that the rationalisation of compensation will help to do is to create more incentive for farmers to improve their biosecurity. If we go ahead with badger culling at the end of the consultation period, we shall ensure that where badger culling is licensed, it is in return for certain standards of biosecurity.

Mr. Geoffrey Cox (Torridge and West Devon) (Con): Does the Minister recognise that there will be profound disappointment in the farming community that the Government have not seized the nettle and taken action? In the light of the consultation, which we understand will take three months, will the Minister guarantee that at the conclusion of that three-month period a decision to act will be taken? Will he tell us who will take the decision—the bovine advisory group, the Government or DEFRA? Will he give us those assurances now?

Mr. Bradshaw: I do not accept that today's important announcement should be greeted with disappointment. No previous Government of either political colour have ever consulted on a significant badger cull in this country. I hope that he accepts and appreciates that, and takes that message back to his farmers. As for the consultation, as I said, we have brought it and the decision forward. My firm view is that the time for decision is nigh. It will be made at the end of the consultation by the Government. Of course, we will listen to the independent TB advisory group, and to the opinions expressed during the consultation. In the end, however, it will be a decision for the Government.

Mr. Stephen O'Brien (Eddisbury) (Con): I am afraid that I must tell the Minister that my constituents will be very disappointed and that their hearts will be heavy at the thought of another three months spent waiting for yet another consultation. In the hot spot of Cheshire, which is on the front line in the spread of bovine TB, particularly around Audlem in my constituency and Market Drayton, which is the constituency of my hon. Friend the Member for North Shropshire (Mr. Paterson), may I suggest that the Minister institute a pilot scheme for culling, as he would do in any other area of Government performance, to help to demonstrate the evidence that he has to weigh up in that 12-week period? Pilot schemes have obviously helped in other areas of Government policy making, and the time is ripe for one to be used in this instance.

Mr. Bradshaw: I am afraid that the hon. Gentleman reveals a lack of knowledge of bovine TB. The Irish trials took three years to achieve results, despite intensive culling using snares over wide areas. A pilot lasting a few weeks in his constituency, as he has suggested, would show absolutely nothing, and would be worse than useless. Let us have the consultation. Incidentally, he is not right that it is yet another consultation, because no such consultation has been held before. There was no consultation on a policy of badger culling under the Conservative Government, so I do not know what he is talking about.

Sir Nicholas Winterton (Macclesfield) (Con): The Minister stated that bovine TB was a serious problem not just for cattle and dairy farmers but for animal welfare and human health. Has he ever seen a badger with TB, and the distress and pain that it suffers before it dies? Can he give us an accurate figure for the amount of money that the problem will cost the taxpayer in compensation to farmers? It is clear to those of us who are concerned about both the dairy industry and animal welfare that culling is the only effective way to rid this country of TB, which is damaging to our dairy herds.

Mr. Bradshaw: I thank the hon. Gentleman for his question. I have certainly seen pictures, films and

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post-mortems of badgers with TB, which is clearly not very nice for them. It is difficult to tell whether or not a live badger has TB, although some people claim to be able to do so. I have seen badgers near my constituency in Devon wandering around during the day, which was not at all usual in my childhood but has become commonplace. As for the cost of TB, as I said earlier, last year, it cost the taxpayer more than £90 million, a good proportion of which was compensation for slaughtered cattle.

Robert Key (Salisbury) (Con): When the Minister considers the question of costs and the lack of an appeal, will he bear in mind the fact that farmers—usually, small farmers—perhaps with closed herds, have lost all their spirit for farming as a result of what has happened to their herds in recent years? He should not forget that we are talking about some of the poorest farmers in the country, who will now be exposed to the full cost of veterinary charges. I beg him to think of the consequences for poor, small farmers.

Mr. Bradshaw: I shall certainly do so, but the hon. Gentleman will recognise that Governments have a responsibility to the taxpayer. Three independent reports have been produced, all of which show that serious overpayment has been made in a significant number of cases. In addition, a higher payment was made for bovine TB than for other cattle diseases, which is why we are introducing the change to the compensation payments.

Dr. William McCrea (South Antrim) (DUP): While it is true that bovine TB is falling in Northern Ireland in contrast with the significant rise in other parts and regions of the United Kingdom, a wildlife cull in hot-spot areas is essential. It is not welfare-friendly to protect TB-infected wildlife, so a cull would surely be good not only for farmers but for wildlife suffering from the disease.

Mr. Bradshaw: It is important to remember that this is a devolved issue, and I am sure that my colleagues responsible for agricultural issues in Northern Ireland will study the consultation documentation as closely as everyone else in the House.

Mr. Owen Paterson (North Shropshire) (Con): It really is incredible, having spent £2 billion not curing TB with current methods, that we should have yet another consultation. To secure agreement on a method of culling, the Government must seek a derogation from the 1979 Berne convention on the conservation of European wildlife and natural habitats. Article 9 allows for derogations, but appendix IV lists a number of prohibited culling methods. How long will it take to secure a derogation, and which methods of culling will the Minister seek?

Mr. Bradshaw: The hon. Gentleman is wrong. This is not yet another consultation—it is the first ever consultation. He is also wrong about the need for a derogation from the Berne convention.

Mr. Roger Williams (Brecon and Radnorshire) (LD): The Minister has already pointed out that if a badger cull is to be effective, it must be intensive and cover a sufficiently large area. May I draw a comparison with the contiguous cull policy on foot and mouth which, although distressing at the time, led to an early elimination of the disease? Will the Minister's attempts to eliminate TB be as strong as his attempts to eliminate foot and mouth?

Mr. Bradshaw: I was not at the Department during the foot and mouth outbreak, but whatever we decide to do on bovine TB, it will require considerable resolve. The hon. Gentleman is right to highlight the fact that the scientific evidence appears to suggest that fiddling around with small-scale localised culling is at best ineffective and at worst probably makes things considerably worse. The stark choice that we may well face after the consultation is to do nothing or to do something quite serious.

Bill Wiggin (Leominster) (Con): I regret that there will not be an appeal system, so will the Minister ensure that valuations of cattle are published and updated on his website so that people know where they stand? I think that he said that the Government will not compel a farmer to cull, so may I have a reply to my letter to the Secretary of State about the appalling bullying of my constituents in Pensax? Finally, he asked for clarification of a question that I asked earlier. If the Department for Environment, Food and Rural Affairs is paying a certain price to vets for the test, will he ensure that vets cannot charge farmers more for the same work?

Mr. Bradshaw: That will be a matter between farmers and their vets, as it is a private transaction, but we hope that in time there will be more lay testers, which will reduce the cost of testing for farmers. As for compelling farmers to participate, I do not recall the connection with the constituency case that he raised, but I shall check and write to him. In the event of a badger cull going ahead, it is not realistic to expect any Government to compel landowners or farmers to cull badgers on their land. However, in some of the worst affected areas, the level of compliance will be high, and we would do what we could to encourage compliance, and I believe that farmers and farm industry representatives would try to do that as well. There should be encouragement and exhortation, but I would stop short of compulsion. Valuations will be updated regularly, and both the valuation regime and the pre-movement testing arrangements will be constantly reviewed.

Bob Spink (Castle Point) (Con): I welcome the statement. Unlike many of my colleagues, I do not think that it is unreasonable to conduct a 12-week consultation after six years. Compliance, however, is a major issue, and it is linked to the financial help that the Government can give small farmers on pre-movement testing. Will he address that issue?

Mr. Bradshaw: No, not at this stage. We would very much like a proper system of farm insurance in this country, as most countries have, whereby farmers pay into a fund which can cover such costs. In the UK we

still have a system that is based almost entirely on the taxpayer. We are trying to move away from that, so what the hon. Gentleman is recommending would be a retrograde step. I hope our announcement today shows farmers that the Government are serious about tackling TB, and I welcome the hon. Gentleman's welcome for the 12-week consultation.

Mr. Philip Hollobone (Kettering) (Con): To identify better the spread of bovine TB, should the Government be doing more to encourage the analysis of badgers that fall victim to road kill?

Mr. Bradshaw: I am not sure. The road-kill testing has not been incredibly helpful to us in identifying areas of high TB, or even the relationship between areas of high TB in badgers and areas of high TB in cattle. It is quite expensive and in all these matters decisions must be made about what is the most effective way of spending taxpayers' money to tackle the disease. Given the announcement that I made today, I am not sure that spending a lot more money on testing road-kill badgers for TB is the most effective way forward.

Business Statement

12 noon

Mrs. Theresa May (Maidenhead) (Con): May I ask the Leader of the House to give the business for next week?

The Leader of the House of Commons (Mr. Geoffrey Hoon): As I previously announced, the business for next week is as follows:

MONDAY 19 DECEMBER—A debate on police restructuring on a motion for the Adjournment of the House.

TUESDAY 20 DECEMBER—Motion on the Christmas recess Adjournment.

The business for the week following the Christmas recess will be:

MONDAY 9 JANUARY—Second Reading of the Government of Wales Bill.

TUESDAY 10 JANUARY—Second Reading of the Animal Welfare Bill.

WEDNESDAY 11 JANUARY—Remaining stages of the Electoral Administration Bill.

THURSDAY 12 JANUARY—Motions relating to the Crossrail Bill, followed by a debate on "Security of Energy Supply" on a motion for the Adjournment of the House.

FRIDAY 13 JANUARY—The House will not be sitting.

The provisional business for the week commencing 16 January will include:

MONDAY 16 JANUARY—Remaining stages of the Equality Bill [*Lords*]

Right hon. and hon. Members will wish to be reminded that the House will meet at 11.30 am on Tuesday 20 December.

I should also like to inform the House that the business in Westminster Hall for 12 January and 19 January will be:

THURSDAY 12 JANUARY—A debate on the report from the Constitutional Affairs Committee on "Family Justice: The Operation of the Family Courts".

THURSDAY 19 JANUARY—A debate on the report from the Home Affairs Committee on antisocial behaviour.

Mrs. May: I am grateful to the Leader of the House for giving the House the opportunity for a debate on the security of energy supply, which my hon. Friend the Member for Epsom and Ewell (Chris Grayling) has been requesting for some time. I trust that I will have the same degree of success with the request that I shall make to the Leader of the House today.

Given the importance of the outcome of the Montreal talks on climate change, which is of long-term significance to us all, and the fact that there has been only limited opportunity to question Ministers through Department for Environment, Food and Rural Affairs questions because there has been no oral statement on the matter, will the Leader of the House guarantee that there will be a debate in Government time on the Montreal agreements on climate change?

[Mrs. May]

I am sure the right hon. Gentleman will not have missed the various reports of recent weeks about the problems in public services. In the health service there are many NHS trusts that are in deficit to a total of many hundreds of millions of pounds. Operations are being cancelled and people's names are being taking off waiting lists. As an example of the problem, the Shrewsbury and Telford Hospital NHS Trust will be cutting 280 jobs, crucially including those of nurses and doctors. We learn today that two thirds of our hospitals do not reach the top standards of cleanliness. In education, we heard yesterday that four out of 10 children come out of primary school without being able to read or write properly. So does the right hon. Gentleman not accept the need for a debate in Government time on the delivery of quality public services when Members can press Ministers on why, with so much extra money going to our public services, the Government are still failing to deliver the quality of services that people need?

Of course, public services are also delivered by local councils. The Audit Commission reports today that four out of five of the top-performing local authorities are Conservative-controlled. I am sure the Leader of the House will want to join me in congratulating the best performing council in the country, Conservative-controlled Wandsworth. At the same time we are told that half of all town halls are wasting council tax payers' money, so will he ensure that there is a debate in which we can discuss how local authorities can best deliver improved public services and how they can learn from the success of Conservative councils?

Finally, in the spirit of Christmas good will, may I say to the Leader of the House that we on the Conservative Benches stand ready to give any help and advice—*[Laughter.]* Wait for it—any help and advice to Labour or Liberal Democrat Members who wish to learn how to run a successful leadership election.

Mr. Hoon: The right hon. Lady referred to the season of good will to all men and, indeed, to all women. I am delighted to welcome her to her new responsibilities as shadow Leader of the House. I always enjoyed my exchanges with her predecessor and I welcome her unreservedly to her new role. No doubt our friends the sketch writers will already be working hard on their Punch and Judy comparisons.

The Government will be delighted to engage in debate and discussion on the outstandingly successful Montreal talks on climate change. I am sure there will be many opportunities for the House to debate that remarkable success, and I am sure all Members of the House will want to pay tribute to the extremely effective negotiating position adopted successfully by my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs, who has gone straight from Montreal to Hong Kong, where no doubt she will continue the Government's record of success in international negotiations. I am delighted that in the spirit of good will and co-operation, the right hon. Lady wants to congratulate members of the Government on achieving such remarkable successes in international negotiations.

I am sorry the right hon. Lady spoiled the sense of good will by making allegations about problems in public services. Possibly the way in which we might have a more rounded debate on the subject is to have a debate comparing the state of Britain's public services today with those in 1997, when we inherited a sorry picture. Let me go through the same list as she gave us—the appalling problems of waiting lists in the national health service, which were resolved by the present Government, and the appalling number of operations cancelled. If she checks the report, she will see that those figures are much reduced. What is remarkable about that reduction is that we are conducting many more operations and cancelling many fewer, a fact which, in the spirit of fairness at this time of year, I hope she will take into account when she next comes to the Dispatch Box.

On cleanliness, the same report refers to the remarkable improvement in cleanliness. I pick out 1997 as a convenient date but these things have improved significantly since that time. The same is true of primary education, the quality of education and the amount of investment provided. The Government have no worries at all about the possibility of debates on public services. Every time we debate health, education, transport, policing—the whole range of public expenditure—the Government have a record of which we can be proud. I only wish that Conservative Members could come to the Dispatch Box and say the same.

In relation to local authorities, the right hon. Lady relied on a rather narrow sample. If she looks a little more widely, she will see that there are more Labour councils improving than Conservative ones. We would all want to ensure that the information set out to the House was accurate.

I mentioned to the House last week that I intended to visit the European Parliament in Strasbourg. Given the decision of the new Leader of the Opposition to pull his Members of the European Parliament out of the European People's party group, I am sure that Conservative Members will be delighted to hear that Alessandra Mussolini's group send their seasonal greetings to them. I hope the right hon. Lady will be receiving a Christmas card from her new potential sister party, described affectionately by a Conservative MEP, Struan Stevenson, as

"a ragbag of fascists and outcasts."

Mr. David Hamilton (Midlothian) (Lab): This morning, a paper reviewing the coal health compensation schemes was laid in the Library. Like many others, I welcome that report, which indicates that between £5 billion and £7 billion will potentially be paid out in compensation to miners' widows and retired miners. However, I am sure that hon. Members will be as angry as me when they read the report and find out that an estimated £1.6 billion will be paid out to solicitors. Will the Leader of the House make time available to debate that issue?

Mr. Hoon: I am grateful to my hon. Friend for raising that important issue, which affects many constituencies across the country—I represent a former coal-mining area. There have been some 580,000 claimants on the lung disease scheme and 170,000 claimants for vibration

white finger. Total costs by 2011 are estimated to be approximately £7 billion, with £4.5 billion paid in compensation. We will study the report carefully, because we have learned lessons in the course of running such huge compensation schemes, and if similar arrangements are required in future, we would obviously seek to implement those lessons.

Mr. David Heath (Somerton and Frome) (LD): May we have a debate on the unlikely subject of Government help to distressed citizens? [HON. MEMBERS: "Charles Kennedy"] Is the Leader of the House aware that since the beginning of 2003, 119 million calls to so-called Government helplines have been missed? That is 126,270 missed calls a day, so about 1,000 calls have been missed since we started business questions. Given that many of those calls come from people who are distressed because the tax credit system is working so badly, can we at least get the phone system working so that those people can make a proper complaint?

May we have a debate on the control of British airspace and airports? Yesterday, the Prime Minister said,

"The idea that we should investigate every time that a United States Government plane flies into this country is completely absurd."—[*Official Report*, 14 December 2005; Vol. 440, c. 1296.]

Many hon. Members expect the Government to know which planes from overseas powers, whether or not they are friendly, are flying into British airspace and the reason why such planes are landing at British airports.

Finally, will the Leader of the House confirm that there will be statements following the European Council and the World Trade Organisation summit? Given that the failure of one is likely to impact on the failure of the other, until we do something effective to reduce the common agricultural policy, there will be a continuing barrier to helping developing countries through the WTO.

Mr. Hoon: I am grateful to the hon. Gentleman for raising the question of distressed citizens, which the Government will examine as a matter of urgency. Although I am not a betting man, in the spirit of my illustrious predecessor, Robin Cook, I shall draw the attention of the House to the odds on the potential Liberal Democrat leadership election: the right hon. and learned Member for North-East Fife (Sir Menzies Campbell) is the bookies' clear favourite to take over at 5:4 on; the hon. Member for Winchester (Mr. Oaten) is not generously priced at 6:4; and the hon. Member for North Southwark and Bermondsey (Simon Hughes) is 11:2. I am sorry to tell the House that despite extensive research I was unable to find a single bookmaker offering odds on the hon. Member for Somerton and Frome (Mr. Heath). In the spirit of Christmas cheer and as a lasting memorial to my predecessor, however, I am prepared to offer odds of around 100:1.

It is important that those in difficulty, particularly at this time of the year, can register their complaints, and it is true that difficulties have occurred from time to time with the arrangements that we have put in place. However, I assure the House that those arrangements were implemented ultimately to ensure that facilities work better and that the Government have not sought deliberately to make the situation worse. Our purpose is to ensure that the system is more effective and efficient.

I do not intend to comment beyond the excellent observations made by my right hon. Friends the Prime Minister and the Foreign Secretary in answer to the question from the leader of the Liberal party. The issues in relation to so-called rendition have been satisfactorily dealt with and set out clearly.

The Government will carefully consider the outcomes of the European Council and the World Trade Organisation summit, and we will report as fully as possible to the House. Hon. Members know that a statement is customarily delivered following European Councils, and I see no reason why we should depart from that practice.

Lynda Waltho (Stourbridge) (Lab): Returning to council performance, will my right hon. Friend consider timetabling a debate on the accountability and responsibility of councils for leisure and recreational facilities? I have recently taken a petition of 15,000 names to No. 10 Downing street protesting against the decision by Tory-run Dudley council to close Brierley Hill swimming baths and leisure centre. The responsibility for leisure and recreational facilities is not taken fully into account in assessing council performance, because if it were, my constituents would not face this awful decision.

Mr. Hoon: My hon. Friend is right to raise that important issue for the communities of Dudley and Stourbridge. The Government set great store by the provision of sporting facilities, and swimming baths provide excellent opportunities for all members of the community to participate in exercise and entertainment. I congratulate my hon. Friend and other hon. Members on the campaign against those particular proposals and wish them every success.

Mr. Christopher Fraser (South-West Norfolk) (Con): Given that British motorists pay a staggering £30 billion a year in road taxation and that Britain invests less in its roads infrastructure than the rest of Europe, will the Leader of the House consider holding an urgent debate on that subject in the new year, because constituencies such as mine suffer as result of the lack of investment, particularly in roads such as the A11, the A14 and the A47?

Mr. Hoon: The hon. Gentleman is right to highlight the important contribution made to general taxation by road users. At the same time, our significant investment in the road network is rather larger than that before 1997. We must maintain that level of investment in an environmentally sensitive and sensible way, and I am sure that my right hon. Friend the Secretary of State for Transport will take into account the hon. Gentleman's remarks.

Mr. Dennis Skinner (Bolsover) (Lab): Will my right hon. Friend have a careful look at the representations made by my hon. Friend the Member for Midlothian (Mr. Hamilton), who referred to the projected settlement of those 580,000 claims? In recent days, the court has decided on a fast-track scheme produced partly by the miners group, which includes my hon. Friend the Member for Midlothian, to get those payments, many of which involve small sums of money,

[Mr. Dennis Skinner]

to elderly miners. The solicitors agreed to forgo their payments, but in court it has been decided that £1,800 will go to the solicitor and an average of £1,400 will go to the miner, which is a scandal. The fast-track scheme was promised on the basis of not spending a great deal of money—for example, medical tribunals are not required. I know that the Department of Trade and Industry will appeal against that judgment, which is an almighty scandal.

Mr. Hoon: I made the position clear in the answer that I gave earlier. My hon. Friend the Member for Bolsover (Mr. Skinner) puts his point with his customary conviction and clarity. We recognise the difficulties that there have been and the costs that have built up. I am not going to comment on a particular legal decision, not least while it is subject to appeal, but I entirely accept that we need to get the balance right between the amount of compensation paid and the legal costs involved.

Peter Bottomley (Worthing, West) (Con): I hope that the Leader of the House will arrange for a debate on the Government's performance, during which it would be possible to point out that 300 constituencies have higher unemployment than they had nine months ago, and that waiting times for hearing tests in hospitals are longer in most places than they were in 1997, ranging between six months and four years.

May I raise a non-partisan point that matters to every local authority in England? Ten days ago, the rate support grant settlement was announced, but local authorities have not had the exemplification of the changes that is usually made available two or three days later. Could they have that detailed information before the House rises? The Office of the Deputy Prime Minister's website says that it is "to follow", but resource directors need it now in order to plan their budgets.

Mr. Hoon: The public have an opportunity to debate the Government's performance every time that there is a general election. I am sorry to have to remind the hon. Gentleman that that debate took place earlier this year, when once again the public overwhelmingly concluded that the Government's performance was rather better than the potential performance that was on offer from the Opposition. As the hon. Gentleman is usually an extremely fair-minded Member of this House, I find it astonishing, if he will forgive me for saying so, that he refers to unemployment. This country went through an horrendous period of unemployment under the last Conservative Government, yet today there is virtually full employment. I hope that he will revert to his more fair-minded approach in future. I might say the same about his comments on waiting list statistics.

The hon. Gentleman raises an important point about the detailed information that local authorities require. I shall ensure that the attention of my right hon. Friend the Deputy Prime Minister is drawn to that so that it can be made available.

Mr. Ronnie Campbell (Blyth Valley) (Lab): Can we have a debate on the fire service? The Government are closing down fire stations in the townships and opening new ones way out of the townships. That is what is happening in my constituency. Only last night there was a big fire in Blyth, where unfortunately someone lost their life, and the fire engine had to be called from another town because of another fire in a factory. The Government seem to be getting away with murder by not debating this issue on the Floor of the House.

Mr. Hoon: My hon. Friend is right to raise what is obviously a very important constituency issue for him. However, let me assure him that decisions on the reorganisation of fire service provision, particularly the location of fire tenders, are taken in the interests of providing the best and most efficient service. That will not change. Indeed, the Government are investing a significant amount of money in new equipment for the fire service. It is important that that equipment is in the right place to provide maximum help to most citizens.

Mr. Peter Robinson (Belfast, East) (DUP): Yesterday, the Prime Minister said that he would look to see how much more information could be put into the public domain concerning the decision of the Director of Public Prosecutions to collapse the case of the Stormont spy ring. Will the Leader of the House indicate when we might have a statement, and will he ensure that it is made in this House at the Dispatch Box so that Members can ask questions?

Mr. Hoon: The hon. Gentleman has been assiduous in raising this issue. He raised it with me last week, he raised it with my right hon. Friend the Prime Minister yesterday, and he raises it again today. The message has not really changed. This is a matter for an independent prosecuting authority. My right hon. Friend the Prime Minister indicated that he will look hard to see what further information can be made available. That will take a little time, but I shall ensure that the information is made available to the House at an appropriate stage.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): My right hon. Friend will be aware of yesterday's statement by the Secretary of State for Defence about the future of the aircraft carrier orders. I am happy to say that that gives recognition and credit to British shipyard workers, men and women alike. Will my right hon. Friend use his good offices to encourage the successful companies, wherever possible and all things being equal, to sub-contract out work with the interests of British workers at heart by awarding contracts to British companies?

Mr. Hoon: My right hon. Friend the Defence Secretary will make a statement to the House in due course, and I am sure that he will deal with these issues in more detail. As I have had a passing acquaintance with such matters over a number of years, I can assure my hon. Friend that it is important that in the construction of those two very large ships—the largest ships that have been produced in the United Kingdom's history—the work should, wherever possible, be made available in the United Kingdom, subject of course to all the appropriate safeguards that are required. This represents an enormous opportunity for British

shipyards. My right hon. Friend made his statement yesterday, and I am sure that further details will be available later today.

Mr. Greg Knight (East Yorkshire) (Con): Is the Leader of the House aware that, according to experts, up to 500 people are killed needlessly each year as a consequence of our maintaining the ridiculous ritual of putting our clocks back every autumn? Could we have a debate on the benefits of extending summertime throughout the year? If, as I suspect, the only objectors are a handful of Scots, should not they be told, "Look, you've got your own Parliament—if you don't like it, go away and give yourselves your own time zone"?

Mr. Hoon: I know that the Conservative party is finally in a phase of modernisation, but I believe that it was once known as the Conservative and Unionist party. I realise that the right hon. Gentleman's observations may somewhat reflect the rather poor performance that the Conservative party has achieved in Scotland in recent years. I suspect that were he standing here he would not make quite the same observations about the important contribution made to the United Kingdom by those from north of the border—would he, Mr. Speaker? Obviously, the whole question of the changing of clocks and alignment with other European countries is one that the Government take very seriously, as they do Scotland.

Mr. Brian Jenkins (Tamworth) (Lab): Will my right hon. Friend find some time in the new year for a debate—possibly led by himself, as the subject covers several Government Departments—on the effects on the social cohesion of our communities of simultaneously reorganising the police service, the fire and rescue service, the ambulance service, primary care trusts, education and local government? Are we adopting the policy that some groups have of continuous revolution and reorganisation, and if so, can we consider its effects?

Mr. Hoon: I recognise that those issues cause concern locally, and I am grateful to my hon. Friend for raising the matter. I am not quite so grateful for his suggestion as to who should lead the debate, but at this time of the year I will take all the presents that I can get. The question of geographical boundaries as regards various public services is important. My hon. Friend is right to mention the various reforms that are taking place. However, the more the boundaries of different public services can be aligned, the more likely it is that we can deliver those services successfully and efficiently. I hope that he recognises that that is an important part of this Government's ambitions.

Sir Nicholas Winterton (Macclesfield) (Con): As the Leader of the House said, this is the season of goodwill. Will he bring a message of goodwill to the work force at BAE Systems in Woodford, part of which lies in my constituency, and arrange for a statement to be made in this House—or in the other House by Lord Drayson, the Minister for Defence Procurement—on the award of the Nimrod MRA4 project? That is long overdue, and the aircraft is much needed by the RAF. Will the Leader of the House please arrange for an early decision? If it could be done before Christmas, I would happy to buy him a drink.

Mr. Hoon: The hon. Gentleman has raised this question with me on several previous occasions, albeit in a different capacity as far as I am concerned. I can certainly arrange for a statement on defence industrial strategy to take place very soon, and I hope that he takes full advantage of that opportunity to raise this important matter.

David Taylor (North-West Leicestershire) (Lab/Co-op): The parliamentary highlight for me yesterday was not Prime Minister's questions, but—as an accountant and someone with strong Scottish antecedents—the publication of the Government expenditure and revenue in Scotland statistics for 2003–04, albeit 21 months after the event. They reveal that public expenditure per head in Scotland is almost £7,350 a year. I rejoice at the growth in the time of our Government. However, the figures are 20 per cent. higher than the average for the United Kingdom and 25 per cent. higher than the average for England, including the east midlands, which has a similar population and is also socially and economically similar to Scotland. When will the Government announce how they intend to bridge the public expenditure gap and deficit between English regions that are similar to Scotland and Scotland? Do not we deserve a debate on Barnett?

Mr. Hoon: I think I am grateful to my hon. Friend for raising the issue. He has demonstrated how accountancy is actually interesting. However, I hope that, when he considers Government distribution of funds, including north of the border, he will take account of the fact that a comparison of population is not the only important factor; geographical considerations must also be taken into account. The Government constantly review the statistics—that is why they are published—to ensure fairness and consistency throughout the country.

Mr. Mike Weir (Angus) (SNP): May we have a debate on the amount of Government money that was wasted on preparing for self-invested personal pension schemes on residential property prior to the Chancellor's welcome U-turn in the Budget?

Mr. Hoon: I am delighted that financial advisers have someone who is prepared to speak on their behalf in the House. Indeed, there now appear to be two people who are willing to do that. I emphasise that decisions about ensuring proper provision for pensions are difficult. My right hon. Friend the Chancellor takes into account the overall financial consequences of the decisions and decides accordingly.

Michael Connarty (Linlithgow and East Falkirk) (Lab): Will my right hon. Friend ask the Department of Trade and Industry to consider closely tips and the minimum wage, as mentioned in early-day motion 1132, which my hon. Friend the Member for Livingston (Mr. Devine) and I tabled and which gathered 115 signatures from hon. Members of all parties?

[That this House views with concern the ongoing situation whereby tips, service charges, gratuities or cover charges in the hospitality industry count towards the minimum wage if paid through the payroll; recognises that many of the two million people who work in the hospitality industry are denied the benefit of the tips which customers

[Michael Connarty]

give under the impression that it will be paid as an additional payment to staff on top of their wages; and calls on the Government to amend Regulation 31 of the National Minimum Wage Regulations 1999 (Statutory Instrument 1999 No 584) to ensure that all tips, service charges, gratuities, or cover charges are paid to staff in addition to their minimum wage regardless of the method of payment used by the place of employment.]

It is clearly an anomaly that we introduced the National Minimum Wage Act 1998 and then allowed regulation 31(1)(e) of the 1999 regulations to provide that tips and gratuities paid through the wage bill be counted towards the minimum wage. It is time that the matter was tackled. I asked the Prime Minister about it yesterday and he said that the Low Pay Commission would consider it. It is a matter of simple legislation to remove the appalling anomaly from people's relationship with the work force and workplace of hospitality workers. If we do that shortly, we will garner the pleasure and commendation of those in the hospitality industry.

Mr. Hoon: My hon. Friend raised that matter with my right hon. Friend the Prime Minister yesterday. My right hon. Friend undertook—I repeat the undertaking—that the Government would consider the matter carefully. I agree that it appears that there could be an improvement in the arrangements for the minimum wage in the sector that my hon. Friend mentioned. I assure him that we are considering the matter carefully.

Danny Alexander (Inverness, Nairn, Badenoch and Strathspey) (LD): The Leader of the House knows the importance that my constituency and businesses in the highlands and islands attach to regular and frequent flights between Gatwick and Heathrow airports and Inverness. The pathetically inadequate guidance that the Department for Transport sneaked out today does nothing to protect that. Will the Leader of the House ensure that the Secretary of State for Transport comes to the House to answer questions or to hold a debate on that important subject rather than hiding behind a written statement?

Mr. Hoon: I can also offer the services of my right hon. Friend the Secretary of State for Scotland. The co-ordination provided to Scotland by a Secretary of State who is responsible for both Scotland and transport is important. As one would expect, he takes seriously the arrangements for Scotland and communication. I am sure that he will be willing to deal with the matter when the hon. Gentleman raises it with him.

Mr. David Chaytor (Bury, North) (Lab): In Iraq today, citizens will vote in their general election and they will not use the first-past-the-post system. In the United Kingdom, the Scottish Parliament, the Welsh Assembly and the Northern Ireland Assembly do not use the first-past-the-post system. In 2007, people who vote in local elections in Scotland will not use that system. We have the unfinished business of the reform of the House of Lords. Whatever the elected element, no one argues for the first-past-the post system. Is not it time that we had a debate in the House on the merit of the respective systems for national and local elections in England?

Mr. Hoon: My hon. Friend regularly asks me questions. It is fair to say that his scientific knowledge exceeds mine and I therefore have to make a stab at an answer. However, I feel on stronger ground on this subject, which has fascinated some hon. Members for a long time. I was once a member of a commission that examined the various arrangements that could be introduced for proportional representation and, if I had an hour or two, I could probably go through them all. However, there is a clear debate to be held about the principle. It goes on and the Government take it seriously.

Adam Afriyie (Windsor) (Con): While Windsor is a relatively affluent constituency, its population is relatively elderly. The complex tax credit and benefit system causes a great deal of stress and anxiety for the elderly, the least well-off and the most vulnerable in our society. One in 10 people suffer from dyslexia or some form of learning disability and one in three will suffer from depression at some point in their lives. May we hold a debate on the tension, stress, anxiety and effect on quality of life of the tax and benefit system because it is tantamount to torture for the most vulnerable in society?

Mr. Hoon: The hon. Gentleman rightly raises an important issue in so far as it affects the elderly in our communities. Perhaps he did not do his view justice when he failed to compare the tension, stress and anxiety to which he referred with that caused by poverty, being unable to afford proper fuel through the winter and having insufficient income to provide for oneself. The Government have made a difference to each matter, whereas those who spoke for the hon. Gentleman on the Conservative Front Bench in the past opposed each change. It is therefore important, when we discuss help for the elderly, that he acknowledges the significant improvements that the Government have made in our time in office.

Bob Spink (Castle Point) (Con): May we have a debate on rail passenger transport to show the importance of increasing capacity on the rail lines? Perhaps in that debate we could consider the disgraceful position whereby the rolling stock removed from the c2c line has still not been returned to it. That scandal means that people in my constituency have to stand on the train for more than 40 minutes every day, which poses safety problems and is inconvenient for them.

Mr. Hoon: I am slightly surprised that the hon. Gentleman is so critical of the rail network. More miles are travelled by train today than at any time since the 1940s and more rail journeys are made than at any time since the 1960s. Our support for rail transport has been remarkably successful in improving the number of passengers who use our transport system. I hope that he will give us credit for that in future.

Mr. Mark Lancaster (North-East Milton Keynes) (Con): The Leader of the House knows of the growing unrest throughout the country about the Government's attempt to impose their sustainable communities plan on our towns and cities. Will he consider a debate on a sensible way forward, whereby the existing population in places such as Milton Keynes can accept or reject the plan through a local referendum?

Mr. Hoon: I must have missed the growing unrest in Nottinghamshire, but I shall certainly look around for people taking to the streets in protest against these proposals. I personally have not had a single letter about the changes. I see no reason why the decisions need to be taken by local referendums. If the hon. Gentleman checks his own party policy, he will find that that practice is not particularly approved of by the Conservative and Unionist party. Nevertheless, he is clearly a spirited member of the Opposition who is not in any way bound by party policy. There will be clear consultation on the proposals, and I am sure that he will have the opportunity to make the views of his constituents known.

Mr. Andrew Mackay (Bracknell) (Con): Returning to the season of good will, we must all try our level best to help and advise those in difficulties. Does the Leader of the House agree that it would be a good idea to have an early debate on decapitation? On the Conservative Benches, my right hon. Friends the Members for Maidenhead (Mrs. May), for West Dorset (Mr. Letwin) and for Haltemprice and Howden (David Davis) could give some excellent advice to the leader of the Liberal Democrat party when he is under attack from the Liberal Democrats.

Mr. Hoon: I was waiting for the punch line, and I am grateful to the right hon. Gentleman for finally delivering it. I said earlier that this is a matter for the Liberal Democrat party, but this is the season of good will and I hope that that is extended to its leader.

Mr. Andrew Tyrie (Chichester) (Con): A few moments ago, the hon. Member for Somerton and Frome (Mr. Heath) asked whether we could have a debate on extraordinary rendition. What we got from the Leader of the House was astonishing complacency. He said that all the questions on that matter had been satisfactorily dealt with. What we are talking about is people being kidnapped around the world and transported to countries that practise torture. Some of those people have subsequently been released, and they have described the horrific torture to which they have been subjected. Condoleezza Rice's assurances on this matter have been shown to be completely hollow by the legal community in the UK. The Foreign Secretary has given assurances that he has been looking at records and cannot find anything. Of course he cannot find anything; the Home Secretary told me in answer to a parliamentary question that records are not kept once a transit has been completed. No wonder there are no records; they are not kept. Surely it is time for the Leader of the House to find Government time for a debate on this issue, on which there is now widespread public disquiet.

Mr. Hoon: I have made it clear, and I repeat, that the Government have set out their position and the United States Secretary of State has set out the position of the United States Administration. The hon. Gentleman should accept those indications as a recognition of the very detailed research that has been undertaken both here and in the United States. He should also accept that neither the United States Government nor this Government accept the idea that people should be transported around the world to be tortured. I hope that he will think again and withdraw that allegation.

Defence Industrial Strategy

12.43 pm

The Secretary of State for Defence (John Reid): With permission, Madam Deputy Speaker, I should like to make a statement about the defence industrial strategy, which I am publishing today and which has been laid before the House.

The men and women of our armed forces play a vital role as a force for good in the world. I know that the whole House—and every complexion of party in the House—is very proud of the work that they do, in dangerous and demanding circumstances, whether in Iraq, Afghanistan, the Balkans or closer to home. We recognise that three elements are required for them to be the best in the world: the intellectual element, involving training, planning and doctrine; the physical element; and the element of morale. All those elements are important. Our armed forces can be this effective only if the Ministry of Defence and industry work as a team to provide them with the best possible tools to do the job, particularly in regard to the second element, the physical component of our fighting power, which involves equipment and capability.

The defence industrial strategy, which we released today, is the product of five months of concerted effort by Ministry of Defence civil servants, the armed forces, other Government Departments, industry and the trade unions. It has at its heart the provision of effective and capable equipment to our armed forces. On a personal note, I should like to pay tribute to Lord Drayson, who has overseen the production of this substantial document.

The House will know that we are in the middle of a substantial transformation, enabled by the sustained growth in the defence budget that has been a feature of each of the spending reviews that have been conducted since the Government came to power. We are procuring a series of major new platforms, including future aircraft carriers—on which I made a written statement to the House yesterday—Type 45 destroyers, new medium-weight armoured fighting vehicles, the A400M, the Typhoon and the joint combat aircraft, among others. This transformation has at its heart the delivery of truly network-enabled capabilities, linking sensors, decision-makers and shooters in a much more integrated way.

We expect these platforms to have very long service lives. The future business for the defence industry in many sectors will therefore be in supporting and upgrading the platforms throughout what we believe will be their long service lives, rapidly and incrementally inserting technology to meet emerging threats, fulfilling new requirements and responding to innovative opportunities. That is what we expect of a large section of industrial effort, rather than immediately moving to the design and manufacture of the next generation.

This will require rationalisation within the defence industry, particularly of over-capacity in production facilities. In some cases, sustaining the skills, technologies and industrial capabilities that we need will be challenging. Change is sometimes challenging and painful, but the one thing that would be much more painful than not changing in a changing world would be to refuse to change, and to find that redundancy and irrelevance had overtaken the product. While we may

[John Reid]

look overseas to meet some requirements, we will need to ensure that we in this country maintain military freedom of action and safeguard our national security. This degree of change and transformation—and the respect for future planning capabilities and the maintenance of our strategic safeguards—implies the need for a comprehensive strategy for how we engage with the industrial base.

The defence industrial strategy, building on the 2002 defence industrial policy, articulates a strategic view of our defence requirements going forward by sector, and the principles that will underpin procurement and industrial decisions in the future. It communicates for the first time to industry and the City those skills, technologies and industrial capabilities that are assessed as being required onshore in the UK in order to sustain the armed forces' ability to operate with an appropriate level of sovereignty. It recognises that this will be possible only if we have a healthy, profitable and internationally competitive industry capable of responding to our requirements.

The defence industrial strategy also investigates how we might with industry address mismatches between planned activity and the work required to sustain desired capabilities. It will give industry and investors a much clearer idea of our priorities, allowing them to plan more assuredly for the future, which will be of benefit to the management, shareholders and workers in industry.

I now turn to the impact of the analysis that we have conducted on specific sectors of the defence industry. In the maritime sector, the Government are investing in the biggest naval shipbuilding programme that the Royal Navy has seen for two generations. The highly capable expeditionary fleet that will result will offer significantly enhanced military capability, well suited to the demands of the 21st century.

However, we need to recognise that the industry is currently fragmented—different companies and facilities undertake submarine build, surface ship build and support, even though the skills required often cross over. We must also face the fact that current levels of work, although huge by comparison with the recent past, will not last for ever. Once we are over the hump of the major reinvestment in new ships in about 10 years' time—that is how far ahead we are looking at the shortest end of our horizon—it will not be affordable to sustain excess industrial capacity in the longer term. That means making plans now so that we can keep the required key skills onshore in the UK.

For submarines, we are committed to maintaining onshore the ability to design, manufacture and support through life all aspects of that capability, which is so important to our national security. Cost growth in the area, however, is a real and persistent problem. We must control cost. To improve productivity, a new structure is required.

As my announcement on the future carrier in a written statement to the House yesterday demonstrates, we need to sustain the ability to design and integrate complex surface ships and to support and maintain them through life. A stable and healthy programme of warships and other complex vessels will continue to be built in the UK, and that will maintain and grow the high-end skills that we need. However, we might look to outsource some lower-end manufacturing offshore. That makes sense, not least in order to avoid the boom-and-bust cycle of sustaining or creating capacity for which there is no medium or long-term demand. That is also a much better arrangement for employees, providing the basis for more security and stability to develop and enhance their skills in long-term structured and secure employment.

In the air sector, the Royal Air Force is in the middle of a substantial re-equipment programme, introducing into service the Eurofighter Typhoon and looking forward to the arrival in the next decade of the joint strike fighter. Both those aircraft will last for at least 30 years. Our current plans do not, therefore, envisage the UK needing to design and build a future generation of manned fast jet aircraft beyond the current projects—that is some 30 years away.

That has unavoidable consequences, in forward planning, for the medium-term shape of the aerospace industry. We need to retain, however, the high-end aerospace engineering and design capability required to support, maintain, operate and upgrade Typhoon and the joint strike fighter through life, so that they are capable of tackling new challenges as they come along and incorporating new technology and improvements to meet those challenges. That is key to operating our aircraft in the manner that we would choose.

The aerospace industry has a critical role to play, and there will be substantial business opportunities for BAE Systems and other companies such as Rolls Royce and SELEX. I am pleased to announce that we have reached an agreement with Rolls Royce to provide future through-life support to the RB199 engine on the RAF's Tornado aircraft.

As the focus shifts from designing and building new manned aircraft towards supporting them through life, industry will have to make that challenging transformation. We are, however, committed—this is enshrined in the defence industrial strategy—to working with industry to manage that transformation with foresight to our mutual advantage. To that end, we intend to enter into negotiations with BAE Systems in the new year with a view to agreeing how best to work together—and with the many other key suppliers in the sector—to ensure that the key skills and capabilities that we need are sustained in a cost-effective manner. That work will be complex and arduous and will necessarily take time. It is essential, however, if we are to maintain stability in a period of transformation.

This is an exciting, high technology industry with a healthy future. I am delighted to announce that we will invest in a significant technology demonstration programme for uninhabited combat aerial vehicles. That will help us to better understand the potential military benefits of uninhabited aerial vehicles—sometimes referred to as unmanned aerial vehicles, I have been instructed to say—including combat versions.

Dr. Julian Lewis (New Forest, East) (Con): Unpersoned.

John Reid: From a sedentary position, the hon. Member for New Forest, East (Dr. Lewis) says

"unpersoned". I think that everyone knows that we are talking about the development of what was previously referred to as a drone—no offence is meant to anyone in the Chamber. *[Laughter.]*

That is a serious investment in unmanned aerial vehicles, which is vital for the future, and it is also essential in assisting the sustainability of the required capabilities to support our new manned aircraft. Again, that involves a period of fairly dramatic transformation, and clarity and forward ability to manage that transition will maximise benefits to industry, the armed forces and, I hope, the taxpayer.

The armoured fighting vehicle fleet remains key to our land forces. Therefore, we must retain a capability to maintain and upgrade both our current and future equipment. We intend to work with BAE Systems Land Systems—the supplier of 95 per cent. of our current inventory—through a partnering agreement that will incentivise it as the systems engineer for the current fleet, contracting for capability provision, and bring advanced land systems technology into the UK. I am pleased to announce the signature today of an agreement articulating the principles under which such partnering will be taken forward.

Looking to the future, we need industry to develop the complex system of systems that will make up the future rapid effect system—FRES. The most likely solution will be a team in which national and international companies co-operate to deliver the FRES platforms, led by a systems integrator based in the UK.

A high concentration of knowledge relating to the existing fleet, but a healthy international competitive environment, also characterises the helicopter industry. As was announced last spring, we are working with AgustaWestland to promote a more open, predictable but demanding partnered relationship, providing better value for money while reducing the company's reliance on our investment to sustain the design engineering skill base. We are also undertaking a detailed capability and value for money assessment of the AgustaWestland future Lynx product, in relation to meeting both our battlefield reconnaissance and surface combatant maritime helicopter requirements. As we have long made clear, however, we will continue to look to the vibrant and competitive global marketplace to satisfy our future helicopter requirements.

The Government have made a major investment over the past 10 years—through such projects as Storm Shadow and Brimstone—in guided weapons. We attach considerable importance to sustaining capabilities for the design of new weapons, including upgrades, and support through life. However, the scale of our investment in that area, which has been massive in the recent past, is likely to reduce by 40 per cent. over the next five years. That is likely to lead to overcapacity and an inevitable requirement for rationalisation. That might require us to temper international competition in the short term. We will need to consider whether there are approaches that we might take, together with our allies, to maintain critical skills while continuing to show a welcoming face to those other companies that have established a UK presence in this field.

In the general munitions sector we regard assured access to ammunition as vital, but that is not to say that each and every component needs to be sourced onshore. Eighty per cent. of our requirements are currently met through a long-term partnering agreement with BAE Systems, the remainder being supplied via competition from a range of suppliers both in the UK and elsewhere.

The command, control, communications, intelligence, reconnaissance, counter-terrorism and chemical, biological and radiological protection sectors—all of which are covered in the defence industrial strategy—are growing markets both here and in the United States. That reflects the growing importance of network-enabled capabilities, as well as the sad reality of the terrorist threat that we face. The UK has a number of very successful, highly innovative companies operating in these areas, whose profitability and dynamism are manifest. We intend to continue to look to the market to sustain our requirements.

Value for money remains the bedrock of our commercial policy. Competition will remain a major element of that, but it will not be used when other tools, such as partnering, would deliver a better outcome, or where it would impinge on our operational sovereignty. The defence industrial strategy does not signal a move in the direction of protectionism. The UK operates the most open defence market in the world, and is at the heart of efforts to encourage other nations, in Europe and further afield, to follow suit.

This is a challenging agenda, requiring real change in the shape of the industrial base. That change will be required in industry, but also in our own practice, and it must involve our sharpness as custodians of taxpayers' money. All that will not be without pain, but only if we collectively face up to the need for change will we be able to provide our servicemen and women with the equipment that they deserve.

Delivering the defence industrial strategy will require sustained effort on both sides, and real leadership on both sides as well. Lord Drayson—who has done so much to produce the strategy—and I are determined to provide that over the coming months, and we look to industry to respond in like fashion. The rewards on offer are substantial. Sustaining the key technologies and capabilities required to maintain the operational edge of our armed forces and preserve national security is first and foremost in our thoughts. We also expect to enhance value for money for the taxpayer through improved acquisition performance, and to achieve better returns, health and sustainability for industry in return for such improved performance. For the nation as a whole, we mean to sustain a high-value, innovative and technology-driven industry that will provide quality skills and quality jobs for the future.

On that basis, I commend the defence industrial strategy to the House.

Dr. Liam Fox (Woodspring) (Con): I am grateful to the Secretary of State for his statement, and for making copies available to the Opposition in advance. As he will appreciate, however, it was a long statement and the document is extremely complex. The House might benefit from more time in which to consider the implications, and from a longer debate at some stage.

The document has been much trailed. It contains a number of points that we welcome, and many that we have called on the Government to adopt in recent years.

[Dr. Liam Fox]

We welcome the new tone of partnership between Government and industry. More than a year ago we called for

"a mature partnership with industry, with both sides working together from a project's inception through to the completion of its service life." —[*Official Report*, 4 November 2004; Vol. 426, c. 488.]

If Ministers have genuinely embraced the idea, the House should welcome that. We also welcome the identification of key capabilities that Ministers consider it essential to retain in the interests of our national sovereignty, although we shall have to study some of the detail.

The Treasury, however, holds the key to much of what is in the document. Has the Treasury agreed to fund the defence industrial strategy fully in the 2007 comprehensive spending review, and what discussions has the Secretary of State had with the Chancellor to that end? If the defence budget is squeezed in the spending round, the document becomes simply a wish list. Implementation is everything.

Has the Treasury made an assessment of the effect of spending on defence-related research and development and equipment on Britain's overall economic competitiveness, and will the Secretary of State make such information available to the House? Where onshore capability is maintained for reasons of strategic assurance, it is vital that value for money is guaranteed, especially when sole sourcing is involved. What measures will be established to ensure that, when the economic forces of competition are absent, taxpayers' money is best protected?

I have a number of specific sectoral questions. The document states:

"In a change to the stated Defence Industrial Policy, there is no absolute sovereign requirement to construct all our warship hulls on shore".

Does the Secretary of State expect to buy hulls from abroad? What assessment have the Government made of the impact on the shipbuilding industry and employment therein?

Individual helicopter programmes have been amalgamated in the overarching future rotorcraft capability process, and the overall budgets have been reduced by £1.4 billion on the basis that the Financial Reporting Council will identify synergies and savings. I think we have all heard that from Departments in the past. The most pressing requirements identified by recent reports from the National Audit Office and the Public Accounts Committee are caused by shortfalls in the helicopter lift capability that is essential to our activity in Iraq, Afghanistan and elsewhere. However, more than two thirds of the £3 billion FRC budget is about to be spent on two programmes, the Merlin Mk1 upgrade and Future Lynx programmes, most of which are unrelated to those requirements. Furthermore, £1.2 billion is scheduled to be spent on purchasing, without competition, 80 Future Lynx helicopters for the Army and Navy.

An Army purchase is required to spread the non-recurring costs, but it is unlikely that such a route would have been followed if operational requirements had been the main driver. That approach seems to be at odds with the avowed aim of the strategy to put the cost-effective acquisition of capability at centre stage. Perhaps the Secretary of State will deal with the apparent discrepancy.

The future aircraft carrier project was unveiled in the strategic defence review in 1998, with the first carrier due to enter service 14 years later in 2012. More than seven years down the line, we still have no firm order placed and no in-service date declared. Yesterday we had what is now described as a two-stage incremental approach to main gate. We will have another long wait before costs and timings are revealed.

Will the Secretary of State confirm that both carriers will miss what the Government used to say were the target in-service dates of 2012 and 2015? Is it not true that the industry expects no first carrier before 2014, and no second carrier before 2016 at the earliest? Where does that leave the existing fleet of three small carriers, one of which has been paid off prematurely while the other two are due for disposal well before the likely in-service dates of their successors? Above all, where does it leave the capability of the Royal Navy, which has already sacrificed so many of its other warships for the sake of the promised future carriers?

The statement made a passing reference to maintaining onshore the ability to design and build submarines, but no mention was made of the all-important issue of replacing the Trident fleet. Making the decision about embracing Trident is a step that the Government embrace about as much as Dracula would embrace a crucifix. Building a new fleet of missile submarines will have a massive impact on our defence industrial plans, and the time scale cannot be less than 12 to 15 years. That is why the Government pledged in the last Parliament to make the decision in this one.

Will the Government now face up to what is a vital issue? Why is the Secretary of State so afraid to do so? Of whom or of which is he more scared, the Chancellor, the Prime Minister in waiting, or the dissent of many of his Back Benchers? When will he begin in earnest the debate about the future of the nuclear deterrent on which people on both sides of the argument are willing, indeed eager, to begin?

Let me assure him in one respect. If the Government take the right decision, they will be able to count on the support of the Conservatives to ensure that the country remains protected indefinitely against nuclear blackmail. The generosity of the Opposition to the Government at this time is unbounded.

Overall, this may be a rather pessimistic strategy document. The argument seems to be that when the current tranche of orders is completed, surplus capacity will have to be dealt with. I wonder what assumptions are made in this assessment of the outlook for British defence exports and what measures the Government could put in place to ensure that some of the surplus capacity is used to expand our defence exports overseas, especially in the aerospace industry.

At first glance, there are a number of positive elements in the strategy document, but there are also a number of anxieties that will be felt across the country. The Secretary of State may be able to address some of them, but the Chancellor remains the key to preventing it from

being a strategy of defence industrial decline. Sovereignty comes at a price; will the Chancellor and the Government be willing to pay it?

John Reid: There are obviously some elements of the hon. Gentleman's contribution that I greatly welcome. I think that the document is important and I have no doubt that we will return to it in the course of our debates. Perhaps, as it is a substantial document, we could chat through the usual channels about how best to handle that.

Secondly, I believe that we should try to achieve as much consensus as possible in respect of the document. I have always taken that view on defence as a whole. Issues of national security should, as far as possible, be resolved on a non-party basis. That is not easy and it does not mean the absence of criticism, but the consensual approach should be welcomed.

I note that the hon. Gentleman offers me the opportunity of going, as they would say in East Kilbride, "mob-handed" to meet the Chancellor with the Conservative party behind me. If I do not immediately accept his offer, I am sure that he will understand why. My old friend the Chancellor has overseen and watched from a distance. If the hon. Gentleman looks at the foreword to the document, he will see that one of the three faces pictured at the top is that of the Chief Secretary to the Treasury—and he is smiling. It can also be seen that the word "no" does not appear anywhere under his signature. As far as I can make out, that is a first.

I can assure the hon. Gentleman that there has been a great deal of cross-Government participation. That is why, sitting alongside me on the Front Bench, is the Minister for Industry and the Regions, my right hon. Friend the Member for Cardiff, South and Penarth (Alun Michael) and—a little further down, but close to us in spirit—my right hon. Friend the Paymaster General, who is also smiling. Clearly, the Government have adopted a united approach on this matter.

More seriously, the hon. Gentleman asked me whether the Chancellor has settled with me on the next three spending rounds. Of course he has not settled all that with me. We should remember that the rounds stretch through to 2015 and beyond, and it is obvious that no responsible Government would make commitments that far in advance. Over the past few years, there has been a real increase in defence spending which, as I am sure that the hon. Gentleman would in all fairness admit, was not always the case under the last Conservative Government. In fact, that period saw a 29 per cent. cut in real terms in defence spending. There is a great deal of unity on the part of the Government and I am glad that there is a great deal of consensus on the general direction of where we are going with our defence industrial strategy.

It is a detailed publication and it is divided into three parts. The first provides a strategic overview; the second an analysis of specific sectors; and the third deals with implementation and how we have achieved implementation thus far. On maritime, the hon. Gentleman was good enough to read out the section that said that there would be no blanket requirement for hulls to be built onshore, but he unfortunately missed out the next part of the sentence, which says that there is a need to maintain a sustainable work load for a viable restructured industry in this country.

Yesterday's announcement that 60 per cent. of the work on the two biggest craft—at 60,000 tonnes—ever to be built by the Navy will be allocated to British shipyards demonstrates clearly that we are trying to maintain a sustainable level of employment and skills, particularly at the high-end sector of the technological development of shipbuilding and refurbishment. We are seeking long-term clarity and attempting to introduce ships at what might be called a regular drumbeat in order to assist the maintenance of skills. If we need a peak capacity at the lower end of production—the sort of craft that would not traditionally be regarded as warships—we reserve the right to go offshore, but yesterday's announcement clearly shows that we intend to maintain a sustainable work load for a viable restructured industry.

The hon. Gentleman asked several detailed questions about aircraft carriers and in-service dates, but he appears to have missed something important from yesterday's announcement. By innovatively involving the companies that are to produce the new carriers—British Aerospace and the rest of the alliance—in the maintenance, updating and refitting of the existing aircraft carriers, we have effectively ensured continuity of capability. That is why the First Sea Lord, the Chief of the Naval Staff, said that yesterday's announcement was the best Christmas present that the Navy could have been given.

On Trident, I have little to add to what I have already said. It is a very important discussion, but we want to take time to reflect on it. With all due respect to the hon. Gentleman, we have clearly said, first, that we will retain the nuclear deterrent. We said that unambiguously six months ago in our manifesto. Secondly, the basis of retention is the assumption that, as long as potential enemies have nuclear weapons, we will retain them. Thirdly, we are not discussing whether to retain Trident, but whether in 15 to 20 years' time we will need something to continue the nuclear deterrent. We have a little more time, therefore, to challenge ourselves and each other on the assumptions and practicalities of the issue. There is no need to take a peremptory decision on that in order to meet the time scale for the defence industrial strategy.

Mr. John Spellar (Warley) (Lab): The Secretary of State said that the UK operates the most open defence market in the world and mentioned efforts to encourage other nations in Europe and further afield to follow suit. No doubt he is often disappointed at their failure in that respect, so to what extent can he frame our policy to ensure reciprocation from others?

Will my right hon. Friend join me in paying tribute to the defence industry, companies, the work force and, indeed, the communities that have given such good service to our forces over so many years? May we have a debate on the effect of the strategy on many of those communities and its impact on our manufacturing base and the Government's wider industrial and regional policy? May we have such a debate early in the new year, so that Members from the affected constituencies can detail the effect on their constituents and attempt to ensure that we have a defence footprint throughout the country, not just in a few southern and eastern counties?

John Reid: Yes, indeed. My right hon. Friend will have noted that yesterday's carrier announcement

[John Reid]

referred not just to Portsmouth and Vosper Thorneycroft, but to Barrow-in-Furness and to Govan, in the constituency of my hon. Friend the Member for Glasgow, South-West (Mr. Davidson). There was a genuine geographical spread among the beneficiaries. Yes, I do pay tribute to the work force and its adaptability, flexibility and willingness to change right across the defence industry. What the document means, I can tell my right hon. Friend, is that we are offering a degree of transparency, information and forward thinking that should give those people a greater degree of stability and security in managing change in a fast-changing world. The trade unions—including John Wall of Amicus and various others—were involved, through the Confederation of Shipbuilding and Engineering Unions. I have written today to those MPs—in all parts of the House—with a particular interest in these sectors, saying that I or the noble Lord Drayson will meet them.

My right hon. Friend also asked what we, probably the most open defence procurers in Europe, are doing to encourage others to follow suit. We are doing three things, the first of which is to illustrate, through the success of our defence industries, that watching the minutes sometimes loses the hours, and that, through a degree of openness and competitiveness, we can develop a healthy industry. Secondly, during our presidency of the European Union we have encouraged our European colleagues to open up a little. Through the European Defence Agency, we have just signed a code of conduct that, although voluntary at this stage, moves matters in the right direction. Thirdly, we are maintaining dialogue with, and pressure on, our friends in the United States Administration—the President, Secretary Rumsfeld and others—with some degree of success. This is proving less successful on the Hill, and we must continue to work on that.

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): I begin by associating myself and my colleagues with the tributes that the Secretary of State paid to our armed forces. This is indeed a very significant statement that will have far-reaching consequences for United Kingdom defence and its supporting industries. As has been acknowledged, we will all need time to study the 140 pages of detail, and I would also welcome the chance of a debate early in the new year on the strategy. But we certainly support the principle of ensuring that our armed forces have appropriate equipment at the right time and at the right cost; sadly, that has not always characterised defence procurement in recent decades.

In giving industry clearer signals about what is essential to national security, how will the Secretary of State ensure proper ongoing public scrutiny of the new partnering arrangements and any other mechanisms, so that we can be confident that we are maintaining competitiveness and value for money at the point of acquisition and throughout the project's life? Given the ongoing problems associated with technology transfer—from the United States, for example—to which he has alluded, how will he ensure that in the non-core sectors, we do not end up being over-dependent on other countries?

John Reid: I thank the hon. Gentleman for his remarks and I hope that the opportunity for such a debate arises. A defence debate is coming up early in the new year and Members may want to make representations about the topic of that debate. I would welcome our building a cross-party consensus on this issue. In a way, I regard the defence industrial strategy as a parallel of the strategic defence review, which I had the honour to oversee in 1997–98. It constituted a thorough review of the operational capabilities, configuration and direction of our armed forces, and I hope that this strategy proves similarly effective. There will be plenty of opportunities for scrutiny by, for example, the National Audit Office and Parliament, and the right hon. Member for North-East Hampshire (Mr. Arbuthnot)—he is with us today—who presides over the Defence Committee, will doubtless take an interest in this issue and in the project itself. The difficulty lies not in that but in getting the balance right between what we open up to competition, and what we maintain here as a strategic and sovereign requirement. I welcome all contributions to the debate on that issue, because I genuinely believe that it is not a party political one.

Several hon. Members *rose—*

Madam Deputy Speaker (Sylvia Heal): Order. I am keen to call as many Back Benchers as possible on this statement, but I am also mindful that there is other business of the House, which must be protected. May I please make a plea for brief questions and answers?

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): I congratulate my right hon. Friend on introducing this strategy, which is in the long-term interest of our defence capability and of value for money for the taxpayer. As the Member of Parliament for a naval constituency, may I ask him to recognise the important role that Plymouth workers have played in submarine and surface fleet support? Does he agree that Devonport has everything to gain from engaging positively with the plans laid out in the strategy? What will happen to the marine industrial strategy? I would welcome the early opportunity to discuss these issues with him, particularly the role of Devonport.

John Reid: The answer to the first question is yes: the contribution made by the work force to which my hon. Friend refers is substantial. The answer to the second question is also yes: Devonport has everything to gain from participating in the strategy, just as work force and company representatives have gained from participating in the strategy thus far. On the third question, I look forward to discussing the maritime strategy with her and others. I am glad that we were able to announce yesterday a further stage in the reaffirmation of the carrier, and the allocation of work to the south—to Vosper Thornycroft—as well as to Barrow-in-Furness and to places further north. Everyone has an interest in making this work: the work force, management, shareholders, certainly the Ministry of Defence—hopefully, it will sharpen its act—and the armed forces themselves.

Mr. James Arbuthnot (North-East Hampshire) (Con): I am grateful to the Secretary of State for giving

me advance notice of this document and I agree with him that it is very important. My Committee will examine it very closely at the beginning of the new year. Does he agree that the key issue is how we put this document into practice? We need action, rather than words. Does he further agree that, despite the strategy's welcome clarity in some areas, on one of the most important—research and technology—it leaves rather a lot unsaid? For example, it states:

"We must develop new ways of working together . . . We need to examine how R and T might better support our acquisition process."

Can the Secretary of State reassure me that this is not simply a case of pushing the most difficult questions off into the future? That is a very important issue.

John Reid: Yes, I can. First, I welcome the interest that the right hon. Gentleman and the Defence Committee have shown in this issue. Secondly, I entirely agree with him that this is not a document for philosophical consideration; we hope that it is intellectually rigorous, but it is a blueprint for action. Thirdly, we have spent six months on this issue since I came in as Defence Secretary and it is not unusual to find that a document on a mammoth topic such as this needs further work in certain areas, and the right hon. Gentleman has highlighted one of them. There is a lot of grit in this oyster, but we welcome discussion and contributions in order to add more flesh to the bones.

Mark Tami (Alyn and Deeside) (Lab): I welcome the review but there has been some speculation about the air tanker project and a possible reduction in the number of aircraft to be ordered. Can my right hon. Friend enlighten us as to the review's impact on that project, and on how the discussions are going?

John Reid: I am glad to confirm that this document does not affect in any way the future direction of the tanker project. We continue to have detailed and complex discussions with financial institutions about the private finance initiative side of the project; there is no real question of the operational requirement being changed. Far from backing off this project, at the last informal meeting of our European presidency—it was held at RAF Lyneham and the central item for discussion was the tanker project—I encouraged our European allies to follow the direction that we are taking.

Robert Key (Salisbury) (Con): I am sure that the Secretary of State's judgment in putting his trust in respect of our chemical and biological defence into the hands of the Defence Science and Technology Laboratory at Porton Down in my constituency is entirely correct. He gave an assurance about the testing and evaluation work carried out by Qinetiq at Boscombe Down, also in my constituency, but said that he wants the European Defence Agency to consider whether we should amalgamate and rationalise some of that work across Europe. However, what about the intellectual property rights that we share with our American allies? What will their reaction be if they know that we are working with European companies, some of which are sited in a nation that is not even a full NATO member?

John Reid: Obviously, that is one of the issues that has to be dealt with. Whenever I make a statement on any aspect of defence, the hon. Gentleman always has a perfect right to comment, as his constituency seems to have an interest in almost everything defence-related. He has identified a problem that we must resolve, but I shall make one general point about the EDA. We do not regard it as an autonomous body that can order and procure on its own. If I may use the expression, we think of it more as a dating agency—a body that brings member states together to collaborate on projects that they consider worthwhile. It does not act over and above the member states, but rather brings them together.

Mr. Ian Davidson (Glasgow, South-West) (Lab/Co-op): I very much welcome this document, and take particular note of the important fact that it has been produced to time. Of course, the devil is in some of the detail, and I seek clarification from the Secretary of State about balance. On the one hand, the document states that "complex vessels" will be built in the UK, but on the other, that "lower-end" manufacturing will be outsourced. Does that apply to a certain category of vessel, or are we talking only about peaks and troughs? When might it be possible to get clarification about how the strategy will be applied to the military afloat reach and sustainability program? Finally, if representatives of the work force feel that it is appropriate, will he be willing to meet them?

John Reid: The answer to the last question is yes: I am always ready for such meetings. I met those representatives recently, as my hon. Friend knows. I am prepared to meet them again, and he can be present again, if he so wishes. He asked about balance, and I assure him that there is no categorisation according to classification. Building what we traditionally regard as major warships at the upper end of the market calls for high technology and high skills, and can be sustained only by a systemic and systematic order process. At the lower end of the market, peaks and troughs occur according to fleet requirements. We are thinking about combining the two approaches, but yesterday's allocation of work—part of which went to my hon. Friend's constituency—makes it clear that my intention is to have a shipbuilding industry that is stable and sustainable in the long term, and which maintains the highest level of skills.

Peter Viggers (Gosport) (Con): This is an ambitious programme of big capital projects, but will the Secretary of State take into account the fact that there seems to be a shortage of cash for detailed implementation? The danger is that these ambitious projects will suffer as a result. There are too many stories about cannibalisation of parts, shortages, and the cancellation of operations. Will the right hon. Gentleman undertake to keep an eye on the detail as well as on the headlines?

John Reid: Yes indeed. One reason why we must get best value for money is that these projects are immensely expensive. Our goal is to have victorious armed forces, and the technological and cost demands of modern warfare are huge. Part of our job is to make sure that we impose on ourselves the rigours required to do things better and on time. My hon. Friend the Member for

[John Reid]

Glasgow, South-West (Mr. Davidson) said that the document was delivered on time, but it has also been delivered on budget—and that is a claim that I have always wanted to make on behalf of the Ministry of Defence. Being on time and on budget is what we aspire to on our own account, as well as what we demand from industry. That is precisely because we need to get better value for money.

Mr. Brian Jenkins (Tamworth) (Lab): I welcome today's document for its openness, and I congratulate the Ministry on its value-for-money approach. A great deal of time and effort will be spent on the initial stages of the carrier programme, and the adherence to the gateway project is commendable. However, in respect of future provision, will my right hon. Friend say how much of our requirement will be purchased abroad?

John Reid: I thank my hon. Friend for his remarks about the carrier programme, and he is right about our approach. Yesterday, we allocated responsibilities for 60 per cent. of hull build and ensured a degree of continuity in capability by dovetailing the present carrier fleet with incoming vessels. We are prepared to spend £300 million, but we have made sure that all the negotiating levers will not be handed over to the carrier producers. It is very important to get right the demonstration and fine design stages, because it is there that the downstream cost is incurred.

With respect to our openness to competition, I can tell the House that 75 per cent. of our procurement is open to competition. We are not returning to protectionism, but our plans for the remaining 25 per cent. show that we are prepared to maintain a strategic industrial base to supply our armed forces.

Mr. David Laws (Yeovil) (LD): On the helicopter sector, may I, as MP for Yeovil and an economic liberal, say that the Secretary of State has managed to strike the right balance between the need to secure key sectors and the need to achieve value for money for taxpayers? I congratulate him on that. Can we expect an announcement early in 2006 on the key future Lynx order, provided that it meets the value-for-money criteria? Will he assure me that he will not take any advice on the matter from Conservative Front-Bench Members?

John Reid: Well, I suppose that I should begin by saying that I am deeply, deeply grateful for the support that the hon. Gentleman has shown me, given my leading position in the Labour party. I understand that that support is not supplied comprehensively for all leaders, but I thank him for what he has said.

As for the Lynx helicopter, we are keen to ensure that its through-life and update programmes are continued. The very important skills at AgustaWestland are essential to that, and I know that the hon. Member for Yeovil (Mr. Laws) is right to ask about that, from his perspective both as a constituency MP and as someone with an interest in the procurement of very important assets for our armed forces. He will know that the world market in helicopter production is thriving and competitive. We would be silly not to take advantage of that, as that is the context in which we find ourselves. I happen to believe that AgustaWestland is able to do very well in the world market, given its success in providing the helicopters used to convey the President of the United States. That is at least one example of Liberals supporting the US President.

Mr. Ben Wallace (Lancaster and Wyre) (Con): My constituents who work for British Aerospace will be most disappointed to hear the Secretary of State in effect announce in his statement the end of the manufacture of manned fast jets after the Typhoon project. Even more disappointing is the fact that he said nothing about a desire to build the joint strike fighter and merely spoke about maintenance and support. Does the right hon. Gentleman agree that an absolute condition of placing the order for the joint strike fighter with the US should be that this country will do all the manufacturing and servicing of future versions of that fighter? Will he extend the buy-British approach to any future plans for unmanned aerial vehicles or drones, and ensure that such machines are built in this country?

John Reid: First, although the hon. Gentleman clearly feels that my statement is terrible for BAE Systems, the problem is that the company does not feel the same way. I believe that it will welcome the Government's defence industrial strategy. Secondly, it would be little over the top for the hon. Gentleman to tell his constituents that a dramatic crisis is looming because one of our planning assumptions is that we may go to unmanned aerial vehicles after 2040. That projection is no more than a warning about something that may happen down the line. Thirdly, we are spending in the order of £50 million on more than 200 Eurofighters, and we are also insisting that maintenance on the joint strike fighter and the updating of its technological capabilities is carried out in this country. All of that is good news. Most important for a company like BAE Systems is the fact that we are sharing with it our long-term vision of how much we shall spend within the limits of what is possible for a Government that must go through three reviews, where we will spend it and how it should invest its money and so on. That is good news for industry and I hope that the hon. Gentleman will reflect on that.

Mr. Michael Jack (Fylde) (Con): May I welcome the Secretary of State's involvement of BAE Systems in my constituency—employing some 6,000 aerospace workers—in the production of this strategy and his recognition of the strategic importance of our military aerospace industry? Can he give more comfort to the House on how he may secure the final assembly and check out unit to be based at Warton to look after and construct the joint strike fighter? Does he agree that in those negotiations it will be important to demonstrate to the United States that if they do not play ball, we have an alternative way of providing a marine aircraft for the new carriers? How will he conduct those negotiations?

John Reid: For blatantly obvious reasons the right hon. Gentleman will not expect me to tell him how I intend to conduct those negotiations. His points are relevant. We have made it plain that we must have the technological capability to upgrade, as well as maintain, the joint strike fighter, which is an essential element of

our future carrier and other requirements, for its through-life capability. We continue to insist that that is the case.

Mr. Mike Weir (Angus) (SNP): Given the time scale, has the Secretary of State made any assessment of the likely impact of the massive cost of either upgrading or replacing Trident and other defence projects in the long term?

John Reid: No, we have not got to that. I have made several estimates, however, one of which is: what would happen to the British armed forces and industry if we were ever to get a separate Scotland? It would be absolutely disastrous.

Mark Pritchard (The Wrekin) (Con): The Secretary of State mentioned outsourcing aeronautical engineering in pursuit of value for money. Does he agree that value for money can also be found in the public sector? If so, will he give an assurance today that those skills will be retained in the Defence College of Aeronautical Engineering in my constituency and within the public sector, so that there is a public-private partnership, not a drive towards and a doctrine of privatisation, which will see hundreds of jobs lost in my constituency?

John Reid: We live in interesting times. I saw Conservative Front Benchers curl up at those heretical words from behind them. I have no problem in identifying myself with the hon. Gentleman's sentiments. Efficiency, flexibility and productivity are not the monopoly of either the public or private sector. Therefore, we should not approach these matters dogmatically; we should take the best from both and encourage both to have the best. The hon. Gentleman will appreciate, however, that I will resist the temptation to go further and pre-empt the training review that is under way.

Mr. Peter Bone (Wellingborough) (Con): Will the Secretary of State acknowledge the genuine concern in the RAF about the lack of equipment and the late delivery of new equipment? What is his view of the morale of the RAF following his statement?

John Reid: I suspect there has never been a time when members of the armed forces did not properly want more, quicker and better. That is part of what keeps us on our toes. As far as I am aware RAF morale is very good. They are delighted that the C-17s now supplement the Hercules, that we are developing the Eurofighter Typhoon, that we are intending to procure the new tanker aircraft—the A400M is listed as equipment that we will buy—and that the joint strike fighter will operate off the carriers. Those are all good reasons to believe that morale is good and following my statement morale may be even higher than it was a few hours ago.

Mr. Nigel Dodds (Belfast, North) (DUP): I join the Secretary of State in his warm tribute to our armed forces. As he knows, we in Northern Ireland have more reason than most to be grateful to them and proud of their courage and dedication. He mentioned the critical importance of the aerospace industry and the business opportunities that arise. He will know, too, from his previous experience, of the excellence of the Bombardier company in Belfast and the skill of its work force. Will there be a role for Bombardier and Northern Ireland in general as part of the roll out of the strategy?

John Reid: I join the hon. Gentleman in his tribute to the forces. As he knows, I was involved in trying to work in partnership with Bombardier. I certainly hope that there will be a role, not only for Thales—formerly Bombardier—but for a lot of small and medium-sized companies that are perhaps not mentioned here today when we deal with the big shipyards and companies. I hope that by allowing the big companies to plan, through systems integration and project management in the United Kingdom and by indicating to small companies the direction in which the market is likely to move, it will assist smaller companies.

Mr. Philip Hollobone (Kettering) (Con): What consideration has been given in the strategy to the importance to the United Kingdom of having an independent strategic heavy lift capability?

John Reid: We have given that continual attention. I am musing on the word "independent". I am not sure what the hon. Gentleman means. Certainly I take responsibility as the person who, during the controversy about whether we should buy the C-17s, with Lord Gilbert was on the side of leasing C-17s. We believed that the operational capability of those huge aircraft overcame any objections that we should buy a less capable European alternative. We bought the C-17s and we are looking at buying more. As far as I can make out the RAF, whose morale will be flying a little higher than it was a few years ago, regards the C-17 as a great success. I forgot to mention it earlier. The independence of strategic airlift at European level is important. Some years ago it was identified as completely insufficient in the strategic defence review, so we tried to remedy that. We will continue to have a view on it.

SECTION 5 OF THE EUROPEAN COMMUNITIES (AMENDMENT) ACT 1993

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation) and Order [5 December],

That this House takes note with approval of the Government's assessment as set out in the Pre-Budget Report 2005 for the purposes of section 5 of the European Communities (Amendment) Act 1993.—*[Mr. Alan Campbell.]*

Question agreed to.

Orders of the Day

National Insurance Contributions Bill

Not amended in the Standing Committee, considered.

Clause 1

EARNINGS: POWER TO MAKE PROVISION IN CONSEQUENCE OF RETROSPECTIVE TAX LEGISLATION: GREAT BRITAIN

1.48 pm

Mr. Eric Forth (Bromley and Chislehurst) (Con): I beg to move amendment No. 1, in page 1, line 13, after 'Treasury', insert

', following consultation with the Commissioners for Revenue and Customs,'.

Madam Deputy Speaker (Sylvia Heal): With this it will be convenient to discuss the following amendments:

No. 14, in page 1, line 17, leave out

'appears to the Treasury to be expedient'

and insert 'is reasonable'.

No. 4, in page 1, line 17, after 'Treasury', insert

', following consultation with the Commissioner for Revenue and Customs,'.

No. 15, in page 1, line 17, leave out 'expedient' and insert 'reasonable'.

No. 7, in page 3, line 16, after 'Secretary of State', insert

', following consultation with the Commissioners for Revenue and Customs,'.

No. 17, in page 3, line 16, leave out

'appears to the Treasury to be expedient'

and insert 'is reasonable'.

No. 10, in page 5, line 43, after 'Treasury', insert

', following consultation with the Commissioners for Revenue and Customs,'.

No. 11, in page 13, line 37, after 'Treasury', insert

', following consultation with the Commissioner for Revenue and Customs,'.

Mr. Forth: It might be appropriate to say a word or two about the context of this afternoon's business, because this is one of those Bills that sadly seems to have received all-party support to date, and that usually means very bad legislation indeed. Time and again in the House, we are confronted with that revolting political concept, consensus, which usually involves a lack of proper debate and scrutiny of the legislation. A few of us hope to put that right and give the Bill something of a proper examination in the limited time that is now available to us this afternoon. In doing so, I start with the group of amendments that you have just identified, Madam Deputy Speaker.

It is fair to say that the thrust of the amendments covers two principal areas of consideration—one is the general concept of consultation and the other is the contradistinction of expedience and reasonableness, which we shall perhaps come to later. In framing the amendments on consultation that my hon. Friend the Member for Christchurch (Mr. Chope) and I have tabled, I underwent a rollercoaster ride in deciding finally where to end up, because the amendments suggest that the Treasury be obliged to consult the Commissioners for Revenue and Customs. I was in two minds about that, because when I looked at the genesis of the Commissioners for Revenue and Customs, I found a rather mixed picture, and it is fair to say—I should warn the House—that this is perhaps not quite so straightforward as it would seem.

I wanted to create a vehicle, a mechanism, whereby somebody other than the Treasury can look at the very important matters that we are dealing with in the Bill—retrospection and all that goes with it—and I lit upon the commissioners as the most appropriate body. In doing so, I went to the Act that set up the commissioners and, indeed, to the explanatory notes to that Act, and I want to share them briefly with the House, so that hon. Members can judge whether my amendment is appropriate. Obviously, I will argue that, on balance, my amendment represents the way forward, but I want to attach a health warning to it.

I refer first to paragraph 7 of the explanatory notes to the Commissioners for Revenue and Customs Act 2005, which states:

"The Act provides that, in the exercise of their functions, the Commissioners will comply with directions of a general nature given to them by the Treasury. It provides the legislative structure within which the Commissioners have the operational discretion to organise in the most appropriate way, and to make changes over time as necessary."

Straightaway, we have run into a possible problem in that I am arguing that we give the commissioners the opportunity to be consulted, whereas we have right there in front of us the phrase,

"the Commissioners will comply with directions of a general nature given to them by the Treasury."

That is my first health warning on the amendment.

Mr. Greg Knight (East Yorkshire) (Con): Is not what my right hon. Friend has just read out a lethal health warning in that, in effect, even if amendment No. 1 were accepted, the provision would have no teeth?

Mr. Forth: I understand what my right hon. Friend is saying. If he will bear with me for just a short while, I shall try to balance out the argument. I thought that, in fairness to him and other hon. Members, I should make them aware of these things, as part of their judgment and that of the House on my amendment.

I am afraid that my right hon. Friend's reservations will be perhaps strengthened by the fact that paragraph 36 of the same document says:

"the Commissioners act on behalf of the Crown and are civil servants. This continues the arrangements for the predecessor departments, and it is intended that one of the Commissioners will be appointed by the Prime Minister to be Permanent Secretary of HMRC, and by the Treasury to be Principal Accounting Officer."

I confess to my right hon. Friend that things are going downhill rapidly, and we must bear that in mind.

I am happy to say that the ray of light comes somewhat later because, further on in the document—this is slightly more encouraging—paragraph 46 says:

"The Commissioners' responsibility for the collection and management of revenue is defined in section 51(3) as meaning the same as 'care and management' in previous enactments. It thus preserves continuity of treatment for those revenues that

previously were subject to a duty of care and management, as this term is familiar to the wider business, legal and tax practitioner communities".

It then makes reference to national insurance contributions, just to tie this into the Bill and the amendments that we are considering.

Switching back from the explanatory note to the 2005 Act itself, I shall now draw the attention of the House to section 5(1) to (4), which spells out how the commissioners will be

"responsible for . . . the collection and management of revenue"

and "other functions". Section 5(4) states:

"'revenue' includes taxes, duties and national insurances contributions."

We are on reasonably firm ground there.

The ray of light that I have detected in the 2005 Act—this may help my right hon. Friend and other hon. Members to balance their judgment—is that section 9(1), on ancillary powers, states:

"The Commissioners may do anything which they think—

(a) necessary or expedient in connection with the exercise of their functions, or

(b) incidental or conducive to the exercise of their functions."

So we have in the 2005 Act itself the possibility that the commissioners will be able, where they see fit, to act rather more independently of the Treasury than the previous words that I mentioned would suggest.

Mr. Peter Bone (Wellingborough) (Con): I am not convinced by the point that my right hon. Friend makes. Perhaps he could clarify. If the Government make the overarching decision on the direction of Her Majesty's Customs and Revenue, I do not understand how there can be any real discretion.

Mr. Forth: My hon. Friend makes a fair point. The judgment that we must make is between the overall statutory framework in which the commissioners operate on the one hand and their more detailed management and day-to-day responsibilities on the other. What I want to go on to suggest in support of the amendment is that we can be perhaps somewhat more optimistic that, in the detailed implementation of the Bill, we should expect the commissioners to be able to exercise that rather more detached position that I suggested just a moment ago in that they may do anything that they think

"necessary or expedient in connection with the exercise of their functions."

Mr. Christopher Chope (Christchurch) (Con): Has my right hon. Friend noticed the difference between what he is now reading from the text about such things being "necessary or expedient" and the wording of the Bill, which refers particularly to expediency, without any reference to necessity?

Mr. Forth: I am sure that my hon. Friend would not want to hurry me on to the next part of my argument because that relates, quite properly, to some of the other amendments in the group, on which we will consider whether we prefer the words "expedient" or "reasonable", as set out in the amendment that he has tabled. I will not get to that quite yet, if he will forgive me, because we are about to get to the meat of this section of the amendments.

We are seeking in our amendments to oblige the Treasury to consult the Commissioners for Revenue and Customs and we are faced with a straightforward and simple proposition that occurs fairly frequently when we consider Bills of this kind: are we content with what the Government are trying to tell us in the Bill? Clause 1(1) states:

"it appears to the Treasury to be appropriate to make regulations under a relevant power for the purpose of reflecting the whole or part of the provision made by the retrospective tax provision."

We see the phrase, "it appears to the Treasury", full stop. That is what the Government want us to accept. In other words, they are saying "Trust us. We are the Treasury; we are the Government, so it will all be okay." That would be bad enough in any normal circumstances, but we are talking about retrospective tax provision and we are asked to be doubly trusting of the Government and the Treasury's ability to implement a retrospective provision. That, of course, is the theme of the Bill.

I hope that, on Third Reading, we might have an opportunity to reconsider the principle of retrospection, with which I feel as uneasy now as I did when I first had the honour of coming to the House in 1983. Sadly, I recall being told by much wiser and more senior people than I was at the time—although I am now very wise and very senior, as you know, Madam Deputy Speaker—back in 1983 that retrospection was completely out of the question given the traditions of the House, the terms of our unwritten constitution and Magna Carta and all that.

The Paymaster General (Dawn Primarolo): While the right hon. Gentleman is setting out his views on retrospection, will he explain why he voted with the Conservative Government on a Finance Bill that introduced a retrospective tax arrangement? He did not seem to have such an objection then.

2 pm

Mr. Forth: The answer is probably shame and guilt. I slaved in the low foothills of government for some nine years, as the Minister might recall, and there were occasions on which I was less than happy with what the Government did. I am sure that she has been utterly content with everything that her Government have done during her honourable period in the Treasury, but, frankly, that is not always the case. It will not wash for her to suggest that I cannot criticise her Government now just because I voted for something as a loyal Minister in the lower levels of government because, as I said, I am now older and wiser. I am now guilt-free, and I hope that the Minister shares that condition.

Mr. Greg Knight: Has my right hon. Friend not missed a point in his reply to the Minister? The Bill introduces unspecified retrospection—that is the difference.

Mr. Forth: Perhaps we will come back to that broader question later, but my right hon. Friend is right. The Bill is shot through with all sorts of broad and worrying

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powers with an assumption that retrospection is desirable and something for which the Treasury can reach almost at will. That is the whole point of amendment No. 1, because I wanted to find a safety net that would give us a degree of reassurance about what the Treasury might be able to do under the broad terms of the Bill's present wording. I lit upon the commissioners as being probably the best bet.

The fact that my amendment was selected was an important first step in that direction. Hon. Members will know that it is one thing to table an amendment, but quite another for it to get through the rigorous filters and mechanisms that exist to ensure that our amendments are properly as they should be. I was encouraged—there was a skip in my step—when I read the selection list this morning and found that my amendment had got through that rigorous process. That indicates that it has real substance and that the House can thus consider it carefully and seriously.

James Duddridge (Rochford and Southend, East) (Con): I congratulate my right hon. Friend on moving the amendment and seek his wise counsel as someone who has been involved in parliamentary matters for much longer than me. I was worried about retrospective legislation when I entered the Chamber and I am now more worried after hearing what he has said. Is this part of a broader trend? I made my maiden speech on the Consumer Credit Bill, which introduces retrospection. Is it the case that the Government are using many Bills to go back and change the rule book?

Mr. Forth: I share my hon. Friend's reservations. He and I must chide our Front-Bench spokesmen a little—I do that from time to time—because we are being sucked into this modern idea of consensus. We are being asked to sign up to the idea that the more Bills and Government measures to which we agree, the more popular we will somehow be outside the House. I plead guilty to the fact that I regard the proper work of the Chamber as that which is being exemplified today. Our proper job is to assume the worst of the Government until they prove otherwise, not the reverse. We should not assume that the Government are doing—

Madam Deputy Speaker: Order. Of course the proper job of the right hon. Gentleman now is to speak to his amendment, which I am sure that he will do.

Mr. Forth: I will do that with enthusiasm, Madam Deputy Speaker.

I am asking hon. Members to judge whether they are content that the Treasury should be able to make regulations without any further mechanisms or consultation, or whether, as I suggest in the amendment, the commissioners should be able to examine the proposals, or at least be consulted about them. Although I have been open with the House about my reservations about the powers and role of the commissioners, I thought that they had sufficient substance, and that we should respect them sufficiently, to allow the Bill to be amended in the way in which I suggest.

Let me move on to the second broad theme of the amendments. That revolves around proposed new subsection (2), which states:

"Those regulations may be made so as to have retrospective effect if it appears to the Treasury to be expedient, in consequence of the retrospective tax provision, for the regulations to have that effect."

Amendment No. 14, which was tabled by my hon. Friend the Member for Christchurch (Mr. Chope), would remove the word "expedient" and insert the word "reasonable".

I have resorted to the oldest trick in the parliamentary book because given the words that we are considering, I thought that it would be appropriate to look up the word "expedient" in the dictionary. The definition was:

"advantageous; advisable on practical rather than moral grounds ... suitable, appropriate ... a means of attaining an end".

I thought that that summed up the word rather well. Straight away, we find that the Treasury is amoral, or even immoral, because according to the dictionary definition, expediency is not moral.

Mr. Greg Knight: Will my right hon. Friend tell the House in which dictionary he looked up that definition? I, too, have consulted a dictionary. The "Concise Oxford English Dictionary" gives another definition of the word "expedient" that is highly relevant to what he is saying. It defines expedient as "politic rather than just".

Mr. Forth: I looked at one of the longer versions of the "Oxford", but I prefer my right hon. Friend's definition. We do not have to choose. We can look at both definitions because they seem to be moving us in the same direction. We have flushed out the Treasury and the Government easily. By using the word "expedient" in the Bill, which we wish to change through amendment No. 14, the Treasury has bared all. The Minister will have to defend herself, her Department and the Government against a charge of immorality because that lies behind the definitions of the word.

My hon. Friend the Member for Christchurch and I would like to replace the word "expedient" with the word "reasonable", my dictionary definition of which reads:

"having sound judgement; moderate; ready to listen to reason ... in accordance with reason; not absurd ... inexpensive; not extortionate".

Could we have a better choice of terms before us in the context of the Bill?

Mr. Brooks Newmark (Braintree) (Con): Although I do not wish to be pedantic about the use of language, I am still not clear why we should rely on reason, especially the reason prevailing at the Treasury, if the Department is given the right to create regulations that impose retrospective taxation. Why should we leave the reason to the Treasury because that would take us to the logical result of retrospective taxation?

Mr. Forth: My hon. Friend is challenging the whole principle underlying the Bill, which I would love to do. We will, of course, have the opportunity to do that on Third Reading. We are examining in a focused way the mechanism by which retrospection would be implemented by the Treasury—after consultation with

the commissioners, as I would prefer it. The Bill would allow the Treasury to make its judgment on retrospection simply on the basis of expediency. As we have discovered, no moral judgments would be allowed because the decision would be based on what was practical. That might suit the Government, but I hope that it does not suit the Opposition.

Mr. Bone: I would like the words "in exceptional circumstances only" to be added to the Bill before the word "reasonable".

Mr. Forth: I wish that my hon. Friend had tabled an amendment to that effect. I suspect that it might well have been selected, and he would then have been able to share the limelight with me by speaking to it. I accept what he says. Now that he mentions it, I wish that I had tabled such an amendment. Perhaps he and I can get together next time to see what we can do.

You can see, Madam Deputy Speaker, that we are trying to introduce this concept of reasonableness, which of course has been well established over a long period. My right hon. and hon. Friends behind me who are eminent lawyers will be able to expand on that, I hope at some length, in a way that I could not possibly do. I am just trying to lay the groundwork in suggesting that expediency in this context is positively undesirable, whereas reasonableness is something that people want to see in such a measure.

James Duddridge: Will my right hon. Friend explain why the Minister has not risen to her feet to explain the difference between the two concepts, and why "expedient" will remain in the Bill rather than being replaced with "reasonable"? This "reasonable" amendment seems reasonable, and the word "expedient" should be replaced.

Mr. Forth: I suspect—and, looking behind you, Madam Deputy Speaker, I can see that a piece of paper is about to wing its way to the Minister—that Ministers these days do not know the difference between expediency and reasonableness, and need their officials to tell them what it is.

Dawn Primarolo *rose—*

Mr. Forth: I will give way to the Minister, who rises with papers in her hands that probably came to her from her officials, and I will, of course, welcome her telling us what they say.

Dawn Primarolo: Those comments were unworthy of the right hon. Gentleman. He is entertaining the House very well this afternoon but knows full well that I will reply to the points that have been made when he and his hon. Friends have concluded their remarks, to ensure that I have heard all their points before I venture to reply. Perhaps, as he is so experienced in the House, he would like to explain that to the hon. Member for Rochford and Southend, East (James Duddridge).

Mr. Forth: We seem to have touched a rather raw nerve there, Madam Deputy Speaker, do we not? The Minister will, of course, have plenty of time this afternoon. We have two or three hours to go before we are forced by the Government's wicked programming and timetabling to curtail our remarks. I look forward to hearing what the Minister has to say. Perhaps she and my hon. Friend the Member for Rochford and Southend, East can get together afterwards and have a quiet word about morality.

I have simply tried to lay the groundwork for a short debate on these matters. I have tried briefly to outline why we should introduce the commissioners into this part of the process and why a distinction should be made between expediency and reasonableness. I very much hope that my right hon. and hon. Friends will be able to support me in this. I hope, too, that in spite of the Minister's prickliness, when she comes to reply, she will able to see the strength of our argument and, who knows, perhaps even accept one, if not both, of those amendments.

Mr. Chope: I congratulate my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) on stealing most of my thunder on the amendments in my name, Nos. 14, 15 and 17, to which I want to address some brief remarks.

The purpose of the amendments is to introduce a degree of equity, fairness and, most importantly, objectivity that is lacking in the current wording about the power to make retrospective provisions under delegated legislation. The whole issue of retrospection is contentious and controversial, and I am sure that when we come to discuss the next group of amendments, which are designed to limit the extent of that retrospection, we will be able to look at that subject in more detail.

In amendment No. 14, I am trying to introduce a requirement that the retrospection power could not be used unless it was reasonable to use it. I find it hard to believe that the Minister can cavil at that. Why should the Government be seeking powers to exercise retrospective legislation other than in circumstances when to do so would be reasonable?

Mr. Philip Hollobone (Kettering) (Con): In looking at the amendments, I am torn between those tabled by my hon. Friend and those tabled by my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth). My hon. Friend's amendment No. 14 would leave out the words

"appears to the Treasury to be expedient",

whereas my right hon. Friend's amendment would leave in the word "Treasury" and insert

"following consultation with the Commissioner for Revenue and Customs".

I hope that during his remarks my hon. Friend will be able to advance the case for his amendment over that tabled by my right hon. Friend.

2.15 pm

Mr. Chope: The first point is that, as a rule of thumb, my hon. Friend should be inclined to prefer what my right hon. Friend says to what I say, because I am merely one of his hon. Friends. The presumption is that the

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arguments of those Members of the House who are right honourable should be preferred. Nevertheless, that will not stop me trying to make my case.

Mr. Greg Knight: My hon. Friend is, if I, as a Privy Counsellor, may say so, far too self-effacing. Perhaps the answer to the point that was made is that both of the amendments have their merits.

Mr. Chope: My right hon. Friend was not Deputy Chief Whip for nothing. We can see that he has great powers of diplomacy. I am sure that he is right to suggest that there is merit in all the amendments.

To summarise why I think that my amendment, No. 14, is important, I tell the House that it changes the test of expediency or reasonableness from one that is carried out by the Treasury to an objective test, which would make it much more justiciable. It would mean that if a measure were thought to be unreasonable, it could be challenged in the court. At the moment, the test of whether something is reasonable or expedient would be solely for the Treasury.

Mr. Forth: Perhaps my hon. Friend will be able, as I was not because I wanted to leave time for my hon. Friends to contribute, to elaborate a little on the idea that expediency rests almost entirely on practicability, so the test would simply be, "Can it be done?", whereas reasonableness introduces more of a concept of fairness and, therefore, of judgment. That, surely, is the distinction that we are trying to make and that is so important to those who may well suffer from retrospection in its worst forms.

Mr. Chope: My right hon. Friend is absolutely right. He and I are saying to the House that if, as we will no doubt hear from the Government, they believe that the extreme circumstances justify the use of retrospection, we should ensure that those powers are exercised with moderation and reasonableness.

Stephen Hammond (Wimbledon) (Con): I am sure that my hon. Friend is aware that clause 1 allows the Treasury to adjust earnings on any liabilities to national insurance contributions that have already been determined, with the result of changing the amount of contributions that are payable or even creating a new liability. Clearly, according to my hon. Friend's definition, that can be done, but the question is whether it is fair or reasonable that it should be done.

Mr. Chope: My hon. Friend, a distinguished member of the Standing Committee that considered the Bill, is right to draw attention to that point, and I hope that he will have the chance to expand on it in his own speech in due course.

I find it hard to believe that the Minister will not accept the change proposed in amendment No. 14 so that subsection (2) would read:

"Those regulations may be made so as to have retrospective effect if it"

is reasonable

"in consequence of the retrospective tax provision, for the regulations to have that effect."

That would mean that the judge of that reasonableness would ultimately be the courts; it would not be left to the Treasury to decide whether the measure was expedient. It is hard to think of any circumstances in which the Treasury would not think it expedient to legislate in favour of getting more revenue, however just or unjust that might be. That is the big problem with the wording at present; it encourages the Treasury to say, as we often hear from the Chancellor of the Exchequer, that if something will generate revenue it is expedient and must be good, irrespective of how fair or unfair it might be.

I have given the Minister a safety net. If she believes that the Treasury should continue to be the judge, it would, under my amendment No. 15, have to satisfy the test of reasonableness rather than of expediency. I hope that she will accept my amendment No. 14 but if she thinks that would cause great loopholes that the Treasury would not be able to close, as an alternative she could fall back on amendment No. 15, which would still give the Treasury the say, but on grounds of reasonableness rather than expediency.

My right hon. Friends the Members for Bromley and Chislehurst and for East Yorkshire (Mr. Knight) have been consulting the dictionary. In preparation for this short debate, I resorted to "Words and Phrases Legally Defined", a useful reference for legislators. It draws attention to decided case law in the UK and the common law jurisdictions and sets out how particular phrases have been interpreted in the courts, which enables us as legislators to decide which phrases and words we want to incorporate in our own legislation.

In a Canadian case, "Words and Phrases" refers to the "Shorter Oxford English Dictionary" definition of expedient as

"advantageous; fit, proper, or suitable to the circumstances of the case: Useful, politic, as opposed to just or right".

I realise that my right hon. Friend the Member for East Yorkshire was referring to the "Concise Oxford Dictionary", but with the greatest respect, I think that the "Shorter Oxford Dictionary", which is in fact longer, sets out the definition more clearly and precisely. In the case of Health Care Developers Inc. *v.* Newfoundland, in 1996, there is a reference to whether the terms of the Public Tender Act were wide. The conclusion is that, due to the use of the word "expedient", the Act is extremely widely drawn.

Similarly, a reference in the "New Zealand Law Reports" to a case in 1998 notes:

"'Expedient' is frequently used in statutes . . . While there may be shades of meaning of the word, depending on the context, reference to standard dictionaries brings out its basic meaning . . . Clearly, 'expedient' as used in the section"—

of the New Zealand Criminal Justice Act 1985—

"sets a lower threshold than 'necessary', a conclusion reinforced by the consideration that the legislature often employs the alternative standards of 'necessary or expedient' ".

That is especially material, as my right hon. Friend the Member for Bromley and Chislehurst referred to the statute that set up the Customs and Excise commissioners and the powers to deal with what was "necessary or expedient". However, we notice that the words "necessary or" have been left out of the Bill. If the very commissioners are set up under arrangements that

enable them to do that which is necessary or expedient, why should the Treasury be given even greater power, without the inclusion of the necessity test?

Mr. Forth: That is what gives us a little ray of hope. As my hon. Friend rightly points out, in the Bill the Treasury is grabbing everything and basing it on expediency, yet the word "necessary" appears in the detailed terms for the commissioners. By including the commissioners in the process, as our amendment suggests, we are giving ourselves a little extra protection, through the word "necessary", which certainly does not exist in the Bill.

Mr. Chope: My right hon. Friend is right. That is an important point for the Minister to address when she responds to our arguments. Although we probably will not be able to have more than one vote on this group of amendments, it is open to the Minister to say that she is prepared to accept any number of our amendments, or that she will propose a collective amendment in the other place. My understanding is that as the measure is not a money Bill it will be considered in another place.

I hope that the right hon. Lady will look carefully at our proposals. Although we know that she is a reasonable lady and a reasonable Minister, that is not in itself sufficient. We need safeguards in the statute book against a future Government or Ministers who may not be quite so reasonable. That is why we should include the reasonableness test.

I shall not go through all the other legal precedents and definitions for expedient. The definition can be extremely wide, and if the Treasury is to decide whether something is expedient, it is hard to think of wider terminology. We would be legislating to say that the Treasury could do whatever it wanted if it thought it was expedient, and no one else would have the chance to challenge that. It is almost trite to refer to draconian laws, but even Draco would have been unable to achieve anything as all-embracing as the provisions that we want to amend.

By contrast with the word "expediency", the word "reasonableness" has been tested in the courts on many occasions and is much better understood in our ordinary language. The Government should be prepared to accept that any of their measures should pass that test before they introduce retrospective regulation.

Mr. Forth: I was not able to consider this point, but my hon. Friend may be able to come to a judgment: does he think that the word "reasonable" would survive in a European context? As so much of what we do in this place is subject to European scrutiny and judgment, does he think that any continental would remotely begin to understand "reasonable"?

Mr. Chope: I am only just beginning a close examination of the European convention on human rights, as I have recently had the privilege of being appointed by the Prime Minister a parliamentary representative at the Council of Europe, which oversees human rights in Europe.

Madam Deputy Speaker: Order. I hope that the hon. Gentleman will not be led too far astray by the right hon. Member for Bromley and Chislehurst (Mr. Forth), and will restrict his remarks to the amendment.

Mr. Chope: I shall certainly endeavour to do so, Madam Deputy Speaker, and I am sorry if my previous response suggested a certain immodesty on my part.

In considering what is reasonable, the Europeans tend to look at human rights and reflect on whether our proposals fit in with the ECHR. We shall deal with that in more detail when we debate the next group of amendments. There is a strong argument, which has almost been conceded by Ministers, that their proposals may not fully satisfy the ECHR. That is therefore the answer to the question that my right hon. Friend the Member for Bromley and Chislehurst asked about the European interpretation of "reasonable".

2.30 pm

James Duddridge: My hon. Friend's amendment would replace one word with another. Did he consider adding both "expedient" and "reasonable"? If his proposal is not accepted by the Secretary of State and Ministers, would that mean that they could do something unreasonable? Would the addition of both words therefore not be sensible?

Mr. Chope: Obviously, it would be better than not accepting the amendment at all but, in deference to my hon. Friend, the word "expedient" is far too broad for the Bill, which gives the Government power by regulation to introduce retrospective legislation to penalise British citizens with higher taxes, especially national insurance contributions. If my hon. Friend had tabled such an amendment, I would have been happy to address it, but I do not wish to encourage a joint test of reasonableness and expediency, as there is an inherent conflict between the two concepts. That is why I did not table such an amendment.

"Stroud's Judicial Dictionary" says:

> "The word 'reasonable' has in law the prima facie meaning of reasonable in regard to those circumstances in which the actor, called on to act reasonably, knows or ought to know".

That is exactly what we are trying to achieve. The Government should act reasonably in the exercise of the great powers that it seeks in the Bill. There is no reason why we should discuss all the other uses of the word "reasonable", but it is worth remembering that expressions such as "reasonable acts", "a reasonable amount", "reasonable and probable cause", "a reasonable time" and "reasonable care" are frequently included in legislation, and have been the subject of judicial decisions. If we are to introduce strong regulations that can penalise people retrospectively and if the Government act unreasonably, it should be possible to challenge such action in the courts.

Mr. Forth: Although the concept of reasonableness frequently occurs in legislation sponsored by other Government Departments, it may be strange and foreign to the Treasury which, uniquely in government, lives a completely unreasonable existence. Although my hon. Friend has found other examples of such usage, they may not impress the Treasury sufficiently to persuade it to include the word in Bills such as the one that we are considering.

Mr. Chope: My right hon. Friend is right, as I have not been able to find any reference in a Treasury statute to the word "reasonableness", but I am sure that the Minister will correct me if my inquiries were insufficient.

Mr. Newmark: I may be able to help my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth). The Treasury may consider the perspective of my hon. Friend the Member for Christchurch (Mr. Chope) unreasonable. However, it may view it as reasonable, necessary and even expedient to claw back more money through the tax system. I suggest that my hon. Friend look at measure from the Treasury's perspective, which may well deem such behaviour reasonable. That, however, makes me uncomfortable with the use of the word "reasonable".

Mr. Chope: My hon. Friend appears to be criticising amendment No. 15, which would leave the test of reasonableness with the Treasury. Amendment No. 14, however, would leave the test of reasonableness to the objective observer or the courts so, even if he does not support amendment No. 15, I hope that he will support amendment No. 14 for the articulate reasons that he gave.

So the case is made. That does not mean that nobody else needs to participate in the debate, but we already have evidence that the Government are on the back foot. They want to be seen to be reasonable, and what could be more reasonable than accepting the amendments, particularly amendment No. 14?

Mr. Greg Knight: My right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) and my hon. Friend the Member for Christchurch (Mr. Chope) have done the House a service by tabling the amendments. When I perused the amendments last night, I was more attracted to my right hon. Friend's amendment No. 2, which unfortunately has not been selected. I was unsure whether his amendment No. 1 would have any effect at all if implemented. The commissioners are not at arm's length from the Treasury. They have a similar purpose, and one struggles to think of occasions when the commissioners have stood up strongly to a Treasury view on a particular matter.

I started out not being sympathetic to my right hon. Friend's amendment because I took the view that it was too weak to be worth the candle, but on reflecting on the matter and listening to what he said, it occurred to me that if approved by the House, it may bring some benefits in that Ministers might decide to set out guidelines to the commissioners telling them, if the power of consultation was incorporated in the Bill, that they were required to take evidence from interested third parties and listen to representations made to them. The issuing of guidelines, which is not part of my right hon. Friend's amendment but which Ministers could nevertheless do, could make his amendment worthwhile. I have been won over as the debate has progressed, because the amendment could be made to work and have some effect. So, on balance, I can say that my right hon. Friend has my support.

I am with my hon. Friend the Member for Christchurch all the way on the amendments that he tabled. I cannot see how the Minister can justify resisting the use of the word "reasonable". A number of definitions were quoted to the House, but the essence of my hon. Friend's argument is contained in the "Concise Oxford English Dictionary" quotation that I read to my right hon. Friend the Member for Bromley and Chislehurst earlier. The "Concise Oxford English Dictionary" defines "expedient" as "advantageous" and goes on to say—this is a killing phrase—"politic rather than just". The Paymaster General is asking us to accept the use of a power that can be taken to be unjust. I wonder why she has not thus far signified that she accepts my hon. Friend's amendments.

I suspect it is highly likely that the courts would not interfere with the use of a power where that power can be used expediently. I do not think the courts would interfere with a Minister saying, "I took that decision because I deemed it was expedient", whereas we know from a raft of court decisions that the courts eagerly give their view where the statute concerned refers to "reasonable". Using the word "expedient" in effect gives Ministers carte blanche.

I agree with what was said earlier. I have nothing but praise for the Paymaster General, but when we are making law and examining the phraseology that we use, we must assume the worst. I am far from happy to allow a future Government of whatever political persuasion to give powers enabling a Minister to deem, on a whim, that a decision is expedient. I hope that on reflection the House will accept my hon. Friend's amendment, and I hope the Minister will accept it.

Rob Marris (Wolverhampton, South-West) (Lab): First, may I apologise to the right hon. Member for Bromley and Chislehurst (Mr. Forth)? I missed the opening part of his speech when he moved his first amendment, but I think that he will accept that I got the flavour from his subsequent remarks.

The amendments are an attempt to make mischief, which is arguably what the Opposition should do. The right hon. Gentleman has discussed his disquiet about the concept of consensus. I think that I understand where he is coming from, but the amendments involve "consultation", which is meaningless mischief making unless there is hope that consensus, compromise and agreement will be reached, so his position is contradictory.

I congratulate the right hon. Member for Bromley and Chislehurst on his verbal sleight of hand when we got into definitions. He more or less accused my right hon. Friend the Paymaster General of siding with the forces of immorality and contrasted that with definitions of "morality" and "expediency", which he got from a dictionary. In this context, however, the converse of the moral position is not immorality but amorality, which is a point that the Opposition do not seem to grasp when they discuss morality and definitions of reasonableness. It is almost impossible to discuss reasonable taxation, which is almost an oxymoron.

I shall provide a parallel to illustrate where I am coming from in the moral argument. Most hon. Members accept that it would not be reasonable in criminal law to carry out the death penalty on someone who had shoplifted a bar of confectionary.

Mr. Forth: Presumably we can draw the conclusion that the hon. Gentleman and the Government whom he supports impose unreasonable taxation.

Rob Marris: Not at all. If the right hon. Gentleman allows me to develop my points, he will understand them in a more rounded way—he may still disagree with them and we may not achieve consensus, but he will understand them.

Most hon. Members would regard it as unreasonable to hang a man for shoplifting a bar of confectionary, although that is a moral decision and I accept that the result might not be unanimous in this House. I sense that there are differing views in this House about what is a reasonable level of taxation and whether a tax is reasonable at all. For example, I think that a windfall tax on the profits of oil companies, which have made the market and considerably increased the price of oil in the past few months, would be reasonable, but I suspect that many Opposition Members would not think so.

Mr. Greg Knight: The hon. Gentleman is making an amusing and interesting point, but may I draw his attention to the scope of the amendment, which he has missed? The use of the word "reasonable", as my hon. Friend the Member for Christchurch seeks to apply it, does relates not to the issue of taxation per se, but to the introduction of retrospective taxation, which is an entirely different matter.

Rob Marris: It is not an entirely different matter, because we are discussing the word "reasonable" in the context of a tax regime.

Mr. Newmark: On retrospection, which has been raised by my right hon. Friend the Member for East Yorkshire (Mr. Knight), it may well be expedient for the Treasury to decide that it wants to claw in more tax revenues. As my hon. Friend the Member for Christchurch (Mr. Chope) has said, however, an independent body making an independent judgment may well say that such a decision is not reasonable, although it is expedient for the Treasury.

Rob Marris: I am grateful to the hon. Gentleman, who makes my point for me. In the light of his remarks, I urge my right hon. Friend the Minister to be very cautious about accepting the amendment. The judgment of what is reasonable in a tax regime—whether we are talking about retrospectivity, the level of a given tax or its very existence—is ultimately a political judgment, as many such things are. It is much more difficult to make that political judgment if one tries to step away from it by suggesting that in some fantasy world taxation, per se, is reasonable. Some people regard it as reasonable and some do not. Some people do not want to pay tax at all.

2.45 pm

Mr. Newmark: Will the hon. Gentleman answer my question about the retrospectivity of taxation? It may well be expedient for the Treasury to claw in more money, but it may also be unreasonable for it to take that action. That is the point that we are making.

Rob Marris: I accept that some Members would see it as unreasonable. That is why I urged my right hon. Friend to be cautious when considering the amendments. I prefer the word "expedient" to the word "reasonable" for the very reason that the hon. Gentleman highlights. These are political decisions; they are not, and cannot be, moral decisions.

I say to the hon. Member for Christchurch that I cannot comment on the antipodean definition of expediency that he mentioned. However, as a citizen of Canada who lived there for nine years, I am familiar with the way in which the English language is used across Canada, which is particularly distinctive in Newfoundland. I shall try to make the difference graphic. As Members may be aware, there is a federal election going on in Canada. The Canadians call constituencies "ridings". That word means something in this country, but it has nothing to do with parliamentary constituencies. That is an example of the way in which language evolves over time. One would have to be cautious about trying to import a definition from a Canadian law case into this Chamber—and doubly cautious, as most English-speaking Canadians would agree, when it comes from a case in the province of Newfoundland and Labrador, as in that cited by the hon. Member for Christchurch. I am not sure, with due respect to him, that using that definition throws much light on our discussions in this Chamber.

Let me focus for a minute on the question of retrospectivity, which the right hon. Member for East Yorkshire—

Mr. Greg Knight: East Riding.

Rob Marris: I thought that the East Riding was bigger than East Yorkshire, but perhaps not.

Behind the amendments lies a great dislike of retrospectivity. I understand that, but I do not agree with it in this context, as they are halfway to being wrecking amendments.

James Duddridge: Does the hon. Gentleman agree that the greater duty of care involved means that one needs to be much more careful with the wording in retrospective legislation than in normal legislation? That has been raised several times, but I am still unclear as to whether the hon. Gentleman recognises the distinction.

Rob Marris: I agree that one needs to be particularly careful when addressing matters retrospectively through legislation. That is why the question of retrospectivity deserves particular scrutiny in our debates today and in Committee and on Second Reading. In terms of these amendments, the House needs to put retrospectivity in the context—bluntly—of the rich friends of the Conservative party. We are dealing with a measure and amendments to it that are in no way addressed to the average person in the street. I made a calculation, which might have been wrong, on Second Reading and I am now working from memory. I calculated, using the regulatory impact assessment of how many people would be affected and how much money would be raised, that the average person affected by the measure would earn £300,000.

Stephen Hammond: On Second Reading, the hon. Gentleman held a discourse, which I am sure we are about to hear again, on rich friends in the City and

[Stephen Hammond]

across the world. In Committee, my hon. Friend the Member for Braintree (Mr. Newmark) asked the Paymaster General whether she could provide only two examples of what the clause would do. She said that she had provided a long list on Second Reading. I reread the Second Reading debate and could not find it, and she then said that she would provide it for us. I hope that she will do that later. However, perhaps the hon. Gentleman could give two clear examples of the effect of the clause before embarking on his long discourse about prejudice against the City of London.

Rob Marris: I reject the concept of prejudice against the City of London.

If one reads the regulatory impact assessment, one realises that the clause will raise £240 million per annum after the initial £95 million in 2004–05.

Stephen Hammond *rose—*

Rob Marris: The hon. Gentleman is eager—I shall give way shortly. The amendments essentially seek to strip retrospectivity out of the Bill. As I said, we are not discussing a measure that affects the average employee in the street. It tackles artificial tax devices. They are artificial because they change people's conduct so that they behave in ways in which they would not normally engage. The individuals affected should sue their accountants if they did not warn them of the written ministerial statement that was made on 2 December 2004. That is as far back as retrospectivity would go if the Bill were passed as it is worded and the Government chose to exercise retrospectivity through the Treasury. There is a sort of long stop backwards behind the wicket.

Stephen Hammond: The hon. Gentleman speaks of limiting retrospectivity to 2 December 2004. However, he knows that, although the Paymaster General has given us an assurance to that effect, the Bill does not provide for that. That is clear especially from clause 5. We need to re-examine the matter and I am sure that we will do that on Third Reading.

Rob Marris: I shall not be pulled into discussing clause 5 because I am sure you would not allow that, Mr. Deputy Speaker. However, clause 5 is entitled "Agreements and joint elections: Great Britain", so I am not sure whether the hon. Gentleman meant to refer to it. We can discuss that on Third Reading, as he suggests.

We are considering artificial schemes, which do not cover the average person in the street but deal with people who earn on average £300,000. Almost all, if not all, receive professional advice. Their accountants should have warned them that, if the national insurance contribution device into which they entered began on or after 2 December 2004, they might be caught by what the Paymaster General had said in a written ministerial statement.

Stephen Hammond: I am grateful to the hon. Gentleman for giving way yet again. He mentions tax advice. On Second Reading and in Committee, we developed the point that we have changed to a general anti-avoidance regime and that a tax clearance scheme from Her Majesty's Revenue and Customs or the Treasury should therefore run in parallel with that.

Rob Marris: That is way beyond the scope of the amendments. I am prepared to discuss it with the hon. Gentleman if we have time in the Chamber, or outside the Chamber, but it would not be appropriate to consider general clearance now.

Mr. Chope: Before the hon. Gentleman allows us to believe that there is nothing wrong with the date of 2 December 2004, does he accept that the Institute of Chartered Accountants said:

"We do not think that anyone reading the Paymaster General's 2 December 2004 statement could have expected the content of this Bill"?

Rob Marris: I have no reason to doubt that such words were said—I think by the Chartered Institute of Taxation—but it does not mean that I agree with them. Professional advisers should have warned those who were about to engage on the schemes or devices of the risk, and I am sure that many reputable advisers did so. If they did not warn of the risk, they could be sued because of effects that were unknown to the individual who entered into a device. If the advisers warned of the risk, the individual entered into it with eyes wide open and knew that the House could introduce a change in the law.

Mr. Mark Hoban (Fareham) (Con): Given the time that has been spent on this first group of amendments, and the importance of the succeeding groups, I do not want to spend too much time on this group.

I shall comment first on amendments Nos. 1, 4, 7, 10 and 11, tabled by my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth), which deal with consultation. I share my right hon. Friend's view that tax legislation should be based as far as possible on consultation. It is important that good legislation should reflect discussions that the Treasury has had with tax advisers, professionals and representatives of industry, so that their views can be taken on board. The Treasury has a fair record of consultation with external bodies. Indeed, when retrospective taxation was discussed in the debates on what became the Finance Act 1978, one of the preconditions of retrospective taxation in trying to close tax loopholes was that there should be consultation with professional bodies and institutions. That is an admirable principle, and it is usually followed. However, it is not always followed. My hon. Friend the Member for Christchurch (Mr. Chope) highlighted, in his brief intervention on the hon. Member for Wolverhampton, South-West (Rob Marris), the view of the Institute of Chartered Accountants that, based on the Paymaster General's statement of 2 December 2004, no one would have expected the Bill to have taken this form. So, surprises do occur, despite the efforts of the Treasury, and sometimes legislation does not take the form expected by those who take a keen interest in these matters, both inside and outside the House.

Dawn Primarolo: I am sure that the hon. Gentleman will have noticed that the tax part of this anti-avoidance

measure was in the Finance (No. 2) Act 2005. It was linked to the 2 December 2004 statement, and it was made absolutely clear at that time that there would also be a national insurance part.

Mr. Hoban: At this early stage, I am loth to break the spirit of consensus that my right hon. Friend the Member for Bromley and Chislehurst accused the Government Front Bench of creating. However, while the Paymaster General believes that those comments were clear, they were not as clear or explicit to others as she would like to think.

I understand why my right hon. Friend has tabled these amendments requiring consultation with the commissioners to appear in the Bill, but, for some of the reasons that he elaborated earlier, I question whether the Commissioners of Revenue and Customs are the right people to consult. He identified their remit and scope from the Act that was passed earlier this year. I put it to him that the short list in amendment No. 2—which was not selected for debate—might have made a better list of parties to be consulted than those referred to in these amendments.

My hon. Friend the Member for Christchurch tabled amendments Nos. 14 and 15 to tackle the question of whether the Treasury should act in an "expedient" or a "reasonable" manner. He has done the House a great service by offering an alternative approach to discussing these matters and to determining who should be the judge in such cases. I shall not trade dictionary definitions with hon. Members, but my hon. Friend and others have flushed out some interesting issues about expediency and reasonableness. I am sure that those whose job it is to implement and follow this legislation will be interested in what the Paymaster General has to say about this.

One issue on which we might want to touch for a moment is the suggestion of the hon. Member for Wolverhampton, South-West that morality does not necessarily play a role in taxation. His strictures on the City of London and avoidance schemes, however, suggest that he applies his view of morality when he chooses.

3 pm

Rob Marris: I think that the *Official Report* will show—obviously, I stand to be corrected—that I only mentioned the City of London in response to an intervention. I did talk about rich people in relation to the legislation, but I never mentioned the City of London except in response to an intervention.

Mr. Hoban: I apologise for using the hon. Gentleman's remarks in response to an intervention. Next time we come on to the topic, perhaps I should refer to rich people, and that will make him happy. It just shows the problems of responding to interventions from the Opposition, or from the Government Benches, depending on the side of the House on which one sits.

Dr. Vincent Cable (Twickenham) (LD): I want to support amendment No. 14, which seems reasonable and sensible—"reasonable" is the operative word.

We are considering the principle of retrospective taxation. The hon. Member for Wolverhampton, South-West (Rob Marris) has referred to that being applied in this case against fat cats. One can support the principle, but it might be applied to fat cats today and poor people tomorrow. There is an underlying principle of retrospection that must naturally concern us.

It might particularly worry the right hon. Member for Bromley and Chislehurst (Mr. Forth) that his position has quite a lot of support not just from me but from the European Court of Justice. He did not cite that in his defence, but European law, not just the Magna Carta, appears to have some concerns in this area. On Second Reading, I quoted a relevant passage from an April judgment by the Court, which was important and would be applied by anybody seeking to use the law in relation to this Bill. It made two points, one unequivocal and the other more nuanced.

The unequivocal point was that

"The principles of the protection of legitimate expectation and legal certainty form a part of the Community legal order. They must accordingly be observed . . . by the Member States".

That makes it clear that infringement of legitimate expectation by retrospective legislation is unacceptable in legal terms. The more nuanced expression, on which the legal battles will ultimately be fought, was that

"Although in general the principle of legal certainty precludes a Community measure from taking effect from a point in time before its publication—

that is, retrospectively—

"it may exceptionally be otherwise where the purpose to be achieved so demands and where the legitimate expectations of those concerned are duly respected".

We are concerned with trying to build into the legislation the maximum possible protection for those legitimate expectations, to ensure that they are respected. Something that is merely expedient from the standpoint of the Treasury, which is practical from its point of view and helps it to garner more revenue—which, of course, we support in a broad sense—is dangerous when applied to that principle. Building in the limited protection that would be given by the word "reasonable" seems the very minimum that one could ask. The hon. Member for Christchurch (Mr. Chope) is therefore to be commended for tabling the amendment, and I will certainly support it.

Dawn Primarolo: This has been a long and broad debate, covering a number of areas. I want to touch on each of them in responding to the amendments. First, I need to remind the House of the context of the proposals that we are considering this afternoon.

Both the right hon. Member for Bromley and Chislehurst (Mr. Forth) and the hon. Member for Christchurch (Mr. Chope) referred to the question of whether this action was just or right, and the hon. Member for Christchurch spoke about using the mechanism to raise higher national insurance. I remind the House that between 1998 and 2005, both the Conservatives and the present Government produced anti-avoidance legislation in Finance Bills to counter an abuse of tax and national insurance, particularly involving high-value bonuses. Individuals were seeking to disguise their bonuses in order not to declare them as salary, or employment remuneration. They tried to conceal the bonuses, or pretended that they had received

[Dawn Primarolo]

the largesse for some other reason and that therefore it was not subject to the normal, straightforward rules of national insurance and tax.

Mr. Newmark: Will the Paymaster General give way?

Dawn Primarolo: I want to make some progress.

As the hon. Member for Christchurch implied, this is not about making people pay more national insurance. It is about ensuring that they pay the national insurance that the House, over decades, has decided that everyone should pay. It is a question of fairness. Unfortunately, however, all Governments faced the same problem. Governments would see a contrived avoidance scheme and close it down; the avoiders would then move to another highly sophisticated scheme, which would have to be targeted.

The current Government took a number of steps. I announced the first in a statement on 2 December 2004, making it clear not just that the Government would close the loopholes that they had identified so far, but that any future attempt not to pay the right amount of national insurance or tax would be prevented. The hon. Member for Fareham (Mr. Hoban), whom I welcome to his first debate as a member of the shadow Treasury team, said that that statement was unclear. Let me read a sentence from it, because I am not sure how people can claim to be confused by it or not to understand it.

"We intend that from today both tax and NICs legislation should achieve our objective of subjecting the rewards of employment to the proper amount of tax and NICs, however the rewards are delivered."—[*Official Report*, 2 December 2004; Vol. 427, c. 41WS.]

That seems perfectly clear to me.

The statement announced the closing of existing loopholes, which was dealt with by Finance Bill tax measures and is dealt with by measures in this Bill. It also introduced a strong deterrent. It said "Just don't do it, because however you do it, we will close down the scheme." The amendments would remove, or weaken, that deterrent. They effectively say to those in the tax avoidance industry "Let us continue to play this game of cat and mouse. You carry on finding ways not to pay tax, and we will close the schemes down after the Treasury has lost the revenue." That is not acceptable to any fair-minded or, dare I say, reasonable person.

The hon. Gentleman also brought up the question of consultation, and the roles of the commissioners and the Treasury. It was a good debating point, but was based on a fundamental misunderstanding of the workings of Her Majesty's Revenue and Customs. As the Bill only completed its passage through both Houses earlier this year, I find that a bit strange.

Her Majesty's Revenue and Customs is a statutory body, and Treasury Ministers represent it in Parliament. It is therefore appropriate for the Treasury to introduce the legislation. Both here and in the other place, there were debates on exactly what was meant by the term "Treasury" in legislation. It means the Treasury as a Department, meaning the Treasury and HMRC.

On the specific amendments, I have to ask why the Treasury and HMRC would not be working together on the regulations. Of course they would, so amendments Nos. 1, 4, 7, 10 and 11 are wholly unnecessary. Whenever Treasury regulations are to be made to supplement primary tax and national insurance contributions, officials from both the Treasury and HMRC always discuss and consult each other on the wording. It is simply unnecessary to enshrine such a normal practice, which has been accepted as straightforward administrative practice for an extremely long time, in the Bill. Doing so would be a waste of parliamentary and drafting time.

Conservative Members then went on to stress the need for consultation, but they know perfectly well that the regulations are subject to consultation and affirmative procedure. Anyone who wants to express their views on regulations can do so. The notion of consultation, as it appears in the amendments, is simply preposterous.

What of amendments Nos. 14, 15 and 17? I do not believe that the right hon. Member for Bromley and Chislehurst intends to destroy the Bill, but if he does, he should have said so when he moved his amendments, rather than dress up his aims in linguistic niceties about the meaning of "reasonableness" and "expedient". The amendments strike at the heart of the caveat of a deterrent. If the statement of 2 December 2004 holds in its deterrent effect, no legislation will be necessary because people will not try, through remuneration—this applies only to employment remuneration—to avoid paying their proper taxes or insurance.

The idea that in those three amendments—Nos. 14, 15 and 17—all that the right hon. Gentleman is doing is a bit of linguistic tidying-up is simply not the case. If he wants to know the use of "expedient", he needs to see it in the wider context. He knows full well that it is not about looking into whatever dictionary one cares to take off the shelf because the context of the word is important as well. In the particular case of proposed new section 4C, the expediency applies to certain specified purposes, which is quite right. If he wants precedent for using the word "expedient" rather than "reasonableness", he need look no further than to his own Government in 1992, although I can understand why he now wants to distance himself from decisions that he was happy to vote for at the time.

This has been an interesting debate, but it would have been better if the right hon. Member for Bromley and Chislehurst had been more straightforward with the House about what he was attempting to do—to remove the strong and important deterrent effect of the regulations. If the right hon. Gentleman still wants to put his amendments to the vote, I ask my hon. Friends to oppose them.

Mr. Forth: It certainly has been a revealing debate and the Paymaster General's petulance gives the lie to some interesting aspects of the Government's attitude—not least the fact that she has reduced the commissioners to a mere cipher of the Treasury. I do not know what the commissioners think about that or whether the Government would want to view their role in those terms. We now have it on the record that the Paymaster General is asking why we should bother consulting the commissioners because they are one and the same with the Treasury and there would be no point in doing so. We can leave that matter hanging for future study and

reference, but it has been a remarkable revelation from a senior Minister about the diminished role of those commissioners.

3.15 pm

The Paymaster General's defence of the word "expedient" and her rejection of our attempt to introduce the word "reasonable" were equally revealing. She seems to be saying that any measures designed to counter tax avoidance must be expedient, or they would not work, and that any suggestion of reasonableness is unacceptable. Well, that is very revealing of the Government's attitude both generally and specifically. So from that point of view, this debate, through the vehicle of the amendments, has shone a searchlight not just on the Bill's wording but on the attitude of Ministers and Departments—in this case, the Treasury.

Having listened carefully to the debate and to the—

Mr. Newmark: Is not the Paymaster General's earlier answer to my right hon. Friend a case in point? It may well have been an expedient response to his amendment, but it certainly was not a reasonable one. Perhaps we should look at this discussion in that context.

Mr. Forth: I am grateful to my hon. Friend, who has elegantly summed up the tone of this debate and illustrated the attitude of the Paymaster General and the Treasury.

Mr. Chope: I know that my right hon. Friend is normally suspicious of consensus, but has he noted the support among Liberal Democrats for my amendment No. 14?

Mr. Forth: Yes; and I thought that it was very significant.

Having listened to what my hon. Friend the Member for Christchurch (Mr. Chope) said about my amendment—I indicated at the outset that I had a realistic view of what I was trying to achieve—I beg to ask leave to withdraw the amendment. I understand, however, that my hon. Friend may wish to press his amendment No. 14 to a Division.

Amendment, by leave, withdrawn.

Amendment proposed: No. 14, in page 1, line 17, leave out

"appears to the Treasury to be expedient"

and insert 'is reasonable'.—*[Mr. Chope.]*

Question put, That the amendment be made:—

The House divided: Ayes 44, Noes 237.

Division No. 118] **[3.17 pm**

AYES

Alexander, Danny
Bone, Mr. Peter
Bottomley, Peter
Brake, Tom
Brooke, Annette
Cable, Dr. Vincent
Clegg, Mr. Nick
Davey, Mr. Edward
Davies, Philip
Dodds, Mr. Nigel
Donaldson, Mr. Jeffrey M.
Dunne, Mr. Philip
Field, Mr. Mark
George, Andrew
Goldsworthy, Julia
Gray, Mr. James
Harris, Dr. Evan
Hemming, John
Hollobone, Mr. Philip
Holmes, Paul
Howarth, David
Jackson, Mr. Stewart
Keetch, Mr. Paul
Knight, rh Mr. Greg
Kramer, Susan
Lamb, Norman
Laws, Mr. David
Moore, Mr. Michael
Opik, Lembit
Robertson, Angus
Robinson, Mr. Peter
Rowen, Paul
Russell, Bob
Smith, Sir Robert
Spink, Bob
Stunell, Andrew
Swinson, Jo
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Wallace, Mr. Ben
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Wilson, Sammy

Tellers for the Ayes:
Mr. Eric Forth and
Mr. Christopher Chope

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, Ed
Banks, Gordon
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Benn, rh Hilary
Benton, Mr. Joe
Blackman, Liz
Blears, rh Hazel
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, Mr. Russell
Browne, rh Mr. Des
Buck, Ms Karen
Burden, Richard
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Tom
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, Yvette
Corbyn, Jeremy
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Durkan, Mark
Eagle, Angela
Eagle, Maria
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Fisher, Mark
Flello, Mr. Robert
Flint, Caroline
Foster, Mr. Michael *(Worcester)*
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Griffith, Nia
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hanson, Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hoey, Kate
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kennedy, rh Jane
Khabra, Mr. Piara S.

Kilfoyle, Mr. Peter
Knight, Jim
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
MacDougall, Mr. John
Mackinlay, Andrew
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McDonnell, John
McFadden, Mr. Pat
McGuire, Mrs. Anne
McIsaac, Shona
McKenna, Rosemary
McNulty, Mr. Tony
Merron, Gillian
Michael, rh Alun
Miliband, rh Mr. David
Miliband, Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Oliver, Mr. Bill
Osborne, Sandra
Palmer, Dr. Nick
Plaskitt, Mr. James
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purnell, James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Rooney, Mr. Terry
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, Joan
Salter, Martin
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andrew
Smith, rh Mr. Andrew
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Turner, Dr. Desmond
Usher, Kitty
Wallace, Mr. Ben
Waltho, Lynda
Ward, Claire
Wareing, Mr. Robert N.
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Mr. Alan Campbell and
Mr. Frank Roy

Question accordingly negatived.

3.30 pm

Mr. Forth: I beg to move amendment No. 5, in page 2, leave out lines 10 to 12.

Mr. Deputy Speaker (Sir Alan Haselhurst): With this it will be convenient to discuss the following amendments:

No. 6, in page 2, leave out lines 13 and 14.

No. 16, in page 2, line 14, leave out '2nd December 2004' and insert '11th October 2005'.

No. 18, in page 3, line 23, after second 'any', insert 'future'.

No. 19, in page 3, leave out lines 32 to 38.

No. 20, in page 3, leave out lines 39 to 41.

No. 9, in page 4, leave out lines 16 to 18.

Mr. Forth: In many ways, these amendments bring us to the core of the Bill. I shall leave my right hon. and hon. Friends perhaps to concentrate on other aspects of the measure, but the matters in clause 1(1) that attracted my attention relate to subsections (4) and (5) of proposed new section 4B of the Social Security Contributions and Benefits Act 1992, which I seek effectively to delete from the Bill.

I shall look first at proposed new subsection (4), which says:

"It does not matter whether the retrospective tax provision in question was passed or made before the day on which the National Insurance Contributions Act 2006 was passed."

That is blatant beyond all belief. The Government now no longer even attempt to conceal what they are up to or to divert our attention from it. I suppose that I grudgingly give them almost a degree of credit for the fact that they are being perfectly blatant in what they are saying. We now have a Bill, for which the Government have aspirations of its becoming an Act on the statute book, that says, "It does not matter. We can do pretty much what we want, whether or not it was passed now or at some other time—who cares?"

Peter Bottomley (Worthing, West) (Con): My right hon. Friend is being uncommonly generous. In fact, the Government are being just as arbitrary about what they pay out, let alone what they get in—for example, the discrimination against any of our pensioners who live in Canada, rather than the United States, or in the rest of Europe, rather than the European Union. That happens all the time.

Mr. Forth: Of course I agree with my hon. Friend. The Government would probably say, "Well, it does not matter really, does it?" because those folk are far away and do not have a direct voice in what is going on here. We are talking about the Government saying that it does not matter how, when or whether they raise money, but I suspect that that would apply equally to their attitude to whether they disburse money.

Proposed new subsection (5) says:

"But nothing in subsection (2) authorises regulations to be made which have effect in relation to any time before 2nd December 2004."

My hon. Friend the Member for Christchurch (Mr. Chope) has tabled an amendment by which he seeks to alter that date. I would prefer to remove it altogether. The Paymaster General attempted to justify that date in summing up the previous debate. She said something along the lines of, "If a Minister says on a certain date we may legislate in the future to do something that you may do in the future but we are not sure and we really don't care very much, that is all right."

We are now into the era of blanket provision, forecasting or attempting to forecast what might be and giving the Government what amounts to a blank

legislative cheque to do whatever they like. That may be all right in the minds of Ministers whose attitude, frankly, to government and Parliament over the past seven or eight years has been consistently contemptuous—we have almost come to accept that—but to have it spelled out in a Bill is going way too far. It is one thing to alter the procedures of the House, to reduce, curtail or deny debate or to cut down almost to nothing the time available to scrutinise legislation in Committee, but when phrases such as "it does not matter" or "any time before" this or that date are included in a Bill, we are getting into extremely dangerous territory.

Mr. Greg Knight: My right hon. Friend is making a good point. If passed, will not the Bill rip up the rights that we have enjoyed in this country since Magna Carta? Under legislation passed by the House, the citizens of this country should know precisely where they stand. Are we not returning to the pre-Magna Carta age, when law used to be made at the whim of the king, but it is now being made at the whim of the Government?

Mr. Forth: Yes, I fear that my right hon. Friend is right. I am worried that we are finding that gradually over time—Bill by Bill and Act by Act—what we always thought was sacrosanct, even though we do not have a written constitution, is being eroded by such phrases. For most of my life, I have taken a lofty attitude to written constitutions. I thought that we did not need them and that they were for only people such as the Americans and the French. I have now come to the view that only a properly written constitution will protect us from Governments such as this. Such phrases in Bills have the effect—whether openly or surreptitiously and gradually or suddenly—of removing from our lives what we thought were precious certainties. If we do nothing else, surely we must remove phrases such as "It does not matter" from our legislation.

David Howarth (Cambridge) (LD): I am following what the right hon. Gentleman says with great interest and agree with most of it. However, I am puzzled about the effect of amendment No. 6. Surely leaving out those lines from the Bill would increase the Government's powers under proposed new section 4B(2) and thus make things worse?

Mr. Forth: I concede to the hon. Gentleman that that is a possibility. It is something that he and the House must take into account when they decide what to do about the amendment. I am trying to make the general point at the moment that such provisions appear to give the Government enormous and unlimited powers to do whatever they want, whenever they want, and, indeed, to do so retrospectively. That danger exists throughout the Bill.

When we consider the other amendments in the group, we will find that they address a similar area of concern. Proposed new section 4C(3)(a) is a similar measure that says that regulations may make provision to modify

"any provision of any enactment".

Again, the Bill will give extraordinarily wide powers under regulations. The problem is that owing to the way in which our parliamentary procedures work, regulations cannot be amended. Whether regulations are considered under the affirmative or negative procedure, they come before the House on a take-it-or-leave-it basis.

Bad enough though such a phrase is, it is in many ways worse than it would be if it related to primary legislation. Such legislation is at least, in theory, amendable, although goodness knows that we get little opportunity to amend legislation these days, unless the Government have cocked something up and have to amend their own legislation, which happens all too frequently.

Proposed new section 4C(3)(b) says that regulations may make provision

"for any provision of any such enactment to apply in such cases, and with such modifications (if any), as the regulations may prescribe."

The wording is becoming more general and generous, but less restrictive and specific. When confronted with such wording, the House is being asked to say to the Government, "We trust you. We think that this is generally rather a good idea,"—which, by the way, I do not, but we will come back to that on Third Reading. However, the Government are saying to us, "If you sign up to these words, there will and can be no comeback whatsoever." By using the word "any" over and over again, the Government are telling us that they will do what they think is appropriate at the time, retrospectively or otherwise.

Rob Marris: I draw the attention of the right hon. Gentleman to the bit of proposed new section 4C(3)(a) that he did not read out. It says:

"including this Act and any enactment passed or made on or after the commencement day".

That is not retrospection.

Mr. Forth: That line is not retrospective—it must be the only provision in the Bill that is not. I congratulate the hon. Gentleman on finding the one line of the Bill that is not retrospective, but that does not exonerate the Government from any guilt about, or blame for, the way in which they are trying to give themselves the broadest possible powers to do almost anything that they want at any time. Regarding that provision, I concede to the hon. Gentleman that the Government may use such powers only after the commencement day, but I am not sure that that gives me much comfort.

Rob Marris: I understand the right hon. Gentleman's remarks about the powers of the Government and I tend to agree with him about the lack of ability to amend certain statutory instruments. However, in terms of the part of the Bill that I read out, it would be open to the House in a subsequent enactment to say that new section 4C(3)(a) and so on will not apply. There could be an override, decided in the House, in subsequent legislation, so the House could have the opportunity to decide.

Mr. Forth: The hon. Gentleman has been here long enough to know that subsequent legislation is not as easy as it sounds when he says it quickly. If he were to ask his hon. Friends who are Ministers how easy it is for them to get the Bills that they want, to do the things that they want or to correct the things that they want to

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correct, he would get a pretty dusty response. There is always a debate, and it is a very important one, as to whether it is better to have a measure in a Bill, thus making it difficult to change by subsequent primary legislation, or whether, ironically, it is preferable to have it in regulations because although, under the current procedure, they cannot be amended, they can be returned to somewhat more easily.

I make a half-concession to the hon. Gentleman in the sense that if something were to be done by regulations, and they were faulty, that could at least be picked up. In fact, I can assure him that the Joint Committee on Statutory Instruments spends its entire life doing just that, if I may say so with all due modesty, very well indeed and with great competence and élan.

Ed Balls (Normanton) (Lab): I am struggling to follow the argument, but I was interested in some of the right hon. Gentleman's earlier comments about constitutional reform and a commitment to a written constitution, which seemed to be an important statement. He said that having a written constitution was a rather French thing to do because, in the past, the French—and the Americans—have tended to have such constitutions. Presumably, a written constitution would, in some ways, make us a bit more French, rather than a bit more British, although presumably we would have a British written constitution rather than a European written constitution. I thought that more clarity would be helpful.

Mr. Forth: I am grateful to the hon. Gentleman for saying that something I said was important—it is the first time that anyone has said that to me in my time in the House.

James Duddridge: The hon. Gentleman's comments were interesting, but were they in any way relevant to this debate?

Mr. Deputy Speaker: I can see that the hon. Gentleman is getting himself into training for elevation to the Chairmen's Panel one day. He beat me to the draw. What he said is very apposite, and what the hon. Member for Normanton (Ed Balls) said was not.

Mr. Forth: My frustration, of course, is that I am unable to give the hon. Gentleman the answer that I would love to give him. Knowing you, as I do, Mr. Deputy Speaker, I dare not even attempt it.

Ed Balls *rose—*

Mr. Forth: I will give the hon. Gentleman another go, provided that he will not tempt me to get into your bad books, Mr. Deputy Speaker, which is the last thing I would want to do.

Ed Balls: I am grateful for the chance to intervene again, and I shall try to make sure that I phrase my question more properly. If we had a British written constitution, would that mean that concerns such as those that the right hon. Gentleman has about the Bill would be tackled in another place or through the courts rather than in Parliament? Does he think that that would strengthen or weaken our parliamentary democracy?

Mr. Forth: With more than half an eye on you, Mr. Deputy Speaker, I say briefly that we should have a British written constitution, which would, among other things, protect us from further depredations from the ghastly European Union and go a long way towards protecting taxpayers from the ghastly Government. I hope that gives the hon. Gentleman some idea of where I am coming from and where I would like to go.

I have given enough of a flavour of my reasons for believing that these amendments, too, are an important part of our scrutiny of the Bill. Given my unhappiness about the whole concept of retrospection in any case, it is the words in the parts of the Bill that I have highlighted that give me great unease. For that reason I hope that the House is able to support, if not all the amendments before it, certainly the one referring to amendment No. 5.

3.45 pm

Mr. Chope: I enthusiastically support amendment No.5. With no collusion, my right hon. Friend the Member for Bromley and Chislehurst and I filed amendments in exactly the same terms. That must show something, although I am not quite sure what. I hope the House will take the view that it shows that we are working on the right lines.

Amendment No. 5 is important as it removes one of the worst and most oppressive elements of the Bill, which offends against all the principles of natural justice. I am not convinced about amendments Nos. 6 and 20.

I shall devote most of my remarks to the support of amendment No. 16, which proposes leaving out the words "2nd December 2004" and inserting instead "11th October 2005"; in other words it substitutes the date when the Paymaster General made her written statement to the House for the date when the Bill was published and thus available for inspection of its contents. Although ideally, retrospection should not take effect before the date of a Bill's enactment, it is a well-established convention for Finance Bills that retrospection can apply from the date when the Bill was published.

Mr. Forth: My hon. Friend has just pointed out that the measure was originally promulgated through a ministerial written statement. Does he share my extreme unease that written ministerial statements are an ever more common way of promulgating Government policy because they cannot be questioned? Ministers know that instead of coming to the House, making a proper statement and subjecting themselves to questioning by Members of Parliament the written statement cannot be subject to questioning.

Mr. Chope: I very much agree, especially as the title of the ministerial statement was "Finance Bill".

Dawn Primarolo: I think that I can help the hon. Gentleman and the right hon. Member for Bromley and Chislehurst (Mr. Forth). The 2 December 2004 statement

was part of the pre-Budget report, which was subject to statement and questions in the House. It was then subject to debate, as some of their right hon. and hon. Friends can confirm, in the proceedings on what became the Finance (No.2) Act 2005 when the tax measures, the sister measures to national insurance, were debated. It has in fact been questioned and debated a lot.

Mr. Chope: The point at issue is whether on that date in December 2004 anyone reading that written statement, which was headed "Finance Bill"—it did not say "National Insurance Contributions Scam", which might have put people on notice—

Mr. Newmark: Does my hon. Friend share my concern that such written statements will create a precedent for further retrospective legislation?

Mr. Chope: Certainly. The idea of governing by ministerial fiat, by statement, is dangerous, and not only in the context of the measure that we are discussing. One might consider the consequences of this year's pre-Budget report, where the Treasury unsaid what it had previously said about the eligibility of the inclusion of ordinary houses in self-invested personal pensions. An earlier ministerial statement had announced that from April 2006 it would be possible for people to include property in their SIPPs and on that basis many companies set up businesses and incurred expense and risk. The Government will not compensate people who were adversely affected by anticipating Government legislation. I have no quarrel with people anticipating legislation. They took the Government's word as a true intention of what would happen.

It turns out that that is not going to happen. As recently as 14 November this year, I received a letter from the Economic Secretary justifying and, indeed, commending the proposals that SIPPs should include assets such as houses. He pointed out that that would not have an adverse effect on the property market. In any event, he said, only 1 per cent. of pension funds would be affected. Anyone who assumed from that letter that they should invest in such pension funds or set up schemes to facilitate such investment would have been acting in advance of the Finance Bill and therefore at their own risk. Unfortunately, no compensation is available in such a situation, but the Government are suggesting that if they make an announcement through a written answer on national insurance contributions, it should be regarded as gospel. Their approach is therefore inconsistent. We appear to be moving into a new era of government by fiat—whatever Ministers say goes—while, at the same time, letters are written to introduce provisions for compensation for people who act on the basis of those Government statements only to find that they have acted to the detriment of their interests.

Mr. Forth: Does my hon. Friend agree that since the SIPPs fiasco, no one should ever believe a Government Minister again, if, indeed, they ever did so? If there is any doubt about that at all, they should pay attention to the distinction that he made between the Minister's suggestion that, if the Government said something, everyone should believe it and act on it, and the fact that people did act on SIPPs and had their fingers burned. We now know where we stand—we should never ever believe what a Government Minister says, especially one from the Treasury.

Mr. Chope: I wholeheartedly agree, which is why Magna Carta, to which my right hon. Friend the Member for East Yorkshire (Mr. Knight) referred, and the wise words of Adam Smith in "The Wealth of Nations", which have been mentioned by my hon. Friend the Member for Ludlow (Mr. Dunne), are pertinent.

Mr. Greg Knight: Is my hon. Friend aware that he can pray in aid the judgment in the case of *The Sunday Times v.* The United Kingdom 1978–80, in which the European Court concluded that a citizen must be able, if necessary with appropriate advice, to foresee to a reasonable degree the consequences of a given action? That case required Governments to make their laws predictable and known to the citizens whom they are supposed to serve. If the Bill is enacted, does my hon. Friend share my view that it is likely to be challenged in the European courts because it breaches human rights?

Mr. Chope: Yes, that seems extremely likely. Indeed, page 12 of the explanatory notes, which carries the sub-heading, "European convention on human rights", suggests that the Government half-expect that to be the case. Paragraph 82 states:

> "The Government also considers that regulations that may be made under the power are capable of maintaining a fair balance between the individual's interest and the general community interest without placing an excessive burden on the individual, and therefore that the regulation making powers do not breach obligations".

The Government are talking about capability, but we should ensure that it is impossible for the regulations to do anything other than comply with the ECHR. The Bill, however, does not make any such provision.

James Duddridge: I am confused, as the front page of the Bill carries a statement by the Chancellor of the Exchequer that I find difficult to reconcile with my hon. Friend's argument:

> "In my view the provisions of the National Insurance Contributions Bill are compatible with the Convention rights."

Will my hon. Friend clarify the position?

Mr. Forth: The Chancellor would say that, wouldn't he?

Mr. Chope: Indeed. My hon. Friend the Member for Rochford and Southend, East (James Duddridge) is an assiduous legislator, and he knows that we must look at the small print.

If one could take the statement at face value, there would be no need for the explanatory notes, which are after all produced by the Government. The notes make it clear that there is an issue, which has been raised in the other place and by accountants and tax lawyers. If the Bill is passed into law in its present form, we may well

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find that it results in the sort of challenges to which my right hon. Friend the Member for Bromley and Chislehurst referred.

Mr. Newmark: My hon. Friend mentioned Adam Smith. There is a great passage in "The Wealth of Nations" that has a bearing on our debate. Adam Smith wrote in 1776 that

"the tax which each individual is bound to pay ought to be certain and not arbitrary. The time of payment, the manner of payment, quantity to be paid ought to be clear and plain to the contributor and to every other person."

Is not the problem with the Bill the fact that it is vague and arbitrary? That is our concern.

Mr. Chope: My hon. Friend is right. I did him a disservice in attributing the use of that quote to my hon. Friend the Member for Ludlow. It is good that we have relatively new Members of the House who are so familiar with that great work, "The Wealth of Nations". That augurs well for liberty and freedom as issues that will be debated much more fully in the House. I am glad my hon. Friend the Member for Braintree (Mr. Newmark) is present today to develop the argument that he started articulating in Committee.

We are discussing not a practical matter, but an issue of supreme principle and importance. There are practical consequences of Governments legislating by fiat, and there are times when, as a Member of Parliament, one might wish that the law could be retrospective. For example, I have a constituency case where somebody is arguing bitterly that a single prostitute living above a shop should be deemed to be running a brothel. Unfortunately, the law says that in order for it to be a brothel, there must be more than one prostitute operating. My constituent would be delighted if the Government introduced legislation making it retrospectively criminal to be doing what that individual is doing, but those of us who believe in the rule of law and the principle of parliamentary legislation would not support such retrospection, even if it was thought to be expedient. I am sure there are people who would say that such legislation was expedient, but I do not believe we should allow that.

It is true—this is the point that the Paymaster General made—that there are precedents for retrospection. They go back to the time of the second world war, but during the 1970s, under the Labour Government of the day, the then Chancellor, Denis Healey, now Lord Healey, brought in rules to deal with tax avoidance. Retrospection was a controversial issue at the time and the debate about that resulted in the development of the Rees rules. Those were drawn up by Lord Rees, who at the time was shadow Chief Secretary to the Treasury and went on to be Chief Secretary to the Treasury and an important member of the Government of my noble Friend Lady Thatcher.

Mr. Rees, as he was in those days, argued that retrospective legislation should be subject to four conditions. First, the warning given in the House of Commons

"must be precise in form. A mere suggestion that there are vague schemes of tax avoidance that must be counted should not suffice. Secondly, the problem at which the warning has been directed should immediately be referred to a committee".

He referred to one that he understood existed, made up of members of the Inland Revenue and the accountancy and legal professions.

"Thirdly, if the committee can hit on appropriate legislative provision, the draft clause . . . should immediately be published in advance of the Finance Bill so that those who are likely to be in the field of fire will have a second clear intimation of what to expect. Fourthly, such a clause must, without fail, be introduced in the following Finance Bill . . . I believe there may be situations in which"

that approach

"is the only solution if we are to counter avoidance of the sophistication and scale which we understand has been current of late. But if a Government are to adopt that remedy, it must be on"

that basis.

4 pm

The Paymaster General cannot suggest that there are no precedents for retrospection, because there are precedents for retrospection with safeguards, and I tabled amendment No. 16 because those safeguards have not been met in this particular case. The statement by the Paymaster General on 2 December 2004 was not the subject of immediate consultation with the relevant professions, and it was not the subject of a clause in the next Finance Bill. I agree that that is true of the tax provisions, but they are a separate issue, because we are discussing provisions relating to national insurance contributions.

I thought it telling that the regulatory impact assessment states:

"As this is a measure directed at tax avoidance, consultation was not appropriate before the publication of the Bill. The proposal is to apply to NICs the existing rules for disclosure of tax schemes. These rules were the subject of detailed discussions with the accountancy and legal professions, and other businesses during 2004".

Mr. Forth: Now I am puzzled, because I am sure that my hon. Friend heard, as I did, the Minister boasting that consultation is in the bloodstream of the Treasury and that the Treasury does nothing without consulting generously and in detail, but my hon. Friend's argument seems to run counter to that. Can he explain that paradox?

Mr. Chope: Hon. Members must draw their own conclusions. When the Paymaster General made her statement, if the Rees conventions had been complied with, consultation with the relevant parties would have been carried out immediately and the Bill would have included the appropriate draft clauses. However, the regulatory impact assessment tells us that no detailed consultation took place before the Bill was published, because the measure is directed at tax avoidance. If the Paymaster General is right in saying that everything was plain and apparent back in December 2004, what harm would there have been in working out the detailed legislative formula that was to flow from the proposition set out on 2 December 2004?

As the Institute of Chartered Accountants has said:

"We do not think that anyone reading the Paymaster General's 2 December 2004 statement could have expected the content of the Bill."

"Anyone" includes not only dullards, but smart lawyers, accountants and others. I know that my hon. Friend the Member for Fareham (Mr. Hoban), who is on the Front

Bench, is a distinguished accountant, and perhaps he will tell us later whether he knew exactly what would happen when he read the Paymaster General's statement. If it was obvious, there could have been no harm in having detailed consultations with the profession, but that never happened.

Amendment No. 19 would remove a grotesque Henry VIII provision that gives a power to change primary legislation by regulation and to do so, in certain circumstances, retrospectively. That is wholly unjustified, even in what the Minister described as the extreme circumstances that make the Bill necessary. I hope that she can explain why she thinks that this particular provision is necessary. This is a very serious issue. We are talking about an assault on fundamental freedoms that go back to the days of Magna Carta. The Minister will say, as always, that there is a precedent. The problem is that every time we take away one of those freedoms, or salami-slice it a little bit, we are gradually giving the state more power.

The Government argue that the Bill has an element of proportionality. I should like to draw the House's attention to what the explanatory notes say about article 8 of the European convention on human rights. Paragraph 84 states:

"Clause 7 enables, but does not require, provision to be made requiring disclosure".

Paragraph 85 states:

"The Government considers that any perceived interference with rights under Article 8 of the Convention created by these provisions is justified under paragraph 2 of that Article on the grounds that it is necessary in the interests of the economic well-being of the country."

If the provision was in the interests of the economic well-being of the country because it would raise vast sums of money proportionate to the overall budget of the Exchequer, one could begin to see that it might comply with the article.

Let us consider this in context. At its height, the provision will raise £96 million for the financial year 2004–05. Yet, earlier this month, the Government announced in the pre-Budget report that they propose to borrow £151 billion over the next five years. It is hard to see that raising £96 million—which equates to £3 or £4 per person in employment—through retrospective legislation can be justified on the basis of proportionality. Is that modest gain justified by the enormous assault on our civil liberties and human rights represented by this provision? I do not think so, and that is why I hope that the House will support the amendment.

Mr. Greg Knight: I want to start by speaking about amendment No. 18, which is a probing amendment. If the Paymaster General can satisfy me that it is unnecessary, I will not press it to a Division. However, I should like to hear her comments on it.

Amendment No. 18 would add the word "future" to the sentence

"any purpose relating to any statutory payment",

so that it would read, "any purpose relating to any future statutory payment". I believe that there are only four sorts of statutory payment: sick pay, maternity pay, adoption pay and paternity pay. The amendment would remove the potential for retrospection from any statutory payments. I should therefore like to know whether the Paymaster General envisages the use of the retrospective provisions for statutory payments. If not, should not the amendment be incorporated in the Bill? If she does envisage such use, will she give an example of when it would be justified?

Statutory pay is given for a good reason and people who receive it often spend it almost immediately. If the Government intend to claw it back, the reason for doing that should be placed on record.

Mr. Forth: The concept of retrospective maternity pay is rather interesting.

Mr. Knight: The retrospective clawback gave me cause for concern.

I should like to make some general comments about the speeches so far. We have heard some powerful contributions and I agree with everything that my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) said when he set out his concerns. I part company with him because I am not sure whether his amendments would have the effect that he wishes. The intervention of the hon. Member for Twickenham (Dr. Cable) hit the nail on the head. If the amendments are accepted, there may be less, not more, protection in the Bill for matters that my right hon. Friend would wish to have protected.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): Would not amendment No. 16 provide some protection and some improvement on the clause? The hon. Member for Christchurch (Mr. Chope) tried to raise matters for debate in the amendment. However, were he to press it to a vote, he might do more damage.

Mr. Knight: I am still reflecting on whether I would support my hon. Friend the Member for Christchurch (Mr. Chope) if he pressed amendment No. 16 to a Division, but I believe that it would provide greater protection.

I am worried about the human rights effect of the Bill. Others share that concern. It was interesting to read the evidence that was given to the Treasury Committee in December 2004. John Whiting from PricewaterhouseCoopers went as far as to suggest that the avoidance measure that we are discussing

"does have . . . human rights implications".

He contradicted the Chancellor's statement that the Bill complies with human rights legislation. He stated:

"There is never any objection to the Government, the Minister, standing up and saying, 'As of today, we are going to block such and such", so let's get that clear . . . The idea that you can stand up and say, or put a written statement down and say, "Right, if something turns up in the future, we don't know what it is, but we reserve the right to come back to today and basically change the way the tax law operates', let's be clear, the system of tax we have in this country is that you are taxed on the basis of what the law says. If, therefore, there is a possibility of retrospectively altering your tax bill, then it does have very interesting human rights implications and it has been mooted that this idea of retrospection could now be vulnerable to human rights challenges if we go that far."

[Mr. Knight]

Anne Redston from Ernst and Young gave written evidence to the Committee. She said of the Bill:

"This is a radical new departure for the UK, which has for centuries accepted that tax cannot be levied unless parliament has passed specific legislation authorising its collection."

That principle is enshrined in the Magna Carta. As Simon Schama put it in his "A History of Britain":

"The Magna Carta ... spelled out for the first time, and unequivocally ... that the law was not simply the will or whim of the king but was an independent power in its own right."

The history of democratic government in Britain has, as one of its fundamental themes, the establishing of the right of citizens to be taxed not by government fiat but by the clear words of statute, following the introduction of specific legislation. What is the Minister's answer to those charges? Many of us fear that the Bill rips up the rights that were enshrined in the Magna Carta, and that it should not therefore be proceeded with in its present form.

4.15 pm

Mr. Newmark: In respect of the date of retrospection, it is not that 2 December 2004 is a particularly offensive date. It may well have been a lovely day; I do not know, because I was not fortunate enough to be a Member of this House at the time. It might well be reasonable to backdate to that date national insurance contributions that have been avoided by means of "dishonest schemes"—to use the Paymaster General's words—although we continue to disagree on that point.

The implication of the Bill is that we shall set a dangerous new precedent for the way in which the House conducts its business. Would it become a requirement that all financial services professionals should, instead of reading the *Financial Times* over their cornflakes, thumb through a copy of *Hansard*, looking for ministerial statements that might affect them two years down the road? Should they believe that whenever the Government express an intention to legislate, they will follow it through? We have had broken promises from this Government before. Should tax advisers warn their clients of the potentially earth-shattering—or at least profit-affecting—implications of the Paymaster General's words every time she addresses us with her customary eloquence? No, that would be absurd. We have endured the loss of clarity in our tax system. We must not endure a further erosion of certainty, otherwise we will become prohibitively uncompetitive as a nation.

Legislation should be proportionate. It is said that this legislation will affect only the dishonest. It will not. It will have a knock-on effect throughout the financial services industry. Will the Minister at least exclude one knock-on effect by confirming that the use of ministerial statements to signal retrospective taxation will not proliferate into a general principle?

Rob Marris: I shall try to be brief, for the sake of my right hon. Friend the Paymaster General.

I would be interested to hear from the hon. Member for Christchurch (Mr. Chope) whether the Rees principles to which he referred dealt with tax avoidance. If he said that in his speech, I did not pick it up.

Mr. Chope *indicated assent.*

Rob Marris: I see the hon. Gentleman nodding. In the case of this legislation, we have precision, consultation—albeit before the statement—and now the equivalent of a Finance Bill to deal with national insurance. So those principles seem broadly to have been met.

The right hon. Member for East Yorkshire (Mr. Knight) and the hon. Member for Braintree (Mr. Newmark) talked about predictability and certainty. The right hon. Member for East Yorkshire referred to a 1979 legal case, and with his usual generosity, he included a quote to give the House a rounded picture. It contained the words "with appropriate advice". That is at the heart of the amendments, of the issue of retrospectivity, and of the practical sense of where we are at in regard to this possible legislation.

I said earlier—and I will say it again because it is absolutely right to point this out—that the people who engaged in the kind of manoeuvres that might be caught, were the Bill to become an Act of Parliament, as I hope it will, were people who would almost invariably have sought professional advice, unless they were themselves accountants, in which case they would advise themselves.

We are not talking about the average person in the street who has been caught unawares. We are talking about those who, almost invariably, took advice—whether the advice was appropriate or not, we do not know, because it depends on what the accountant told them. There would have been some predictability and certainty from what they were told by their accountant. It is somewhat dodgy of the right hon. Member for East Yorkshire to pray in aid statements made by accountants to the Select Committee about legal matters.

Mr. Forth: What comment does the hon. Gentleman have about those modest-income people who took advice to go into self-invested personal pensions and who have now had their fingers badly burned as a result of the Chancellor letting them down?

Rob Marris: I am glad that the right hon. Gentleman raised that issue, as I was just about to come on to that—

Mr. Forth: No, the hon. Gentleman was not.

Rob Marris: It is written in my notes. Does the right hon. Gentleman wish to see it? He can probably read it from where he is sitting—SIPPs is on the second line down.

Mr. Forth: I believe the hon. Gentleman.

Rob Marris: I am glad that the right hon. Gentleman believes me.

The right hon. Gentleman referred to people of modest means. I suspect that his definition of modest means is slightly different from mine. It is right,

however, to discuss SIPPs in this context. The Government listened to the considerable representations made on SIPPs and changed their approach in the pre-Budget report. That might appear to be a contradiction to some Members, but I do not think that it is. To me, the underlying theme is that if one has modest means—I would say that they were considerable means in terms of what is dealt with in this Bill, and in terms of SIPPs and second homes—getting involved in such tax avoidance measures is dodgy until the law is passed.

In the statement that my right hon. Friend the Paymaster General made on 2 December 2004, she included a statement of intent that she and the Treasury team wished to be put into United Kingdom legislation. That was not government by fiat. If it were, we would not be here, because we would not have a Bill in front of us. My right hon. Friend would have introduced the changes by fiat from 2 December 2004. I would have objected strongly. From what I know of her, there is no way that she would ever wish to govern by fiat. The matter would rightly come before the House, as it has done today. To suggest that this is government by fiat, which brings in all the arguments about the Magna Carta, takes us off track.

I echo what the right hon. Member for East Yorkshire said about amendment No. 6. Were it to be passed, it would make things worse in terms of what the right hon. Member for Bromley and Chislehurst (Mr. Forth), as I understand his view, appears to want to happen. On amendment No. 16, tabled by the hon. Member for Christchurch, either he and other Members who keep using the word "principle" have a principle on retrospectivity or they do not. We cannot have half a principle going back to 11 October this year, but not going back to 2 December 2004. Either one can envisage that retrospectivity, as I do, going back to a ministerial statement that is yet to be enacted but will be enacted if the Bill is passed, or one cannot. What he said about a convention in relation to Finance Bills seems to undermine his position. Either he has a principle or he does not.

Mr. Chope: Surely the principle is knowing what the situation is. On 11 October, the Bill was published and anybody could see its content. When the Paymaster General made her statement on 2 December last year, however, the situation was opaque in the extreme.

Rob Marris: That is a helpful intervention, because my right hon. Friend the Paymaster General and I differ from the hon. Gentleman on whether the written ministerial statement of 2 December 2004 was opaque. I do not think that it was, and my right hon. Friend has made it very clear to the House that she does not think that it was. I accept that the accountancy body to which the hon. Gentleman has twice referred said that it was not quite clear, but I do not think that it was opaque. I think that it said, "Watch out if you're trying to get involved in some strange tax avoidance scheme. We have clamped down on them in the past and we are going to clamp down in the future." My right hon. Friend put out a kind of caveat-avoider warning on 2 December 2004.

The hon. Member for Christchurch made a point about his amendment No. 19 and the Henry VIII clause. The amendment proposes the removal of new section 4C(3), which the hon. Gentleman said was retrospective. When I intervened on the right hon. Member for Bromley and Chislehurst earlier, I quoted subsection (3)(a) to demonstrate that it was not retrospective. I realise that the hon. Gentleman has worries about retrospectivity, but he seems to be interpreting the phrase in brackets in subsection (3)(a) differently from me. There is retrospectivity in the Bill, but I do not think there is any in subsection (3).

Mr. Chope: The hon. Gentleman is a distinguished lawyer, but surely if his interpretation were correct, the subsection would read "modifying any provision of any enactment passed after the commencement day", without the restriction to

"this Act and any enactment passed ... after the commencement day".

Surely it is retrospective in that regard.

Rob Marris: The hon. Gentleman and I differ, in that I do not agree that it is retrospective, but I understand his interpretation and I hope that my right hon. Friend the Paymaster General will clarify the wording.

I take the hon. Gentleman's point about economic well-being, but I think he rather over-egged his case. He referred to a projected Government deficit of £151 billion over the next five years, and contrasted it with the sum of £95 million. With due respect, he inadvertently did not present a true picture. The £95 million is the projected increase in tax revenue for 2004–05 as a result of the Bill. According to the regulatory impact assessment, thereafter it will be £240 million a year. In round terms, if the £240 million continued for the whole five years, the total would be more than £1 billion. I appreciate that £1 billion is about two thirds of 1 per cent. of £151 billion, but the comparison is not quite as extreme as the hon. Gentleman suggested.

Amendment No. 5 proposes the removal of new section 4B(4) in clause 1. Will my right hon. Friend explain what the subsection means? As I said earlier, I think that if it were removed, the effect would not be what the right hon. Member for Bromley and Chislehurst wants, but I may have misunderstood. If I may use the word employed by the hon. Member for Christchurch, the subsection is slightly "opaque". I hope that my right hon. Friend will explain it, and why she wants it to remain—as I imagine she does.

Dawn Primarolo *rose—*

Mr. Deputy Speaker: Order. It might make for a better debate if the hon. Member for Fareham (Mr. Hoban) spoke at this point, before the Paymaster General winds up the debate.

Mr. Hoban: The amendments deal mainly with the retrospective nature of the Bill, a topic that was considered both on Second Reading and in Committee. It is right for it to receive full and proper attention on Report as well, given the importance of retrospection in the context of tax. As has been pointed out a couple of times, when our party were in government, retrospection was used on occasion to tackle tax avoidance, but that should not create a precedent. It

[Mr. Hoban]

should not mean that measures containing an element of retrospection should go unchallenged. I welcome the amendments in that context, as they urge the Treasury to justify certain parts of the Bill.

I share the uncertainty of the hon. Member for Wolverhampton, South-West (Rob Marris) about the precise meaning of the wording. I suspect that it boils down to the fact that the Bill follows anti-avoidance measures enacted in respect of other taxes. As I have said, one problem is that NICs and other taxes are dealt with by different Acts, so changes need to be enacted separately. It still has some retrospective provisions and I want to make some general comments about retrospection in response to amendment No. 16, proposed by my hon. Friend the Member for Christchurch (Mr. Chope).

I join other hon. Members in chiding my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) on amendment No. 6. I fear that it creates a position whereby, if the rest of the Bill goes through unamended, the removal of the specific provision would enable retrospection right back to the initial introduction of national insurance contributions.

4.30 pm

Rob Marris: The Magna Carta.

Mr. Hoban: The hon. Gentleman shouts out "the Magna Carta", but I am not entirely sure that national insurance was even thought of when that document was drawn up.

Amendment No. 6 would, as explained in paragraph 20 of the explanatory notes, remove the limitation whereby the backdating applies to 2 December 2004.

Amendment No. 16 brings out one of the key issues relating to retrospection. It is designed to put back into the Bill a particular date from which retrospection can start—11 October 2005. My hon. Friend the Member for Christchurch and other hon. Members have already referred to the surprise of those who follow these matters closely outside this place about the Bill's relation to the Paymaster General's statement of 2 December 2004. We had a brief exchange on that matter earlier. In tax representation document 53/05, the Institute of Chartered Accountants said:

"We do not think that anyone reading the Paymaster General's 2 December 2004 Statement could have expected the content of this Bill."

In view of that surprise, it may be reasonable to move the date forward to 11 October 2004.

In the same paragraph of the representation, the Institute of Chartered Accountants expresses, albeit somewhat less eloquently, the sentiments of my hon. Friend the Member for Braintree (Mr. Newmark) in speaking about Adam Smith. It cites passages from the European case "Stichting Goed Wonen". Paragraph 32 states:

"The principles of the protection of legitimate expectation and legal certainty form a part of the Community legal order. They must accordingly be observed . . . by Member States".

And paragraph 33 states:

"Although in general the principle of legal certainty precludes a Community measure from taking effect from a point in time before its publication, it may exceptionally be otherwise where the purpose to be achieved so demands and where the legitimate expectations of those concerned are duly respected".

I suspect that the Institute of Chartered Accountants was surprised on reading paragraph 33 and felt that its legitimate expectations had not been respected. The principles of paragraph 32, it probably thought, should apply—that people should have legitimate expectations and be able to rely on legal certainty.

People have asked how that differs from the Rees rules that were set out in the Finance Act 1978, to which my hon. Friend the Member for Christchurch referred. It reminds me of further comments from the accountancy profession. I do not want to go into all the Rees rules again, but I would draw attention to the first of the four:

"First, the warning must be precise in form. A mere suggestion that there are vague schemes of tax avoidance that must be countered should not suffice".

It is the generalised nature of the Paymaster General's statement of 2 December 2004, that leads people to ask whether the first Rees rule principle has been met. The Paymaster General was explicit in saying earlier that it had been met, but others feel that it has not. That poses the question of how people should have reacted to that statement. Is it perhaps more appropriate to start the period of retrospection from 11 October 2005, when the Bill was published, and to thereby present clearly to advisers, professionals and others interested in tax matters the nature of the Government's concerns? That is the issue that we have been debating through this group of amendments and it is important to the principle of retrospection. People are looking for clarity and certainty, which the Paymaster General's statement of December 2004 perhaps did not possess in the eyes of some. I would welcome her comments on that and on other aspects of retrospection.

Through amendment No. 18, my right hon. Friend the Member for East Yorkshire (Mr. Knight) seeks to amend just one line in clause 1, but leaves untouched other payments that are themselves linked to national insurance contributions. If his amendment is accepted, another one should be tabled and accepted to bring all contributions and payments into line with each other, instead of singling out statutory payments.

Given that there is another group of amendments that we want to discuss later, I will conclude my remarks and look to the Paymaster General to be much clearer about the issue of retrospection and how it fits in with the Rees rules set out in the Finance Act 1978.

Dawn Primarolo: Conservative Members quote the Rees rules but I am not sure that they understand exactly how they are implemented. I remind them that HMRC issued a detailed technical note on the day of the pre-Budget report that made it clear that contrived and complex avoidance schemes were being closed down. Draft legislation was issued shortly afterward and comments on the technical detail were invited. The reference in the regulatory impact assessment to which the hon. Member for Christchurch (Mr. Chope) drew attention relates to the disclosure rules, not to the retrospective aspect.

Given that we are dealing with inconsistencies, I should point out that one minute Conservative Members claim that nobody understood the meaning of the statement of 2 December 2004, yet the next they pray in aid accountants' and accountancy firms' explanations—given in December 2004—of their understanding of the statement's meaning. Let me give Conservative Members three helpful quotations from the people at PricewaterhouseCoopers, as provided by John Whiting. The first states:

"we recognise the problem that the Government is trying to tackle by taking this unusual power."

So the people at PricewaterhouseCoopers know what we are dealing with. They continue by saying that they

"congratulate those responsible for . . . this Bill"

and for

"the package of explanatory notes and frequently asked questions that accompany it and (seemingly) the potential for proper time to debate it"

on the Floor of the House and in Committee. The third quote is probably the most important:

"the first use of powers in this area will be to bring in NIC regulations to parallel the charges imposed by Schedule 2 F(2)A 2005 in the employee securities area. There can be no objection to this".

So the idea that people do not understand the very precise way in which the Government are approaching this issue—

Mr. Michael Fallon (Sevenoaks) (Con): Will the Paymaster General give way?

Dawn Primarolo: No, I will not, if the hon. Gentleman does not mind. He has not been here for all of this very long debate, and in the few remaining moments I want to reply to the amendments of the right hon. Member for Bromley and Chislehurst (Mr. Forth).

So the idea that people could not comprehend this measure or that they did not have sufficient details from the Government is a misunderstanding on the part of Conservative Members. The confusion, moreover, is perpetuated in the amendments, which seek to do lots of different things and contradict—*[Interruption.]* Yes, I suppose that it is a case of betting both ends against the middle.

Amendment No. 5 would have the effect that regulations made under the provisions in the Bill could apply only to tax measures made after the Bill had been passed. Clearly, that would undermine the deterrent effect of the statement of 2 December 2004, and put at risk national insurance yield of £95 million in 2004–05. I disagree with the hon. Member for Christchurch, as I do not think that that is an insubstantial sum. It could also put at risk all the 2005–06 yield of £240 million, as the end-of-year bonus season could escape liability for national insurance.

Amendment No. 5 would also produce an anomalous result between tax and national insurance. The Opposition spoke about human rights challenges, but the amendment would mean that people using an avoidance scheme that gets caught by any of the tax provisions having effect from 2 December 2004 would have to pay back their income tax liabilities, but not their national insurance liabilities.

Amendments Nos. 6 and 20 would increase uncertainty. Ironically, or perhaps deliberately, they would contradict amendments Nos. 5 and 16. They would remove proposed new section 4B(5), which specifies that regulations cannot have effect before 2 December 2004. The amendment would therefore extend the scope of retrospection, and mean that there would be no limit on how far back Ministers or regulations could go. I am sure that Opposition Members would not want that.

Amendment No. 16, like amendment No. 5, would undermine the deterrent effect of the 2 December 2004 statement. As I described earlier, it would put at risk substantial amounts of revenue, as bonuses paid through the contrived schemes could escape the national insurance liability if the operative date for the regulations were 11 October 2005. That would produce another anomalous result: tax would be collected through a scheme whose purpose was considered to be avoidance, but the national insurance liability under the same scheme would not be collected. Frankly, that would be an unreasonable—to put it politely—use of legislation.

Amendment No. 19 would restrict the scope of regulations that may be made for modifying any provision of any enactment for the purposes specified in proposed new section 4C(2). That would mean that the regulations could not amend primary legislation, so that where such legislation deals with matters in 4C(2) such as contributions, contributory benefits and pension scheme matters—it could not be amended, even where not to amend it would be to the detriment of employees. The current arrangement is to allow such amendments where that is fair to employees and ensures that they receive their entitlement as a result of a change of national insurance liability.

Amendment No. 9 is unnecessary, and frankly unwise. It would omit proposed new section 4C(5)(g), which enables regulations to be laid that will redetermine matters to the benefit of contributors. Without that provision, it is possible that increased entitlements that arise from retrospective legislation will be denied by virtue of a previous determination. That is, when people are deemed to be required to pay national insurance, that will affect their entitlement to contributory benefits. The amendment would prevent increased benefit entitlement being assigned to those individuals.

I shall deal briefly with amendment No. 18, which addresses the Bill's impact on the provision of statutory payments, such as maternity, paternity, adoption and sick pay. Retrospective regulations made under the powers in the Bill could have an effect on entitlement to those statutory payments. Eligibility for statutory payments is based in part on the employee's average weekly earnings assessed over a specified calculation period. As a result of an avoidance scheme an employee may therefore receive less than they may have been entitled to if they had paid the correct amount instead of the lower amount. The amendment would prevent the employee from receiving that additional payment.

I think that the right hon. Member for East Yorkshire (Mr. Knight) thought that the Bill prevented the restoration of those statutory payments, whereas it is the amendment that does the damage. The Bill provides for that to happen. Therefore I urge hon. Members to

[Dawn Primarolo]

reject amendments Nos. 5, 6, 16, 19, 20 and 9. They undermine the deterrent effect of the 2 December 2004 statement, increase uncertainty for employers, are detrimental to employees and will put at risk a substantial amount of national insurance money that is due to the national insurance fund. If the amendment is put to the vote, I urge my hon. Friends to vote against it.

4.45 pm

Mr. Forth: At least we have got the Minister to come to the House and give explanations, for which we are grateful. That surely is one of the objectives of this part of our proceedings and I look forward to many more such prolonged examinations of Bills at this crucial Report stage.

Mainly because I want to give my right hon. Friend the Member for East Yorkshire (Mr. Knight) an opportunity to move the next group of amendments, I reluctantly beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 7

DISCLOSURE OF CONTRIBUTIONS AVOIDANCE ARRANGMENTS

Mr. Greg Knight: I beg to move amendment No. 21, in page 14, line 22,leave out

'main benefit, or one of the main benefits'

and insert 'only benefit'.

Mr. Deputy Speaker (Sir Michael Lord): With this it will be convenient to discuss the following amendments:

No. 22, in page 14 , leave out lines 42 to 47.

No. 23, in page 14, line 44, after 'information' insert

'(whether or not obtained from a person entitled to practise as a barrister, solicitor or advocate within England and Wales, Scotland or Northern Ireland)'.

Mr. Knight: I will speak to amendments Nos. 21 and 23, but leave my hon. Friend the Member for Christchurch (Mr. Chope) to address his amendment No. 22.

Amendment No. 21 seeks to narrow the scope of what amounts to a notifiable contribution arrangement from the near catch-all definition on page 14 of the Bill to a more modest, but reasonable definition, so that only where the clear and main aim is avoidance would the arrangement be a notifiable contribution arrangement. I look forward to the Paymaster General telling us why the wide definition in the Bill should be employed rather than my more reasonable, narrower definition.

I should declare an interest as a qualified solicitor and, until recently, a practising one. Although I am no longer practising, I remain on the roll of solicitors. Amendment No. 23 deals with the confidentiality rule and seeks to clarify its scope by making it clear that confidential advice does not need to be obtained from a UK qualified barrister or solicitor or, in Scotland, an advocate because it is important to make the provision wider than it is in the Bill.

There are in essence two parallel issues. One is the duty of confidentiality that covers almost all professional practitioners and the other is professional privilege, which must be argued before a court of law. All solicitors who hold a practising certificate and operate in England and Wales are required to abide by the Law Society's guide to the professional conduct of solicitors 1999. Rule 16 of that guide deals with a solicitor's general duty of confidentiality to his client. Rule 16.01 states:

"A solicitor is under a duty to keep confidential to his or her firm the affairs of clients and to ensure that the staff do the same."

There is a distinction between the duty to keep a client's affairs confidential and the concept of law, which is referred to in the Bill, known as legal professional privilege. The duty in conduct extends to all matters communicated to a solicitor by the client or on behalf of the client, with some very narrow exceptions. Legal professional privilege, however, protects communications between a client and a solicitor from being disclosed even in a court of law. Certain communications are not protected by legal professional privilege, but non-privilege communications remain subject to the solicitor's duty to keep his client's affairs confidential.

The disclosure of a client's confidences that is unauthorised by the client or by law usually leads to disciplinary proceedings against the solicitor and could leave that solicitor or barrister—it is usually a solicitor because there is no contractual basis between a client and a barrister—liable, in certain circumstances, to civil court proceedings that arise from the misuse of confidential information. So the duty of confidentiality applies to information about a client's affairs irrespective of the source of the information, and it continues despite the end of the retainer or, indeed, the client's death, when that right passes to the deceased's personal representatives.

Solicitors must be very careful. Even when a solicitor sends a postcard to acknowledge the receipt of a communication, care must be taken to ensure that no confidential information appears on it. The Law Society rightly regards the duty of confidentiality as fundamental to the relationship of the solicitor and the client. It exists both as an obligation in law, having regard to the nature of the contract, and as a matter of professional conduct. All the information discovered by a solicitor in the course of h's retainer is confidential. Whether the information is also subject to privilege is a separate legal issue, about which I shall go into detail in a moment.

The circumstances in which confidentiality can be overridden are rare indeed. A solicitor who volunteers confidential information must be prepared to show powerful justification for breaching such confidentiality. Although it is clear that the solicitor owes that duty to the client, there are certain exceptional circumstances that override the duty. For example, a solicitor can reveal confidential information to the extent that he believes that it is necessary to prevent his client or a third party from committing a criminal act that the solicitor has reasonable grounds to believe is likely to result in serious bodily harm.

The Law Society's rule 16.02 sets out the circumstances in which the duty of confidentiality can be overridden. I shall not go into all of them, but the duty

does not apply, for example, to information acquired by a solicitor, when the solicitor himself is being used by the client to facilitate the commission of a crime or fraud, because pursuing a crime or fraud is not within the scope of a professional retainer. If the solicitor becomes suspicious about a client's activities, he can normally assess the situation in the light of what the client has to say about it and the solicitor's own professional judgment and behave accordingly. Of course, in certain circumstances, the client himself may give express consent to the passing on of confidential information. In those circumstances, of course, the rule does not apply.

Occasionally, a solicitor is asked by the police or a third party such as the Inland Revenue—so this is relevant to the Bill—to give information or to show documents that the solicitor has obtained when acting for a client. Unless the client is prepared to waive confidentiality or the solicitor has evidence that a crime is taking place, the Law Society advises lawyers to insist on receiving a summons, usually a witness summons, or a subpoena, so that when those circumstances arise the lawyer can claim privilege before the court and ask the court to decide the issue.

The Inland Revenue asks solicitors to disclose documents and information on numerous occasions. In such circumstances, it is pretty clear that solicitors are protected. However, the Bill does not make it clear what will happen if a client employs someone who is a solicitor in France, Spain, or any of our EU partner countries, rather than a solicitor who is qualified under English law. The Law Society's international unit is clear about the matter because it has published guidance that states that overseas lawyers who operate in England and Wales, or who have offices and provide legal services in England and Wales, are expected to observe the same standards as UK-based solicitors. The rules of conduct cover such an eventuality, but I am not sure whether the Bill does. Could the Inland Revenue argue that, because a person under investigation had employed an overseas lawyer, that lawyer should not have the right to claim privilege on behalf of his client? I hope that the Minister agrees that privilege and the right to claim it should remain in such circumstances.

Accountants are under a professional duty in a similar way to solicitors. They have been issued with guidance informing them that they should not disclose information to third parties.

Mr. Bone: I declare an interest as a chartered account, although I have not practised in public for many years. I am surprised that the Bill contains no reference to chartered accountants or the accountancy profession. Will my right hon. Friend give me some guidance on that?

Mr. Knight: My hon. Friend makes an interesting point. I would like to know whether the Minister thinks that proposed new section 132A(6) to the Social Security Administration Act 1992 would cover accountants. The provision includes a reference to "legal professional privilege", but having never practised as an accountant, I do not know whether accountants would fall under that definition or be covered by the Bill.

There is an overwhelming case for allowing anyone who gives confidential advice to ensure that that advice and the papers associated with it remain confidential, even if that person is not legally qualified. Some years ago I employed a young girl called Jane Oakes. She wanted to be a solicitor, but during her employment with me and while she was taking her studies, she was not legally qualified. However, she was an expert on certain areas of law. Information such as that which she obtained when advising a client on her area of expertise, even though she was not legally qualified at the time, should be protected under the Bill and the general provisions on client-lawyer confidentiality.

Legal privilege can provide a defence for a professional legal adviser to a charge of failing to report suspicions of money laundering, but that applies only if the information is received in privileged circumstances and is not communicated to the lawyer with the intention of furthering a criminal purpose. However—this might answer the point made by my hon. Friend the Member for Wellingborough (Mr. Bone)—there is no specific provision in money laundering legislation or the Bill to provide the same protection to accountants. I do not think that accountants generally have the same protection as lawyers when they give advice, although a legally qualified person who advises his employer can claim the defence.

I understand that, so far as money laundering is concerned, at the time the initial guidance was issued, discussions were under way between Ministers and interested parties about how legal privilege could be interpreted. Will the Minister, when she speaks on Third Reading, tell us whether she has had any discussions on the scope of privilege? It is a crucial point for many of us who will have to decide, during the Third Reading debate, whether we want to support the Bill or divide the House.

It being Five o'clock, MR. DEPUTY SPEAKER, *pursuant to Order [27 October], brought proceedings on consideration of the Bill to a conclusion.*

Bill reported, without amendment.

Order for Third Reading read.—[Queen's Consent, on behalf of the Crown, signified.]

5 pm

Dawn Primarolo: I beg to move, That the Bill be now read the Third time.

We have reached the final stage of the House's deliberations on the Bill and I would like to reiterate to the House the purpose of the Bill. It demonstrates the Government's continuing commitment to take action against tax and national insurance avoidance on rewards of employment and to close down avoidance in that area for good. The Bill is key to achieving the Treasury and Government's objectives of fairness and opportunity by ensuring that all pay the correct amount of tax and national insurance that the House has already decided. It is an essential element in building a serious and credible deterrent against future avoidance activity and it is needed to secure total tax and national insurance yields of £200 million in 2004–05 and £500 million per annum thereafter.

As the income tax disclosure provisions have demonstrated, it is not possible to anticipate the range and complexity of the extremely contrived avoidance arrangements that the Bill seeks to address. The powers in the Bill will enable the Government to deal effectively

[Dawn Primarolo]

with any tax and national insurance avoidance arrangements that emerge in future that are designed to frustrate its intention that employers and employees should pay the proper amount of national insurance on the rewards of employment.

I thank Members who participated in debate on the Floor of the House and in Committee. The debate has entailed a thorough scrutiny of the purpose and details of the Bill, although at times, in some contributions, its objectives got a little lost. That scrutiny included details that are to be set out in regulations.

The hon. Member for Twickenham (Dr. Cable) said on Second Reading that

"in terms of general principles, I broadly endorse what the Government are trying to achieve through the Bill. My colleagues and I voted for higher national insurance contributions to fund the health service, so it follows that we want such revenue to be realised".—[*Official Report*, 27 October 2005, Vol. 438, c. 483.]

Unfortunately, that does not follow at all because in Standing Committee the hon. Gentleman's colleague, the hon. Member for Eastleigh (Chris Huhne), voted with Opposition Members on an amendment that would have removed the deterrent effect of the Bill. He accused the Government, and said:

"We are doing some violence to an underlying principle"—

a principle that the hon. Member for Twickenham agreed with. He continued:

"The amount of tax revenue at issue should be very great to justify our doing that violence."—[*Official Report, Standing Committee D*, 15 November 2005, c. 9.]

I do not agree with the choice of words of the hon. Member for Eastleigh, and I am not sure what the Liberal Democrats now count as a substantial amount of revenue, but I think that £200 million, rising to £500 million, comes into that category. The arguments put forward have been supported by the hon. Member for Twickenham, and it would be good if he ensured some consistency from his party.

Over many years, we have seen a minority of employers—it is only a minority, but they happen to be very wealthy—using highly sophisticated tax advice to sidestep the intention of anti-avoidance legislation passed by this House, ranging from 1998 up to the Finance Act 2005. Despite legislation effective from the date of announcement, they have managed to continue to avoid paying the amount of tax and national insurance that is properly due. They do so because new contrived schemes can be devised quickly and used when legislation closing existing schemes is announced. With that approach, the revenue remains very much at risk, even in the short term unfortunately, because employers still have scope to adopt another scheme and get away with avoidance.

The Government's intention is to shut down such activity permanently. To do so, we have to undermine fundamentally the incentives for employers repeatedly to seek out new contrived schemes contrary to the intention of Parliament. The Bill is intended to deter future avoidance by providing a power to backdate a national insurance liability to 2 December 2004 if necessary. With such backdating, there is little point in employers and their advisers looking for a new loophole because the national insurance will still become due. The Government hope that we will not need to legislate because employers will finally get the message.

Any amendment that had the effect of removing our ability to make regulations imposing a backdated national insurance charge to a date before the announcement would remove the deterrent effect of the Bill and put all the revenue captured by those arrangements at risk. We have discussed that repeatedly, on Second Reading, in Committee and today, and I have repeatedly reassured Members that there are numerous examples of contrived schemes that the Government have had to deal with since 1997 and that the previous Government also had to tackle. They include contrived schemes involving employee benefit trusts, soft currency loans, such as those denominated in Turkish lira, adjustable options and special purpose vehicles. That will continue unless the Government take action.

The power to make regulations altering liability is restricted to reflecting, as far as possible, employment remuneration measures in tax legislation—normally Finance Acts—that have been backdated. The provisions would already have been discussed during a Finance Bill, before national insurance triggers action, and would be only to reflect anti-avoidance measures. Where such regulations are made, the House will already have had the chance to consider any relevant human rights issues on backdated tax legislation during the passage of the relevant Finance Bill or other legislation.

In addition, the Government will publish the draft national insurance regulations a minimum of 12 weeks before they are made, so that employers and their representatives have every opportunity to comment on the content of any proposed national insurance charge. Where possible, backdated draft regulations will be published no later than when the corresponding tax provisions are discussed in the Standing Committee of the Finance Bill. Both will be available at the same time, so that Members can see how they fit together. Furthermore, to ensure that there is adequate parliamentary scrutiny when regulations are made that create a backdated national insurance liability, such regulations will be subject to the affirmative resolution procedure.

I am pleased to be able to conclude that the Bill has had thorough scrutiny in the House. I have listened carefully to the constructive contributions from Members of all the parties involved in the discussions and I thank them for their participation.

I commend the Bill to the House.

5.9 pm

Mr. Hoban: At the outset, may I thank my hon. Friend the Member for Cities of London and Westminster (Mr. Field) for his role in scrutinising the Bill in Committee? It was not an onerous Committee, but he and my hon. Friends made great progress in asking detailed questions of the Paymaster General. I am therefore grateful for his work on the Bill. As the Paymaster General said on Report, this is my first opportunity to speak on tax matters as a Front-Bench spokesman. I am a chartered accountant, albeit a non-practising one—I except, of course, my annual struggle

with my tax return—and I look forward to engaging in constructive debate on tax with the Treasury. I believe that the hon. Member for Hartlepool (Mr. Wright) is a chartered accountant, and he, too, will wish to make a contribution to our debates.

For the benefit of Members who are new to the Bill, including my right hon. and hon. Friends who participated in our debates on Report, may I reflect why the Bill is needed? The Paymaster General referred to avoidance issues, but a separate Bill on national insurance is needed because of the way in which national insurance and other taxes are administered. The Bill makes additional provisions to the Social Security Contributions and Benefits Act 1992. Before 1999, national insurance contributions were managed by the Department of Social Security. Since then, they have been managed by the Treasury. Until national insurance was brought within the Treasury's remit, the national insurance and the income tax systems were often out of sync, and it took some time for national insurance to catch up with changes in income tax. Indeed, at one point, the Treasury and the DSS announced wildly differing approaches to the taxation of share options within weeks of each other. At least the Bill tries to manage those processes and bring them together.

The Bill has two principal objectives—first, to apply disclosure arrangements in the Finance Act 2004 for taxes other than national insurance to national insurance itself, and, secondly, to create the opportunity to levy retrospectively additional or new national insurance charges in cases in which the Government believe that schemes have been contrived to avoid national insurance. As the explanatory notes acknowledge, that is a first for national insurance:

"Existing NICs legislation does not allow regulations to be made which can take effect that far back."

That captures the flavour of our earlier debate on retrospection. I wish to highlight three issues that have been raised in debates on the Bill: retrospection; the breadth of the Bill and the problems that that has caused; and the delay between the introduction of primary and secondary legislation, and the comments that the Paymaster General made about the subject.

On retrospection, we have debated the Paymaster General's statement in December 2004 and the issues that arise from it. There are concerns about retrospection, but I do not want to reopen the wounds that were exposed on Report. The Institute of Chartered Accountants, in a letter from the tax faculty to the Paymaster General in February this year, highlighted three issues, including, first, the test of certainty and the fact that taxpayers should be aware of how much tax they pay. They are entitled to expect that they will be taxed in accordance with the law in force at the time of the relevant transaction. Retrospection undermines those expectations of certainty. Secondly, the institute considered the legal basis of retrospection and the way in which it sits in the wider context of EU and human rights law. Looking at emerging EU case law, it said that

"the state cannot retrospectively remove a right without a transitional period".

The Bill does not, as far as I am aware, provide a transitional period for the removal of a right. The test of the Bill, therefore, may not be in the House but in the courts.

The third issue raised was the potential of retrospective legislation to undermine the credibility of the UK tax system in the eyes of UK taxpayers. The Institute of Chartered Accountants rightly observes that by and large the UK tax system has a high degree of credibility, the tax rules are obeyed, and taxpayer compliance and honesty are good. If we introduce increased uncertainty into the tax system by greater use of retrospection, the predictability and certainty that is such a feature of the UK tax regime will start to diminish, perhaps leading to concern on the part of international employers. If they come to the UK and site operations here, will they find the tax regime changing without prior warning? We need to bear in mind those three aspects when we consider retrospection and its impact on the overall tax environment in which we work.

A further concern about retrospection is its impact on the law-making process. If retrospection on a wide scale becomes institutionalised, will law making become lax? If the Revenue thinks that it can have a second bite at the cherry by using retrospection to correct mistakes that it has made in drafting legislation, will that create an environment in which the Revenue takes less care in drafting the original legislation? I am sure the Treasury and Her Majesty's Revenue and Customs will not see retrospection as a way of taking a more relaxed approach to drafting legislation. On the whole they are diligent in drafting legislation and we want that to continue.

We discussed today the breadth of powers in the Bill. I remarked earlier that tax advisers were surprised at the content of the Bill and the breadth of the measure. In its report on the 2004 pre-Budget report the Treasury Committee, commenting on the Paymaster General's statement on 2 December 2004, stated:

"The indication in this statement that the Government will continue to announce proposed legislation, effective from the day of the announcement, to stop schemes which come to their attention is nothing new."

Indeed, we touched upon the Rees rules, which relate to that. The Treasury Committee went on:

"What is new is the declaration that future schemes, not yet devised or which have not yet come to the Inland Revenue's attention, may be stopped as from 2 December 2004. This amounts to a general anti-avoidance rule in this area of taxation of income and rewards, although no new powers are being taken by government."

So, in the Committee's view, the very thing that the Government had backed away from—introducing their disclosure rules in the Finance Act 2004—because of criticism from the tax law review committee at the Institute for Fiscal Studies and comments from the Chartered Institute of Taxation, they seemed to have backed towards. We need to look again at how the legislation works.

The Paymaster General spoke of the importance of making sure that the proper or right amount of tax is paid. In seeking to extract that, how do the Government distinguish between planning, mitigation and avoidance? There is a spectrum. If people are following the law, at what point do the Government intervene to tackle avoidance issues? We will need to consider that. The Paymaster General referred to the process for scrutinising secondary legislation, and that may give us the opportunity to do so in Committee when those

[Mr. Hoban]

statutory instruments are laid. Taxpayers have a right to expect that the tax law on the day on which they undertake a transaction will continue to apply to that transaction going forward.

The third and final issue that I shall comment on is the delay between primary and secondary legislation. Primary legislation tackles the PAYE and income tax aspects of a contrived scheme. Under the Bill the consequent national insurance secondary legislation can come forward so that amendments made to income tax legislation to close down avoidance schemes can be used in national insurance legislation to close down similar loopholes.

Rob Marris: Is the hon. Gentleman suggesting that he favours a move to a portmanteau Finance Bill that covers national insurance, because national insurance is no longer the responsibility of the Department of Social Security, which is now the Department for Work and Pensions, or is he content to continue with dual-track Bills—Finance Bills and national insurance Bills?

Mr. Hoban: As ever, the hon. Gentleman has made a pertinent and thought-provoking point. Some have suggested that national insurance and pay-as-you-earn are coming closer and closer together and that a distinction should not be drawn between PAYE and national insurance as a way of funding contributory benefits. I am not sure whether PAYE and national insurance should come together. My hon. Friend the Member for Tatton (Mr. Osborne) has set up a commission under the chairmanship of Lord Forsyth to review the tax system. It will consider simpler taxes and may examine that area, on which I do not want to comment today.

The delay between primary and secondary legislation relates to my earlier point about the different origin of national insurance contributions, and national insurance has taken some time to catch up since its management by a separate Department. The Bill allows for a 12-month delay between primary legislation and statutory instruments coming into force.

Dawn Primarolo: The Bill does not allow for a 12-month delay—it says that statutory instruments must come into force within 12 months, which is quite different.

Mr. Hoban: The secondary legislation may be delayed for up to 12 months, although it does not have to be delayed for that period. I am grateful for the Paymaster General's clarification that it may be delayed for up to 12 months.

The Bill also allows statutory instruments to come into effect 12 months before they are laid. I know that that issue was raised in Standing Committee by my hon. Friends, so I am grateful for the Paymaster General's reassurance, first, that such statutory instruments will be subject to the affirmative resolution procedure and, secondly, that she will work to ensure that all the regulations relating to the closure of schemes both for PAYE and national insurance will be published at the same time. I am sure that those who take an interest in such matters will welcome that assurance, because it will make scrutiny far easier.

Retrospection has concerned us during many debates on the Bill. There is a concern that it may become widespread and institutionalised, and its use raises several issues. We must ensure that such measures do not become institutionalised, so that the quality, credibility and predictability of our tax system is not undermined.

5.22 pm

Dr. Cable: There are important elements of consensus and agreement on the Bill, but there are also some elements of disagreement, and the Paymaster General has obviously found it difficult to get her head around the fact that we take that nuanced view.

On consensus, I shall repeat the point that I made on Second Reading, which the Paymaster General has already quoted—the Government should take reasonable steps to stop people creating complex tax avoidance schemes, in this case in relation to national insurance, which is obviously right because of general revenue concerns. We supported increased national insurance contributions to fund the health service, and we do not resile from that. The measure is also obviously right given the general principle of fairness—most of us pay our dues, and it must be right for the Treasury and the Inland Revenue to act against those who do not.

The problem, which Liberal Democrat and Conservative Members have expressed, concerns the general principle of retrospective legislation. Again, that principle is not absolute, because, as the Minister has said, retrospective action has been taken in the past on tax matters—it is part of history. As the European Court of Justice has stated—I have quoted it today, and I quoted it on Second Reading—there are certain cases in which it is proper to apply retrospective measures, so we are not dealing absolute moral principles.

However, we need to take account of the concerns that have been expressed. The Institute of Chartered Accountants is not in the business of promoting the interests of fat cats but of preserving the basic principles of tax law and maintaining its fundamental integrity. It has raised serious worries about this aspect of the Bill, and it is only proper that we should echo those. I would summarise the problem by saying that there are, of course, certain circumstances in which retrospective action is necessary in the tax world, but there need to be checks and balances. One of the useful amendments that was tabled was designed to achieve that, which is why we supported it.

I have looked back at the comments by my hon. Friend the Member for Eastleigh (Chris Huhne) to which the Minister took exception. I find it difficult to see why. He was merely reiterating what I had said on Second Reading—that there are worries about the principle of retrospective action. He pressed the Minister on several occasions to give an estimate of the tax revenue that would be involved. Clearly, we need to talk about real numbers. If vast amounts of revenue are involved one takes a slightly different view of a major legal principle being challenged than one would take if it was to secure very small amounts of revenue. My hon. Friend repeatedly asked what amount was involved, and we ended up with a scale that ranged from £250 million down to nought. No estimate was

produced. He therefore rightly voted for sceptical amendments criticising the application of retrospective legislation in this case.

Rob Marris: The hon. Gentleman says that the hon. Member for Eastleigh (Chris Huhne) pressed for some figures but did not get any. There are figures in the regulatory impact assessment and in the explanatory notes. I appreciate that the hon. Gentleman and his hon. Friend may not find those figures credible—that is an intellectual possibility—but his suggestion that we were given no figures surprises me.

Dr. Cable: I have merely read through the transcript of the Committee—I was not there at the time, unfortunately. There was a simple and in no sense politically loaded request for clarification of the revenue position in light of the fact that the proposals covered part of a tax year. It may well be that the answers that we were seeking were in the regulatory impact assessment and did not need any explanation or clarification from the Minister, but the exchange that I read was unsatisfactory, and that is what led to my hon. Friend speaking and voting as he did.

My final point concerns a basic element of tax policy. We keep getting pieces of legislation that are designed to plug loopholes, and it is sometimes necessary to ask why so much avoidance takes place. Some of it must be due to the extreme and growing complexity of tax legislation. One of the most interesting contributions in the Committee was made by the right hon. Member for Birkenhead (Mr. Field), who forcefully made the point that he was discussing a Bill designed to plug a tax loophole that was in large part generated by the vast ramifications of the complexity of tax law that the Government are creating. He makes an entirely valid point. We should stress that the more complex tax legislation becomes, the greater the incentives and opportunities for tax avoidance, and the more legislation is required to deal with it.

I reiterate my first and major point that the principle of preventing people from creating complex tax avoidance measures to avoid paying national insurance must surely be right. It is only regrettable that we have not had the necessary safeguards on the retrospective application of the legislation.

5.29 pm

Mr. Newmark: As the Paymaster General knows, I have been involved in the process from the beginning and I have been impressed with her deft way of not answering questions. Several remain unanswered and I should like her to deal with them.

First, does she believe that making a written statement in December 2004 was sufficient to make the proposals clear and plain to those who might be affected by them? Was her statement intended to create a precedent for other retrospective legislation?

Secondly, will the Paymaster General give full details of just two out of the 100 schemes that she told us on Second Reading were so offensive that they should be stopped retrospectively?

I acknowledge that retrospective tax legislation is not a new concept but it has previously required specific primary legislation to avoid being ultra vires. Clause 1 will allow the Treasury to pass subordinate regulations if and when needed. Does not that sound the death knell of legal certainty for tax planning purposes? Does the Paymaster General believe that the benefits of the measure outweigh the potential costs?

Has any assessment been made of the potentially harmful consequences that the Bill might have for international businesses' decisions about whether to establish themselves in this country given what might be interpreted as an increase in the Government's use of retrospective taxation?

The Bill should address the cause of the disease in the tax symptom, not the symptom itself. The disease is the complexity of taxation and the lack of clear response to legitimate tax planning. There is a continuum between legitimate tax planning that we all undertake and the notion that a few people are behaving illegally or illegitimately to escape their fair share of the burden of taxation. The Bill does nothing to tackle the undoubted uncertainty about the frontier of legitimate activity. The measure will compound rather than resolve the uncertainty.

Question put and agreed to.

Bill accordingly read the Third time, and passed.

CIVIL PARTNERSHIP

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation).

That the draft Civil Partnership Act 2004 (International Immunities and Privileges, Companies and Adoption) Order 2005, which was laid before this House on 30th November, be approved.—*[Kevin Brennan.]*

Question agreed to.

ELECTORAL COMMISSION

Ordered,

That the Motion in the name of Mr. Geoffrey Hoon relating to the Electoral Commission shall be treated as if it related to an instrument subject to the provisions of Standing Order No. 118 (Standing Committees on Delegated Legislation) in respect of which notice has been given that the instrument be approved. *[Kevin Brennan.]*

Soft Drinks in Schools

Motion made, and Question proposed, That this House do now adjourn. *[Kevin Brennan.]*

5.32 pm

Mr. Denis Murphy (Wansbeck) (Lab): I thank the House for allowing me the debate. I welcome the current consultations on nutrition and hydration in schools. Like many others, I was shocked by some of the ingredients that are used to feed our children through school dinners and the amount of junk food and drink available during the school day.

I understand and applaud the need to examine closely the drinks and snacks that are available throughout the school day from tuck shops and vending machines, and to ensure where possible that those drinks and snacks are healthy and beneficial. However, I have some serious concerns about the recommendations of the school meals review panel on the drinks that should be allowed in schools and their impact on a company based in my constituency. Waters and Robsons of Morpeth, Northumberland, manufacturers of Abbey Well natural mineral waters.

The school meals review panel recommendations on drinks are that

"The only drinks available should be water (still or fizzy), skimmed or semi-skimmed milk, pure fruit juices, yoghurt and milk drinks with less than 10 per cent. added sugar or a combination of these (for example smoothies). There should be easy access to free, fresh, chilled drinking water".

Waters and Robsons have worked closely with local education authorities to produce a low-calorie drink that has natural flavours, contains no artificial flavours or colours and also contains no sugar. It is sweetened with sucralose, a natural sugar alternative, which has fewer than 5 calories per 250 ml serving.

The company has also developed a new bottle to replace canned soft drinks in vending machines, and it is on the approved list of suppliers to schools in 60 local authority areas. That will change if the recommendations are accepted and those excellent drinks are banned from schools. How could a perfectly healthy low-calorie product, approved by the Food Standards Agency, find itself on a blacklist when it should be hydrating children and playing an important role in the fight against obesity?

In October, my right hon. Friend the Secretary of State for Education and Skills announced at the Labour party conference that her Department was launching a new initiative to make school meals available and to ensure that they would be much more healthy. The initiative will have the support of the vast majority of parents and teachers, but to achieve that goal, low-calorie drinks need to be added to the list.

The consultation document, "Turning the Tables", which was published on 3 October, dealt only with school meals but strongly advised that the policy be rolled out for other types of food and drink available throughout the school day. I am worried that the report was rushed out to meet the conference deadline, and was not seen by a number of members of the panel before publication. I cannot believe that all members of the panel agreed that intense sweeteners, which are being promoted by the Food Standards Agency as a healthy choice, are all bad for children.

The only drink allowed for the purposes of hydration is plain water. While I applaud the promotion of water, I suspect that many children would prefer an alternative. If the only choice is between plain water, full fruit juice, milk or sugar-sweetened dairy drinks, the calories will pile on and children will still feel thirsty.

Mr. Philip Hollobone (Kettering) (Con): I congratulate the hon. Gentleman on securing this important debate and on his speech. As someone who has served as a school governor, may I point out that many schools receive valuable income from the drinks machines in their establishments? If the machines could contain healthy drinks, schools' income would be maintained and children would be better off. That would be better than banning the machines altogether.

Mr. Murphy: I am grateful to the hon. Gentleman for making that excellent point. I shall refer to that matter later.

I am convinced that a small group of agencies is actively promoting the idea that intense sweeteners are unhealthy, even though there is no evidence to support that. In fact, the opposite would appear to be the case, as the Food Standards Agency is actively promoting them as a healthy option.

The Health Education Trust was represented on the school meals review panel by its chief executive, who I suspect is the main opponent of the use of intense sweeteners. I understand from discussions with Waters and Robson that the HET offers its services to food and drinks producers as a consultant, giving advice on food and drinks that it feels able to endorse as suitable for schools, at a cost of £500 a day, along with £100 per brand endorsement. It also runs a healthy vending project, in which an operator must pay £500 to display the HET endorsement logo, and 5p commission on every vend through the machine.

Interestingly, the HET endorses Volvic Touch of Fruits, which is produced by a French company and contains 11 teaspoons of sugar per litre. By any standards, that is a lot of sugar. Yet the HET told Abbey Well Foods that it would not endorse its product even if it were to reformulate it to a similar profile. When Abbey Well asked to meet the HET in order to try to understand its position, it was informed that it would have to pay the normal consultation fee prior to any such meeting. Will my hon. Friend the Minister examine the make-up of the HET to determine whether there are genuine conflicts of interest among members of the committee?

In order to address some of the problems, the British Soft Drinks Association met the Department for Education and Skills on 23 November. I understand that little progress was made there. The DFES was unable to answer any questions relating to why intense sweeteners were excluded from the proposals, but suggested that it might be because they helped children to develop a sweet tooth. However, they were unable to supply any evidence to support that view, other than anecdotal evidence. The DFES was unable to respond, even when it was explained that the amount of sweeteners could be adjusted to meet any desired level.

The DFES confirmed that a new panel, the school food trust, had been set up to examine rolling out the recommendations to include all food and drink in

schools, including snacks and the contents of vending machines. I understand that those members of the school meals review panel who were available would be invited to sit on that panel. There are no prizes, therefore, for guessing what their recommendations might be. They are due to report in January after a six-week period, and the main role of gathering the evidence has been allocated to a director of the Compass catering group. Compass has a potentially significant financial stake in the supply of food and drinks products to schools. Perhaps it is not therefore the best choice for the role.

The current proposals appear to rule out all carbonates and still and juice drinks, regardless of calorie or juice content. Many drinks classified as "healthy choice" by the Food Standards Agency in relation to advertising to children would also be banned. Rising concerns about calorie intake and obesity have moved the soft drinks industry into developing products to meet the demand for drinks that have less or no sugar but that continue to provide tasty refreshment and hydration.

Consumers of all ages have responded with great enthusiasm to low-calorie drinks. Consumption of regular sweetened drinks fell from 96 litres per head in 1984 to 84 litres per head in 2004. Over the same period, low-calorie drink and bottled water consumption rose from 10 litres per head to 147 litres per head. In 2004, the share of the soft drink market held by regular sweetened drinks was 27 per cent., while low-calorie drinks had 49 per cent., bottled water had 15 per cent., and fruit juices had 9 per cent. There is a danger, therefore, that if a choice of healthy, tasty, low-calorie products is not allowed in schools, children will vote with their feet and seek potentially unhealthy products from outside school.

In the main report, "Turning the Tables: Transforming School Food", section 10 of the recommendations states:

> "We believe our recommendations will lead to the consumption of healthier combinations of lunchtime foods by primary and secondary school children. This improved quality will clearly mean some increased costs but those costs should be set against the health and other benefits. Redressing the imbalance in children's diets will contribute towards a reduction of obesity and diseases such as tooth decay in young people. In the longer term the changes we recommend now should reduce the chances of young people suffering from various chronic diseases in later life. But more than that new standards can set the scene for holistic changes in the way young people perceive food and health, and can pave the way for wider changes in our food culture."

I support that statement in its entirety. I am not advocating allowing high-fat, high-sugar or high-salt products. Unless we allow a wider range of healthy foods, snacks and drinks, however, more children will be tempted to buy and consume their food and drink outside school. The regulatory impact assessment released with the report recognises that children might react negatively to the proposed changes, resulting, in its own words, in the consumption of unhealthy foods outside school.

I started my speech by applauding the efforts of the Department and I shall conclude in the same way. The initiative is excellent. It is flawed, however, in not allowing a wider range of healthy options to be available throughout the school day. There is nothing wrong with tuck shops and vending machines in schools, provided that the school sets the standards for the products available. As the hon. Member for Kettering (Mr. Hollobone) mentioned, for many schools it is a useful form of extra income. Sixteen per cent. of two to 15-year-olds in the United Kingdom are obese, and the figure is much higher in some areas. To help fight that rising problem, low-calorie products from an approved list should be allowed.

Will my hon. Friend address the following questions? Will he allow a member of the Food Standards Agency to become a member of the advisory committee? How will he ensure that there is no conflict of interest for anyone sitting on the advisory committee? Will he make public the evidence used by the advisory committee for rejecting any ingredient? I realise, of course, that there are a number of genuine fears about the use of some artificial sweeteners, and it could be an ideal time, when we are considering food and drink in schools, to widen the debate on this issue.

However, the drinks that are currently supplied to 60 local education authorities and manufactured in my constituency are those with which I am concerned today. Abbey Well drinks contain no artificial colours or flavours, are made with natural mineral water and are sweetened with sucralose, which has the same profile as sugar but with only five calories per serving. The average consumption of between 40 and 120 cases a week in each secondary school that the company supplies demonstrates that such products are both popular and beneficial, and I urge my hon. Friend to ensure that they continue to be consumed in schools.

5.44 pm

The Financial Secretary to the Treasury (John Healey): I congratulate my hon. Friend the Member for Wansbeck (Mr. Murphy) on securing the debate. It is an unexpected pleasure to join him and respond on behalf of the Government, with my friend and colleague the Under-Secretary of State for Education and Skills, my hon. Friend the Member for Corby (Phil Hope), sitting beside me.

My hon. Friend the Member for Wansbeck presented his case in typical fashion. He is a good and committed local MP, and he championed the interests of a company in his constituency. His description of that company's innovatory approach, its range of products and its success in securing important contracts throughout the country was impressive, and I understand his concerns.

My hon. Friend mentioned the panel and its report. As he probably knows, the recommendations are out for consultation. The consultation will continue until the end of the month, and obviously no decisions have yet been made. I know that my hon. Friend the Under-Secretary will take account of what has been said this evening for the purposes of the consultation, and that others in his Department will read the report of the debate. In particular, I can reassure my hon. Friend that what he said about the advisory committee will be considered.

My hon. Friend is plainly as committed as the Government to meeting children's need for healthy food as an essential part of their learning and development. We all share an interest in children's health, diet and development. We have heard reports that our children's diet contains far too much fat, salt and sugar, and that

[John Healey]

obesity levels are rising as a result. In 2002, one in five boys and one in four girls in the United Kingdom were categorised as either overweight or obese, and according to experts the situation will deteriorate further unless we take significant action.

Adam Afriyie (Windsor) (Con): Will the Minister give way?

John Healey: I will, although it is normal practice to seek the permission of the Member who has secured the debate as well as the Minister before intervening in an Adjournment debate.

Mr. Deputy Speaker (Sir Michael Lord): Order. That is not strictly true of interventions. It normally applies to major contributions to Adjournment debates. In any event, as we have time in hand, the normal customs do not apply on this occasion.

John Healey: I am grateful for your advice, Mr. Deputy Speaker. I will give way.

Adam Afriyie: I thank the Minister and the hon. Member for Wansbeck (Mr. Murphy).

The Coca-Cola company is based in my constituency. I agree with the hon. Gentleman that major drinks manufacturers of that kind can play a major part in the campaign for healthier, lower-calorie, vitamin-enriched drinks in schools. Indeed, many are eager to do so. I hope that the Minister will bear that in mind.

John Healey: The established industry is beginning to make serious representations about the contribution that it could make, and we welcome them.

The problems of diet, health and obesity among children have been recognised, and there is now a real will in Government to make improvements. More nutritious school food could help to reduce the risk of diet-related health problems such as obesity, but also of cancer, coronary heart disease and diabetes in later life.

For some time, the Government have been committed to promoting whole school approaches to health. School meal standards were reintroduced in April 2001. The first standards, incidentally, were in place for more than 20 years and it was promised then that they would be reviewed after a time. As my right hon. Friend the Secretary of State for Education and Skills has made clear, that time has now come. The House will also be aware that in March this year, the Secretary of State announced a package of measures designed to improve significantly the quality of school food and committed £235 million of funding to help achieve it.

My hon. Friend the Member for Wansbeck mentioned the school meals review panel—an expert group that was convened by the Department as a temporary advisory group. The panel comprises 24 members from a variety of professional backgrounds, including field and academic dieticians and nutritionists, head teachers, governors and other school staff, support staff, catering and industry professionals. The Department also invited observers from other Departments that had a contribution to make to the panel's proceedings to attend its meetings.

The panel's remit was to advise the Government on how best to meet their commitments in the public health White Paper, which set out to improve school food through the revision of school meals standards aimed at delivering a reduction in pupils' consumption of fat, salt and sugar and an increase in the consumption of fruit, vegetables and other foods containing essential nutrients. Anyone living with young children or who has had them in the past will be aware of the scale of the challenge to get them to eat healthily and nutritiously.

As my hon. Friend mentioned, the panel's report was entitled, "Turning the Tables: Transforming School Food". He quoted quite extensively from it and I welcome the clear support that he gave to its principal approach and findings when it was published. As I said earlier, it remains subject to consultation that runs to 31 December. The report recommends far-reaching changes to the standard of food and drink in schools. It recommends that tough minimum food-based standards should be implemented for school lunches by September 2006, stipulating the portions of food that should be served, and, importantly, restricting children's choices to ensure that they cannot opt out of healthier food.

Anyone concerned about those issues would recognise that such measures will work best when children receive consistent messages about food from schools. Most would accept that there is no point in setting strict standards for lunch time food, if children can then access foods that have a low nutritional value or are high in sugar and salt elsewhere on the school premises at other times during the school day. To that end, the panel also recommends that standards similar to those for school lunches should also apply to tuck shops, vending machines and other outlets.

Mr. Murphy: I was at pains to point out in my contribution that I would never suggest that food or drink that was high in sugar or fat should be available in schools. Rather, I pointed out the danger of the present policy—that unless a sufficient variety of healthy, low-fat, low-sugar and low-calorie foods is available, children will be tempted to eat outside school or bring unhealthy stuff into school with them. That was my point.

John Healey: My hon. Friend did indeed make those points clear in his contribution. What I am trying to set out clearly now are the panel's recommendations. To be clear, the consultation is not on the settled policy of the Government that will result from the process, but on the recommendations of the panel. Views have been invited and this evening's debate provides another valuable contribution.

The school food trust, a non-departmental public body, is being set up. It will give independent support to schools and parents to help make the transformation to healthier school food. It will also undertake the work necessary to develop standards for other school food.

The school meals review panel wants children to drink water—and only water—or drinks with a nutritional value. Its view is that substituting any other drink for a healthy drink is a wasted opportunity. In "Vending healthy drinks: A guide for schools", the Food Standards Agency recommends replacing carbonated

drinks with a simple healthy offer of water, milk or juice. It has also developed a nutrient profiling model that identifies food types and allocates points, depending on the level of each nutrient per 100 g of food. Products are then categorised on the basis of their overall points score. However, the model has been developed for use in relation to advertising controls only, as part of the Government's programme to regulate broadcast advertising to children of foods that are high in fat, saturated fat, salt and sugar. Food and drink that the model might categorise as "healthy" may not necessarily meet the more stringent standards recommended by the school meals review panel—a point about which my hon. Friend may be concerned.

There has been some concern and confusion among schools, local authorities and other stakeholders about the Health Education Trust's relationship with the Government. My hon. Friend touched on several matters relating to the HET, which is a charity formed to promote the development of health education of young people in the UK. The HET's director was a member of the school meals review panel and actively contributed to the proposed new standards on which we are consulting. The HET is independent of the Government and as such, the Government rightly have no direct control over its activities. I understand, however, that officials have been in touch with the HET to ensure that its advice is based on Government recommendations and standards currently reflected in published Government toolkits.

My right hon. Friend the Secretary of State for Education and Skills has already indicated that she is prepared to take tough decisions on which food and drinks will no longer be provided on school premises, where there is a case for taking such decisions. However, matters of detail such as the inclusion or exclusion of a particular diet—for example, those sweetened with artificial sweeteners—or of carbonated drinks will need to be dealt with once the consultation has finished. The products produced by the company in my hon. Friend's constituency fall into that category. I underline the general point that I made at the outset: no decisions have yet been taken and the purpose of the consultation is to bottom out some of the more detailed issues. My hon. Friend has made a timely contribution to this process.

I can assure my hon. Friend that decisions will be made only after the responses to the consultation have been properly collated and analysed, and only after obtaining further expert advice from the school food trust and the FSA. I hope that he will draw some reassurance from the answers that I have given, and that they will prove useful to him in his continuing discussions with the company in his constituency. If there are further points that he or the company wish to make, I know that my hon. Friend the Under-Secretary will be only too pleased to receive them.

Question put and agreed to.

Adjourned accordingly at one minute to Six o'clock.

House of Commons

Monday 19 December 2005

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

CULTURE, MEDIA AND SPORT

The Secretary of State was asked—

Analogue Spectrum

1. **Derek Wyatt** (Sittingbourne and Sheppey) (Lab): What estimate she has made of the value of the analogue spectrum once digital switchover has been completed. [38065]

The Secretary of State for Culture, Media and Sport (Tessa Jowell): At this stage, it is not possible to make any reliable assumption of the market value or potential auction proceeds of the spectrum released by digital switchover.

Derek Wyatt: It is difficult to estimate that value—some advisers estimate £2 billion, while others estimate £5 billion. If the value is between £2 billion and £5 billion, can we give some of that money to some of Britain's 12 million old-age pensioners, some of whom will not be able to afford the cost of switchover? Under current plans, subsidies will be provided only to over-75s on pension credit. Even if the figure is as low as £2 billion, can some of it be used to help our pensioners with the cost of switchover?

Tessa Jowell: My hon. Friend knows that we have announced a package of help, which will be funded by the BBC as part of the new licence fee settlement that will be negotiated shortly—since the cost is a broadcasting cost, that is how we expect it to be met. One of the most important principles in ensuring that digital switchover takes place properly is making sure that free-to-air access to television is available to everyone. Without special help, which we have proposed, some people risk being left behind, but we will not allow that to happen.

Miss Julie Kirkbride (Bromsgrove) (Con): What representations has the Secretary of State made to the Chancellor about allowing some of the bandwidth that will become available following analogue switch-off to go to terrestrial channels in order to allow the country to view high-definition television? She will be aware that some countries already have high-definition TV, and when we host the Olympics in 2012, it is vital that everybody in the United Kingdom who is watching terrestrial channels can see the glory of London and, hopefully, of our athletes on high-definition television.

Tessa Jowell: I take the hon. Lady's point, but the policy is clear: spectrum released by switchover will be sold in the marketplace in a technology-neutral auction. Ofcom, which would oversee such an auction, will take account of the needs of broadcasters at that time for the precise reason that the hon. Lady has outlined.

Mr. Hugo Swire (East Devon) (Con): May I take this opportunity to wish the Secretary of State, her team and officials in the Department a merry Christmas? Before we suspend hostilities completely and start playing football across the Floor of the House, however, does the right hon. Lady agree with the review of the BBC's royal charter by the House of Lords, which states:

"we do not believe that the costs of promoting and co-ordinating digital switchover and providing targeted help for the vulnerable and disadvantaged should fall on the licence fee payer"?

Tessa Jowell: In a similar spirit, may I welcome the hon. Gentleman to the Front Bench and wish him and his team a happy Christmas? We will resume Dispatch Box hostilities in the new year. We agree with a number of the recommendations in the House of Lords report and will take them into account as we finalise the White Paper on the BBC's charter. However, the recommendation that the hon. Gentleman has mentioned is not one of those that I accept. As I said to my hon. Friend the Member for Sittingbourne and Sheppey (Derek Wyatt), wherever the costs of switchover fall, they are broadcasting costs, which should be met by the broadcasters and ultimately through the licence fee.

Mr. Don Foster (Bath) (LD): I, too, wish the Secretary of State and her team a happy Christmas, but she is being complacent about high-definition television. I discussed the issue today with the industry body, Intellect, which told me that high-definition televisions are so popular this Christmas that suppliers cannot meet demand. High-definition televisions use 50 per cent. more of the spectrum than ordinary television sets. Will the Secretary of State assure people who have bought high-definition televisions this Christmas that they will have access to the additional spectrum they need to make use of their Christmas purchases?

Tessa Jowell: There is no question of anybody who buys a high-definition television this Christmas being unable to use it because of a subsequent decision on the allocation of spectrum taken by Ofcom implicitly as an expression of Government policy. An absolutely consistent part of our approach to moving from analogue to digital has been that decisions on the allocation of the spectrum released by the switchover will be taken at the time—between 2008 and 2010. As was well captured in the debates in both Houses on the Communications Act 2003, we have taken that approach because of the pace of technological advance and the importance of ensuring that consumers have the benefit of keeping up with it. Who pays for the spectrum is a much more significant issue than what it is used for.

Media Workers (Employment Rights)

2. **Hywel Williams** (Caernarfon) (PC): What recent discussions she has had with the Department of Trade and Industry regarding the employment rights of media workers. [38066]

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. David Lammy): There have been no recent discussions between the Secretary of State and the Department of Trade and Industry regarding the employment rights of media workers.

Hywel Williams: Given the increased casualisation of media employment, does the Minister concede that there is a danger to employment rights, particularly in smaller-scale broadcast organisations in areas such as mine in north-west Wales? Does he therefore agree that there is a duty on the BBC to ensure that employee rights are guaranteed when it awards contracts?

Mr. Lammy: Those matters must rightly be for the BBC governors. The hon. Gentleman will note that the BBC had hoped not to make compulsory redundancies in the course of its restructuring, and we share its regret that it has to make some. It is important to note that as part of that exercise, the BBC is hoping to invest in and to increase programming across the regions. That should benefit Wales and, indeed, small production companies.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): My hon. Friend will be aware of the recently announced enforced redundancies by Trinity Mirror. Employees and consumers are extremely worried about that, particularly as regards papers such as the *Daily Record*, which is recognised as a national paper for Scotland. The service that it provides may be diluted so that it is no longer a national but a regional newspaper.

Mr. Lammy: I can imagine that that is a great concern in Scotland, but such matters must rightly be for the management of Trinity Mirror. One hopes that the investment and support that is being provided for the wider economy means that people will find alternative employment.

Licensing Act 2003

3. **Mr. Adrian Bailey** (West Bromwich, West) (Lab/Co-op): What assessment she has made of the impact of the Licensing Act 2003. [38067]

The Parliamentary Under-Secretary of State for Culture, Media and Sport (James Purnell): It is too early fully to measure the implications yet, but the early signs are positive. Police and ambulance services are not reporting increases in alcohol-related crime or accidents. We will closely monitor the impact of the Act over the coming months and report back to Parliament.

Mr. Bailey: I thank my hon. Friend for his reply. Does he share my satisfaction that the measures taken so far seem to have been successful in empowering local communities to control licensing and drinking behaviour in their areas? Does he agree that the long-term future of the policy must lie in ensuring that local communities understand and use their powers so that we can get the best of both worlds—a more consumer-friendly drinking regime and commitment to law and order in stable communities?

James Purnell: I entirely agree with my hon. Friend. The central principle of the Act was to give local communities the right to make decisions about their local premises. It is too early to judge the Act—we have always said that we would not do so overnight—but we will look very closely at the evidence. We will want to see, for example, a reduction in the level of failed test purchases in selling to minors, more responsibility from the trade, and very serious measures taken by local authorities and the police against the minority who continue to behave in an irresponsible manner.

Mr. Philip Hollobone (Kettering) (Con): Having spent Friday night out on patrol with the local police in my constituency, may I tell the Minister that the evidence from Kettering is that there has been an increase in the number of people arrested since the new measures were introduced?

James Purnell: As the hon. Gentleman knows, we have introduced an alcohol misuse enforcement campaign that is doing exactly that. It is targeting people who have been misbehaving under the previous legislation, and it is only because of the tough new powers in the Act that that campaign is the toughest one that we have ever had.

Mr. Kevan Jones (North Durham) (Lab): Will my hon. Friend join me in congratulating the licensing officers and local councillors who have worked very hard to implement the Act? Will he also recognise that the Armageddon that some predicted would result from the implementation of the Act has not occurred?

James Purnell: I do want to join my hon. Friend in paying tribute to everybody involved in implementing the Act. A huge amount of work has been done by licensing officials and councillors in ensuring that it was brought forward in good order. In particular, they did a huge amount of work over the summer to raise the level of applications, and we pay tribute to them, the Local Authorities Co-ordinators of Regulatory Services and the Local Government Association.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): The Minister will know that the responsibility for maintaining these licences has shifted from magistrates to local councils, yet there has been no extra financial help for them. What measures does he intend to take to ensure that they have extra resources to do this—*[Interruption.]*—particularly in Shrewsbury?

James Purnell: I am afraid that the hon. Gentleman has misunderstood the Act. There are extra resources. We made it absolutely clear that any extra costs from the implementation of the Act would be covered by fees and we set up an independent review to look into exactly that. It was very important that we did that, because previously magistrates courts' budgets were subsidising

the licensing of alcohol to the tune of £25 million, and that money was obviously therefore not available for other important activities undertaken by magistrates.

Michael Connarty (Linlithgow and East Falkirk) (Lab): Does my hon. Friend not think that the problem with the debate that we are having about the new law is that there is a failure to implement parts in that law and in previous laws to fine the licensees and the bar staff who feed people drink when they are clearly out of their mind with it, and that is why binge drinking is such a problem? Can we not enforce the penalties on the licensees so that they do not give drunk young people more drink just to make profits?

James Purnell: My hon. Friend is absolutely right. The police had lost confidence in the previous law. They were worried that it was broke and would not deliver what they wanted. We have given them the extra powers that they requested. That is why, for example, the Police Superintendents Association always backed the Act's implementation, and why we have worked closely with the police on it, and we will continue to do so as the Act comes in. But the key point is to change the culture of drinking in the country. The Licensing Act is one step on the way to doing so, but obviously it will need to be accompanied by action on other fronts, such as health and education, and we are working with other Departments on that as well.

Mr. Malcolm Moss (North-East Cambridgeshire) (Con): Earlier in the year, the Prime Minister gave an assurance in a reply to my hon. Friend the Member for Faversham and Mid-Kent (Hugh Robertson) on licensing fees, that the Government did not

"want sports clubs to be unfairly burdened by disproportionate fees."

Given that the latest evidence from the Central Council of Physical Recreation shows that 56 per cent. of sports clubs fall into the higher licensing bands C to E, can the Prime Minister's words be trusted?

James Purnell: Of course they can. That is why we have asked the independent review by Les Elton to look into exactly that issue, and it has committed to doing so. If it makes any recommendations, we will look at those seriously. But obviously it is also open to sports clubs to apply to benefit from community amateur sports club status, which would save them far more money than any fee that would be covered under the Act.

Indian Film Industry

4. **Stephen Pound** (Ealing, North) (Lab): What progress has been made in respect of strengthening UK links with the Indian film industry. [38068]

The Secretary of State for Culture, Media and Sport (Tessa Jowell): Because of our commitment to strengthening the links between the Indian and the UK film industries, I signed a substantive framework for the UK/India film co-production agreement in New Delhi on 5 December. We will now work closely with our Indian counterparts to finalise the agreement as early as possible in the new year.

I should like to pay particular tribute to my hon. Friend for the enormous amount of work that he does in building cultural and other links between our country and India.

Stephen Pound: So comprehensive, so fulsome and so welcome were my right hon. Friend's words that the House may well feel that only a bounder would be so churlish as to trespass upon my right hon. Friend's patience by troubling her with a supplementary question. So, will my right hon. Friend join me in commending the positive role played by the UK Film Council and the Federation of Indian Chambers of Commerce and Industry in making the co-production treaty happen? Furthermore, will she consider leading a UK business delegation to Asia's largest entertainment summit, Frames, in 2006, to look at ways in which our new co-production relationship with India can be even further strengthened?

Tessa Jowell: To all my hon. Friend's questions, the answer is yes.

Mr. Mark Field (Cities of London and Westminster) (Con): Some of my Soho constituents welcome the Chancellor's announcements on film financing in the recent pre-Budget report. I accept that other Soho folk might have welcomed somewhat different concessions. The Chancellor's announcements, however, were a belated recognition of the essential need for long-term planning in the film business. Will the Secretary of State acknowledge the key importance of commercial certainty in that internationally competitive market, especially in the Indian subcontinent?

Tessa Jowell: Yes, the Chancellor and I certainly recognise that. The House will want to pay tribute to the announcement in the pre-Budget report of the new outline tax regime for film, which has been widely welcomed and has created a climate of stability, although there is still detail to be finalised. It has exceeded the expectations of the UK Film Council and is already beginning to signal new inward investment, which we should all welcome.

Dr. Ashok Kumar (Middlesbrough, South and East Cleveland) (Lab): I praise the Secretary of State for building up this great link between ourselves and the Indian film industry. The former pit village of Fishburn in the north-east is now the setting for a Bollywood blockbuster, which has provided great opportunities, believe it or not, for young Asian stars to take part and make a success of it. What effort is she making to promote opportunities for young Asian stars to get into the film industry and make such a success?

Tessa Jowell: I thank my hon. Friend for his question. The example that he gives is a vivid illustration of the benefits that such film collaboration and co-production bring in practice. While we would want to ensure diversity and opportunities for young Asian talent in every aspect of the film industry, in many senses the market does that because of the scale of demand. People want to watch young Asian stars, so selling the case for their training and involvement is not an enormous amount of trouble. I thank him, however, for his advocacy.

Digital Television

5. **Miss Anne McIntosh** (Vale of York) (Con): If she will make a statement on the roll-out of digital television in North Yorkshire. [38069]

The Parliamentary Under-Secretary of State for Culture, Media and Sport (James Purnell): The vast majority of households in North Yorkshire can, with the appropriate equipment, receive digital television services. The Government are committed to ensuring that at digital switchover everyone in the UK who can currently get the main public service broadcasting channels in analogue form can receive them on digital without needing to pay a subscription.

Miss McIntosh: I wonder why the Vale of York, which is covered by both Yorkshire Television and Tyne Tees Television, will be among the last areas to be switched over, and why, given that the Treasury will benefit directly from the proceeds of the auction of analogue spectrum, the BBC is to pay for the switchover?

James Purnell: The order in which regions will be turned off was decided by Ofcom in consultation with technical experts and was not really a matter for Government. It would be inefficient and a waste of taxpayers' money to continue to broadcast in both analogue and digital format. Of course, that money is not for the Treasury but for the taxpayer, and looking after the taxpayers' interests is exactly what we are doing.

Sport (Women)

6. **Sandra Gidley** (Romsey) (LD): If she will make a statement on the participation of women in sport. [38070]

The Minister for Sport (Mr. Richard Caborn): The Department is committed to its public service agreement target of increasing the number of women participating in sport by 3 per cent. by 2008. We are implementing a range of measures to achieve that objective.

Sandra Gidley: Does the Minister agree that role models are all-important? He will be aware that of the just more than £6 million given in athlete personal awards last year, £3.8 million was given to men, but only £2.3 million to women. What is he doing to address that inequality and to increase the participation of women at other levels to feed into the highest level of sport?

Mr. Caborn: I do not recall the figures that the hon. Lady has given, but I can tell her that we have an equity agreement with all the governing bodies, which is observed by UK Sport and Sport England. I believe that 44 per cent. of scholarships went to women during the last round of awards under the talented athlete scholarship scheme. As for world-class performance, it will depend on the position held in the world-class rankings by the Paralympic and Olympic teams and, indeed, by others in the elite. There is an agreement between the governing bodies on that. I accept that more can be done to encourage females to participate in sport, but I think that that is being achieved by many of the initiatives launched by the governing bodies, Sport England and UK Sport.

There has been a massive increase—of some 53 per cent.—in the number of women taking part in football over the past three or four years following an investment of some £3 million by the Football Foundation in coaching of women and girls, and a major increase in investment by the active sports body, which is Sport England—*[Interruption.]* I do not know what the hon. Lady is saying from a sedentary position, but across the spectrum we have moved the agenda forward dramatically.

Vera Baird (Redcar) (Lab): Has my hon. Friend had a chance to consider the impact on women in sport of public authorities' duty to promote gender equality, which will come into force when the Equality Bill is enacted? I am thinking particularly of schools. The Women's Sports Foundation has found that some single-sex classes, especially swimming classes, are being stopped because of fears that they do not comply with equality legislation. Participation in sport remains low among women and girls despite our best efforts, although it is increasing, and single-sex classes and teams are an important tool for the encouragement of such participation. Will my hon. Friend ensure that good guidance is available when that gender duty comes onstream, so that the distinction is drawn between equality and treating everyone in the same way?

Mr. Caborn: My hon. and learned Friend has asked an important question, to which I give an emphatic "Yes". The position will be monitored, and we will report to the House.

Andrew Mackinlay (Thurrock) (Lab): Next time he speaks to the appropriate football authorities, will the Minister raise with them the issue of the international competitions in which our teams are involved? In some countries, women cannot attend and watch football matches. Are we not acquiescing, by our silence, in gender discrimination? We are supporting lucrative sports from which women spectators are excluded. I am thinking particularly of the exclusion of women from international football matches in Iran.

Mr. Caborn: That stretches a question about women's participation in sport in England, but having just returned from Saudi Arabia I understand what my hon. Friend means. I attended a graduation ceremony where four females received graduate awards from Loughborough and Manchester universities. That was a major step in the right direction. I hope that the process will continue in Saudi Arabia and will eventually reach Iran, because I agree with my hon. Friend that everyone should be able to enjoy sport, including football.

BBC Licence Fee

7. **Mr. David Gauke** (South-West Hertfordshire) (Con): What recent discussions she has had regarding BBC licence fee proposals. [38071]

The Secretary of State for Culture, Media and Sport (Tessa Jowell): The Government are currently conducting a funding review to determine the level of the new licence fee settlement that will apply from April 2007. We will announce the outcome in due course.

Mr. Gauke: Given that the licence fee is set to increase by nearly 20 per cent. over the next seven years—

Chris Bryant (Rhondda) (Lab): No, it is not.

Mr. Gauke: It is, potentially. Given that fact, and given that the main purpose is to help to cover the cost that the BBC will incur in facilitating the switch from analogue to digital broadcasting, will not the licence fee be used as yet another stealth tax that will hit the poorest hardest?

Tessa Jowell: No, that is not the case. With great respect to the hon. Gentleman, he is jumping ahead of the conclusions that the Government will reach as we consider both the BBC's proposals and the results of the independent assessment that we have commissioned. That will ensure that we reach a licence fee settlement under which the viewing public get what they want—continued high-quality and diverse programming and a BBC that is strong and independent of the Government.

Mr. Bob Blizzard (Waveney) (Lab): May I thank the Under-Secretary, my hon. Friend the Member for Stalybridge and Hyde (James Purnell), for coming along to a recent meeting of the all-party commercial radio group to answer questions on this topic? One question put to him was about market impact assessments for new BBC services, so may I ask my right hon. Friend whether she has decided whether they would cover major changes to existing services and how much weight will be given to market impact assessments when the public value test is carried out for new BBC services?

Tessa Jowell: I thank my hon. Friend for that question. He has identified one set of important considerations that we are looking into in connection with the White Paper proposals. We know how strong public support is for a well-funded BBC, but we also know that the BBC can have a serious impact on the competitiveness and performance of commercial broadcasters, so we must get the balance right. My hon. Friend is right to identify two forms of market impact assessment: those that apply to completely new services, which will certainly have such assessments, and those that apply where a substantial change is made to an existing service. What will help greatly is the BBC's proposal that every channel should operate a service licence, which will create more clarity than we have ever had before. Tougher discipline and greater transparency will play an important role for the BBC trust under the new arrangements.

Mr. John Whittingdale (Maldon and East Chelmsford) (Con): Given that the BBC's total licence fee income has grown by 50 per cent. over the last 70 years—I mean seven years—

Robert Key (Salisbury) (Con): It seems like 70.

Mr. Whittingdale: Yes. Given that the BBC's income now exceeds the combined total advertising income of ITV, Channel 4, Channel 5, GMTV, S4C and all the digital channels put together, does the Secretary of State agree that it is difficult to justify a licence fee increase above inflation at all, let alone 2.3 per cent. above the increase in the retail prices index that the BBC has asked for?

Tessa Jowell: With great respect to the hon. Gentleman, who chairs the Select Committee on Culture, Media and Sport, I will not be drawn further on the outcome of deliberations on the level of licence fee. Voices from all around the Chamber will want to contribute to the conclusions, which will be announced in due course.

Mr. Brian Jenkins (Tamworth) (Lab): My right hon. Friend will know that many people in this country, including me, believe that the BBC licence fee provides good value for money. In the multi-producer and multi-provider industry that has now developed, however, should not the BBC charter include an obligation continually to assess value for money and to make the public aware of that work? The public could then believe that they do indeed receive value for money from the rather peculiar monopoly position that the BBC enjoys.

Tessa Jowell: I thank my hon. Friend for that question. He will know that public consultation on the BBC charter—conducted for the first time ever—has reflected the public view that, by and large, the BBC licence fee represents value money. The new BBC trust that will oversee the management of the organisation and be responsible for its governance will also have precisely the responsibility that my hon. Friend has identified—to ensure that the licence fee payer, to whom the trust will be responsible, gets value for money.

Mr. Nigel Dodds (Belfast, North) (DUP): Does the Secretary of State share the concern expressed by many of my constituents at reports of swingeing increases in the BBC licence fee? Does she not think that the concept of a flat-rate, regressive tax on households throughout the country is something of an anachronism?

Tessa Jowell: No, I do not accept that, and the Government have already announced in the BBC Green Paper that the licence fee will continue to fund the BBC for the next 10 years. The hon. Gentleman says that it is a regressive form of taxation but, interestingly, when asked about it, the public, while recognising that it is a flat-rate charge, generally said that they believe that it is good value for money and fair. We will continue with it for the next 10 years.

Mr. John Grogan (Selby) (Lab): Does my right hon. Friend agree that we should continue to celebrate the BBC's role as the great world public service broadcaster, producing everything from "Doctor Who" to Radio 4, from "Strictly Come Dancing"—won at the weekend by a Yorkshireman—to Radio 3? Should we not consider very carefully the BBC's proposal for an average £3 a year real-terms increase in the licence fee over the

coming years, in order to provide more money for factual programming, high-definition TV and local and regional programming?

Tessa Jowell: I thank my hon. Friend for that and I am sure that we will want to agree with everything that he said about the importance of the BBC's contribution to our national life, and to take this opportunity to thank Darren Gough for the example that he gave to potential "Strictly Come Dancing" contestants throughout the country.

Michael Fabricant (Lichfield) (Con): I know that my hon. Friend the Member for Maldon and East Chelmsford (Mr. Whittingdale), the current Chairman of the Culture, Media and Sport Select Committee, is going down the well-trod path of his predecessor, the right hon. Member for Manchester, Gorton (Sir Gerald Kaufman), but I wonder whether I might disagree, in that I believe that the BBC offers good value for money. However, I challenge the Secretary of State on this point: is she aware that the BBC is having to make provision for a spectrum stealth tax in 2013 of £200 million? Will that not put pressure on the licence fee?

Tessa Jowell: In its initial bid for the licence fee, the BBC included all the costs that it might incur. The Government have set out their intention, in the light of the Cave report, to apply administratively efficient pricing in respect of the costs of spectrum. This issue will be visited post-switchover, in approximately 2010. It is true that broadcasters may incur this additional cost, and that will be taken into account in considering the licence fee settlement.

Olympic Games

8. **Mr. Sadiq Khan** (Tooting) (Lab): What steps her Department is taking to ensure the 2012 Olympic games encourage grass-roots participation in sports across the UK. [38072]

The Minister for Sport (Mr. Richard Caborn): We are committed to driving up grass-roots participation in sport across the whole of the UK. We are working with key partners to maximise the benefits of hosting the games by building on existing programmes to encourage more people to become involved in sport.

Mr. Khan: Is my right hon. Friend aware that building work is well under way at my old school, Ernest Bevin college, in Tooting, to develop a dojo and sports complex, thanks to more than £500,000-worth of Big Lottery funding? The complex will be open not only to the school's 900 pupils, but to more than 350 pupils from local primary schools and, potentially, to hundreds of local residents outside school hours.

Mr. Caborn: I know that my hon. Friend is very proud of that welcome development, which can be mirrored throughout the country. Such developments will prove very valuable. Starting next year, as we build to 2012, we hope to run an annual national schools' festival of sport throughout the nations and regions—Scotland, Wales, Northern Ireland, the north, the midlands and the south—in which all our young people will be able to participate and thereby develop sporting excellence. Importantly, part of the legacy of the games will be a competition structure in our schools that will probably prove second to none in the world. That will put to bed once and for all the idea that competition is not important in sport.

David T.C. Davies (Monmouth) (Con): Does the Minister agree that any efforts to increase grass-roots participation in sport will be rendered almost worthless if schools continue to sell off their playing fields at the present rate?

Mr. Caborn: I have heard some old records over and over in this place, but that is the oldest one. It must be a 75 that is still going around—*[Interruption.]* I refer the hon. Gentleman to the answer that I gave some months ago, in which I reminded the House that when in government, the Conservatives were closing 40 playing fields a month. For the first time, we have had a net gain in playing fields, not to mention new sports facilities and synthetic pitches. We have had the biggest investment in sports facilities that this nation has seen for many years. I hope that he puts his 75 record away for Christmas.

Hon. Members: 78!

Mr. Andy Reed (Loughborough) (Lab/Co-op): I am probably too young to remember 78s. My right hon. Friend is right to emphasise the success that we have had at school sports and, by 2010 and the lead up to the Olympics, we will have school sports and competition at the level at which we would like to see it. For those areas—Bath, Sheffield and Loughborough—which know what they are doing in terms of elite sports, we recognise the advances that have been made. But the major challenge remains the link between schools and clubs and local participation at a level that we can all see in our local communities. If we are to make the Olympic games a success, the real legacy will be not great stadiums and gold medals, but participation levels that match the best in the world. Will my right hon. Friend ensure that additional funding is made available for that over the next 10 years?

Mr. Caborn: My hon. Friend makes an important point. Some 70 per cent. of those leaving school do not continue in active sport. That is a major fault line in the structure of sport in this country, and it is why we have now invested some £60 million, through governing bodies, to strengthen the club structure. The school to club link is very important if we are to have a sustainable—and I mean sustainable—sports infrastructure. The investment that we are putting in through the 400 school sports partnerships, which have been widely welcomed, would be worthless if it did not continue after young people had left school. Therefore, we are working with the national governing bodies to develop the school to club structure.

I am pleased that all the governing bodies have now signed up to the coaching certificate, which will give us—for the first time—a five-level coaching scheme. We are investing heavily in that and we will have some 3,000 community coaches, who will also work on the

school to club link. That shows that we are taking the issue seriously and investing in a sustainable sports infrastructure for the first time for many years.

Hugh Robertson (Faversham and Mid-Kent) (Con): The Minister will be only too aware of the extreme disappointment among Olympic athletes at the lack of any extra funding in the pre-Budget report. Is he able to tell the House today whether he shares the British Olympic Association's stated aim of moving Great Britain from 10th to fourth in the medal tables by 2012?

Mr. Caborn: It is unfortunate that we have knee-jerk reactions on this subject. Everything I have said today points to our efforts to put sustainable and well-funded structures in place. From 2001 to 2009, we will invest slightly more than a quarter of a billion pounds in elite athletes, irrespective of what my right hon. Friend the Chancellor does in any discussions that we have with him now. Obviously, everybody wants to see the UK do well in 2012, but judgments have to be made against the information available and the investment that we have made. It is unacceptable for people to say that we are going to move from 10th to fourth in the medal table when they do not have responsibility for funding and then, in a knee-jerk reaction, blame a Chancellor who has increased world-class funding since 1997 by just under 25 per cent. We will discuss investment in elite sport with the Treasury.

12. **Alison Seabeck** (Plymouth, Devonport) (Lab): What assessment she has made of the opportunities available to cultural organisations arising from the 2012 London Olympic games. [38077]

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. David Lammy): London's successful bid for the 2012 Olympic and Paralympic games offers a once-in-a-lifetime chance to establish a lasting legacy of participation in and engagement with cultural activities across the British population.

Alison Seabeck: I thank my hon. Friend for his comments. In Plymouth and the south-west we are working hard to meet the challenge of improving our cultural offer as well as our sporting offer as we move towards 2012, working with organisations such as Sport England and the Big Lottery Fund. A number of key events are already planned; some are sport-related, while others link to national figures such as Darwin or Brunel or to special events such as the abolition of slavery. Will my hon. Friend confirm that his Department will continue to encourage and support areas outside London, contrary to recent press reports, as we strive both to celebrate and to benefit from the Olympics?

Mr. Lammy: Absolutely. My hon. Friend will know that we appointed Jude Kelly to champion cultural activities across the country and we are about to appoint a director for Olympic activity across the country. That is key: 2012 gives us the opportunity to showcase what every region in the country can do. Indeed, beyond 2012 all our cultural facilities, such as theatres, and the cultural activity of our young people will receive a boost, and the south-west is key to that.

National Lottery

13. **Mr. Jim Cunningham** (Coventry, South) (Lab): How much in lottery funds was distributed in the west midlands region in 2004–05; and if she will make a statement. [38078]

The Minister for Sport (Mr. Richard Caborn): During 2004–05, 2,436 awards worth more than £79 million were made by lottery bodies to projects in the west midlands region. The actual spending will be spread over several years.

Mr. Cunningham: I thank my right hon. Friend for that answer. How will choice be introduced by those organisations, and does he consult them on the projects and the funding of the projects?

Mr. Caborn: Very much so. We have continuous dialogue, even more so now through the sports boards, which have gained a lot of power and responsibility in the regions. There is wide consultation on sport and for the first time a proper strategy is being developed, as well as a little bit more joined-up thinking, and indeed joined-up money, to deliver many of the projects.

CHURCH COMMISSIONERS

The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—

Academies

17. **Dr. John Pugh** (Southport) (LD): Whether moneys spent on academies by dioceses are reported to the Church Commissioners. [38085]

The Second Church Estates Commissioner (Sir Stuart Bell): I know that the hon. Gentleman is a vigorous campaigner on behalf of schools, especially in Southport and Sefton. The Church of England is a welcome partner in academy sponsorship because of its strong commitment to distinctive and inclusive education. There is no requirement for dioceses to report expenditure on schools to the commissioners.

Dr. Pugh: I thank the hon. Gentleman for that answer, but if the Church Commissioners are not collecting information about the considerable sums being spent, who is monitoring that expenditure on behalf of parishioners and the wider Church?

Sir Patrick Cormack (South Staffordshire) (Con): John Prescott.

Sir Stuart Bell: I am glad to have the Deputy Prime Minister prayed in aid.

There is no requirement for dioceses to report expenditure on schools to the commissioners; the dioceses are accountable and look at their own accountability. The Church of England has already provided several academies, most recently a joint academy with the Roman Catholic Church in a deprived

area of Liverpool. That is a symbol of the Church's commitment to providing education for the most disadvantaged in society.

Provincial Episcopal Visitors

18. **Robert Key** (Salisbury) (Con): What the total cost was of provincial episcopal visitors in (a) the province of Canterbury and (b) the province of York in 2004–05. [38086]

Sir Stuart Bell: Provincial episcopal visitors are "flying bishops" in the parlance of the Church. The figures for the calendar year 2004—the latest available—are £167,984 in the province of Canterbury and £81,675 in the province of York.

Robert Key: Will the Church Commissioners publish those helpful figures as a matter of routine? We cannot possibly reduce deeply held views about women priests to financial figures, but given that a lot of angels are flying around this Christmas-time, as well as flying bishops, may we expect an outbreak of peace and good will, as well as common sense, as we move on from women priests towards women bishops?

Sir Stuart Bell: I am grateful to the hon. Gentleman. The House consistently counts angels on the head of a pin and no doubt will do so in the future. We might have flying bishops and flying angels, but in 1993, as he knows, the Act of Synod was concerned that

"the integrity of differing beliefs and positions . . . should be mutually recognised and respected".

There is a long synodical process regarding women bishops, but I am always happy to refer to the Archbishop what I think is a strong wind behind that in the House.

Ordinands

19. **Chris Bryant** (Rhondda) (Lab): How many ordinands are in (a) residential and (b) non-residential training. [38087]

Sir Stuart Bell: There are currently 532 ordinands in residential training and 822 in non-residential training. The House of Bishops will be considering a general strategy for colleges at its January meeting and I shall, of course, transmit any views that my hon. Friend has.

Chris Bryant: That means that there is a significant move towards non-residential training in the Church of England. Does my hon. Friend worry that the Church of England needs not only managers, but theologians—people who have studied theology as an academic discipline? Will he take it from me, as an external adviser on the Oxford theology degree, that few people now study such academic courses in this country? Is there not a danger that theology will wither on the vine in the Church of England?

Sir Stuart Bell: I would be very surprised if theology withered on the vine because the Archbishop of Canterbury is one of the finest theologians that we have and a great example to us all on theology. My hon. Friend is right that the choice between residential and non-residential training courses depends on several factors. I look forward to the merger of Ripon college with the Oxford ministry course, which will strengthen the college, allow for new types of training along the theological lines to which he referred and draw on the full strength of full-time and part-time modes of training.

English Heritage

20. **Miss Anne McIntosh** (Vale of York) (Con): What discussions the commissioners have had with the Secretary of State for Culture, Media and Sport and the Chancellor of the Exchequer on the level of English Heritage grants for church repairs. [38088]

Sir Stuart Bell: The commissioners and other Church representatives recently met the Under-Secretary of State for Culture, Media and Sport, my hon. Friend the Member for Tottenham (Mr. Lammy). May I say how grateful I am to him for standing in for me during the last Question Time? He did such a fine job that he might be called on to do so again in the future. At the meeting, the need for more Government support to enable churches' contributions to the community to be sustained and enhanced was emphasised. We shall meet the Chancellor of the Exchequer in the new year.

Miss McIntosh: Will the hon. Gentleman take a strong message to the Chancellor from the House? The Chancellor told us that the reason why lower VAT on church repairs would not apply was that more money would be received from English Heritage in grant. We heard during the last Question Time—I know that the hon. Gentleman was not able to be present—that English Heritage grants will be slashed. Will the hon. Gentleman make the strongest possible representations so that we can get the maximum amount of grant for church repairs?

Sir Stuart Bell: In 2003, as the hon. Lady is aware, the overall estimated cost of outstanding major repairs that were required to our 16,000 church buildings in England was £373 million. The Culture, Media and Sport Committee is holding an inquiry into the amount of money provided, which will include a consideration of English Heritage and its funding. The Church Heritage Forum will make a submission in the new year.

Mr. Andy Reed (Loughborough) (Lab/Co-op): Does my hon. Friend agree that the problem is not always just money, but sometimes the interference of English Heritage? A church in my patch has the ability to raise its own funds and to offer facilities for the local community. However, the rather pedantic way in which English Heritage sometimes gets involved in such projects, holds back churches' ability to make provision for their local communities. Will my hon. Friend ensure that a balance is struck between the need for large parts of our English heritage to remain and the need to ensure that such buildings are used?

Sir Stuart Bell: The question of use is pertinent. We often refer to "faith tourism" regarding cathedrals and churches. It would be a matter of regret if bureaucracy

intervened to prevent the repair of our churches and the appropriate money from being secured. We are always grateful to the Chancellor of the Exchequer for his listed places of worship grant scheme, which involves VAT, but we also need substantial improvements to the grant money that goes to the Church over time.

PUBLIC ACCOUNTS COMMISSION

The Chairman of the Public Accounts Commission was asked—

National Audit Office

21. **Mr. Philip Hollobone** (Kettering) (Con): If he will make a statement on the recent performance of the National Audit Office. [38089]

Mr. Edward Leigh (Gainsborough): In the past financial year, the National Audit Office published 61 major reports across public expenditure programmes to Parliament, audited more than 570 accounts and provided advice and support to the Committee of Public Accounts and other Select Committees. That work led to savings for the taxpayer of £515 million—a return of more than £8 for every £1 it cost to run the National Audit Office. In the 2005–06 financial year, the National Audit Office has so far published 30 major reports and audited more than 400 accounts.

Mr. Hollobone: Were it not for the good work of the National Audit Office and the Public Accounts Committee, would not this wasteful Government have wasted hundreds of millions of pounds more?

Mr. Leigh: My hon. Friend will appreciate that, in my present position, I do not want to get involved in party politics—[HON. MEMBERS: "Oh, go on."]—but I will say that all Governments are masters of spending public money but often far less proficient at ensuring that that translates into better public services. Basic errors are repeated time and again, despite fine words and earnest assurances to the Committee of Public Accounts. Many public services are chronically marred by deadening complexity and bureaucracy, there is a continuing lack of leadership and drive, and Government Departments still disregard common and well-publicised pitfalls when they approach projects. My Committee will continue to ensure that we receive value for money for every pound spent.

Mr. David Heath (Somerton and Frome) (LD): The National Audit Office has frequently drawn attention to deficiencies in defence procurement. In that light, will the hon. Gentleman tell us whether the commission has discussed with the apparently soon-to-be-abolished Advisory Committee on Business Appointments whether the 344 civil servants and Ministers who have left government and entered the defence-related industries have improved or diminished the value for money obtained in defence procurement?

Mr. Leigh: It is certainly true that there is an increasing and complex interface between the public and private sectors. My Committee will carefully scrutinise all Departments and Ministries of State carefully to ensure that those who leave the public sector allow a reasonable period of time to elapse before they enter the private sector, so that there is no risk of corruption or of people using information that they have obtained in the public service to further their own careers.

ELECTORAL COMMISSION

The hon. Member for Gosport, representing the Speaker's Committee on the Electoral Commission, was asked—

Parliamentary Elections

22. **Mr. Peter Bone** (Wellingborough) (Con): Whether the Electoral Commission has recently been consulted on changing the method by which hon. Members are elected. [38090]

Peter Viggers (Gosport): The commission understands that the Government are conducting research to examine the experience of new voting systems introduced to United Kingdom elections since 1997. The commission has not been asked to contribute to that process, nor is there an obligation on the Government to consult the commission in those circumstances.

Mr. Bone: I hope that there will be no change to the method of electing hon. Members to this House, but if proposals are to be made I ask that the equalisation of numbers in constituencies be considered.

Peter Viggers: Although there is statutory provision to transfer the responsibility for parliamentary constituencies to the Electoral Commission, that provision has not yet been implemented. However, my hon. Friend has made his point and I am sure that it will be heard.

CHURCH COMMISSIONERS

The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—

Faith Communities Capacity Building Fund

23. **Ben Chapman** (Wirral, South) (Lab): What use the commissioners expect to make of the faith communities capacity building fund; and if he will make a statement. [38091]

The Second Church Estates Commissioner (Sir Stuart Bell): The commissioners welcome the existence of the fund administered by the Community Development Foundation, through which some £5 million will be distributed between January 2006 and March 2007.

The commissioners have not made use of the fund, but the Church's community and urban affairs unit has promoted it among regional groupings.

Ben Chapman: Will my hon. Friend join me in expressing the hope that the Church Commissioners will use that valuable fund as widely as possible and in ways that help to build interfaith linkages within communities and linkages between rural and urban communities, and in the development of faith trails for all to enjoy?

Sir Stuart Bell: As my hon. Friend is aware, interfaith activity involves programmes designed to bring people of different faiths together in rural and urban areas to promote mutual understanding, respect and co-operation. Capacity building involves strengthening groups' organisational capabilities, enabling them to sustain themselves and to play a full part in society, and this is a valuable contribution.

ELECTORAL COMMISSION

The hon. Member for Gosport, representing the Speaker's Committee on the Electoral Commission, was asked—

24. **Greg Clark** (Tunbridge Wells) (Con): How many publications have been funded through the policy development grant to each qualifying political party; and what arrangements have been made to give members of the public up-to-date information on the availability of such publications.

Peter Viggers (Gosport): The policy development grant scheme is intended to assist eligible parties in developing policies for inclusion in their manifesto. It is a matter for the parties to make the public aware of their policies through publication of their manifesto or other activities.

Greg Clark: Some of us are sceptical about the value of state funding of political parties, but if it is to be done, it is important that it should be done transparently. My hon. Friend the Member for Witney (Mr. Cameron), the Leader of the Opposition, has made a commitment to publish the working papers of the commission dealing with policy so that they are available for everyone to inspect. Should this be a requirement for all political parties?

Peter Viggers: The Electoral Commission takes the view that it is not necessary to have further explanation of the work undertaken. It has made recommendations in its review of expenditure in 2004. My hon. Friend, who has personal experience of the application of the policy development grant scheme, will be pleased that the commission has recommended that the scheme be expanded from £2 million a year to £3 million a year.

European Council

3.31 pm

The Prime Minister (Mr. Tony Blair): With permission, Mr. Speaker, I should like to make a statement about the European Council in Brussels on 15–16 December.

The main issue at this European Council was the European Union budget for 2007–13, the first budget ever for the enlarged Europe of 25 member states, soon to become 27 with the accession of Bulgaria and Romania.

This country can be proud of the part that we played in the enlargement of the EU. The countries of central and eastern Europe that for so long suffered under communist dictatorship are now free democracies and vibrant new members of the EU. To have championed the cause of those new states, to have welcomed them into NATO and Europe and then to have refused to agree a budget that protects their future economic development would have been a betrayal of everything that Britain has rightly stood for in the past 15 years or more since the fall of the Berlin wall. They are our allies. It is our duty to stand by them. But it is also massively in our national interest. These new member states have fast-growing, open economies, new ideas, human capital and a political vision of Europe that is close to ours.

However, although they are catching up economically, they are still much poorer than most of the original European Union 15; their people half as wealthy as in the rest of Europe. The purpose of the budget is rightly to transfer resources from the wealthiest west of Europe to the poorer east of Europe. Over the coming years, within a broadly stable budget, funds for the new member states will increase from €24 billion to €174 billion, a seven-fold increase.

In time, of course, this makes them prosperous and us too. If we look at the example of Ireland and Spain, bilateral trade with those countries in goods alone is now more than €60 billion a year. Investment in the future prosperity and stability of eastern Europe brings big and lasting benefits to this country.

The reason that it was so important to reach agreement at the European Council is as follows: as all central and eastern European leaders made clear to me, it was essential to have a December deal to allow those countries to plan and prepare for using the EU funds when those funds start in 12 months' time. It was clear that the prospects for a deal next year were negligible, and, if there were to be no deal, then in 2007 the European Parliament would take over the budget process. That would mean the Parliament setting annual budgets, on the existing financial agreements, which would have meant that countries such as Poland would have lost around two thirds of their EU funds. That is why they wanted a deal now.

Of course, there is also a need for fundamental reform of the EU budget. As I said in June, what we need is to settle the budget on the basis of everyone paying their fair share of the costs of enlargement now; and then to open up the prospect of a radically reformed budget midway through the next budget period. The agreement reached on Saturday morning differed from that of the Luxembourg proposal in four key respects. The overall budget is smaller. The proposal in June was that the UK rebate should be reduced in commitment terms by about €22.5 billion; under this deal, the maximum we shall pay is €10.5 billion. In the review clause in June, the common agricultural policy agreement of 2002 was specifically endorsed. Now it is clear that all aspects of the budget can be examined in 2008–09. However, crucially for Britain, this agreement states expressly—unlike that of June—that the British rebate remains in full on all expenditure in the original 15 member states. It remains in full on all common agricultural policy market expenditure everywhere in the Union, including in the new member states. We have, however, agreed to disapply a proportion of the rebate on structural and cohesion spending in the new member states—in effect, on the spending directly designed for economic development. As I have said, the cost of this is up to a maximum of €10.5 billion or about £7 billion over the next seven years of the financing period. Moreover, because the rebate stays on all common agricultural policy and all spending in the original European 15, the rebate will rise, not fall, to an average of €5.8 billion in payments terms annually from 2007. Overall, the rebate will get us about €41 billion back in the next budget period—substantially more than in this period. That is then the crucial leverage for future reform.

As the strongest supporter of enlargement among all member states, I strongly believe that it was right—indeed, essential—that the UK should contribute properly to enlargement. The fact is that if we support and, indeed, drive through a policy of ending the post-war division of Europe, we have to be ready to accept our fair share of the costs of that policy. Enlargement was never, and could never be, a cost-free policy, and this Government are prepared to shoulder their responsibilities in this area, because it is the right thing to do. In this context, I want to dispel one misunderstanding that has arisen—the impression that only the UK is contributing to the costs of enlargement. All wealthier countries are contributing. In terms of net contributions, our contribution will increase by 63 per cent. over the next financing period in comparison with 2000–06. France's contribution will increase by 124 per cent. Italy's contribution will increase by 126 per cent. Spain will lose in the region of €40 billion. Moreover, after some 20 years of our paying, under the original rebate, twice as much as France, UK and French contributions will, from 2007, for the first time, be in rough parity. Because the UK economy is now bigger than the French economy, we will, in fact, on the Commission's figures, be contributing a smaller share of our national wealth.

Alongside this agreement on support for the modernisation of eastern Europe, we also agreed on a fundamental review of all aspects of the EU budget, including the common agricultural policy, to be led by President Barroso, with the recommendation that it begin in 2008. As the language in the European Council conclusions makes absolutely clear, it is then possible for changes to be made to this budget structure in the course of this financing period. This will also allow us to take account of any changes agreed in the World Trade Organisation round, including the decision to phase out all export subsidies for agriculture by 2013. In addition, it was agreed that any CAP spending for Romania and

[The Prime Minister]

Bulgaria—about €8 billion—should be fitted within existing CAP ceilings, which is a significant budgetary discipline.

So to summarise, when people ask what we got for agreeing to pay our fair share of enlargement, the answer is an agreement that sees us, for the first time since we joined the EU, paying no more than similar countries, such as France and Italy; the rebate staying put on all CAP spending and rising, not falling, in value; and a process that can, in the years to come, lead to the necessary fundamental reform of both rebate and CAP that we all want to see.

I should report briefly that the Council also agreed on a strategic partnership between the European Union and Africa, on a new and strengthened policy on illegal migration and on a counter-terrorism plan. We also agreed that Macedonia should be granted candidate status—the next step in its path towards membership of the European Union. As a strong supporter of Macedonia's ambitions, I want to congratulate the Macedonian Government on the progress that they have made towards that goal.

The European Council also unreservedly condemned the Iranian President's recent remarks about Israel and warmly welcomed the 15 December elections in Iraq as a further step towards democracy and stability in that country.

Over the past six months, the UK presidency has delivered the historic launch of accession negotiations—*[Interruption.]* It has delivered the launch of accession negotiations with Turkey and Croatia—a long-standing British objective. We have delivered a number of important pieces of legislation, including the REACH—registration, evaluation, authorisation and restriction of chemicals—regulations and the data retention directive, which is an important measure against terrorism. We have delivered reform of the EU sugar regime and a strengthening of the EU position on climate change—*[Interruption.]*

Mr. Speaker: Order. Mr. Bellingham, you are out of order, and you are not the only one. After the Prime Minister has finished, I shall seek to protect the Leader of the Opposition, and I cannot do that if hon. Members are shouting at the Prime Minister.

The Prime Minister: And we have delivered an EU budget deal that is €160 billion cheaper than the original Commission proposals, provides for a huge transfer of spending from the original 15 to the new member states of eastern Europe, and preserves the British rebate in full on the CAP and all spending in the EU 15. I commend all this to the House.

Mr. David Cameron (Witney) (Con): This was the year that Europe needed to change direction; this was the year that the people of Europe rejected the constitution; and this was the year that people called for the end of the obscenity of protectionism that damages the developing world. The Prime Minister rightly talked at the time of a crisis in European leadership, so the question for him is whether the British presidency and the new budget even begin to measure up to those challenges.

We warmly welcome the accession talks with Turkey and Croatia. We welcome what the Prime Minister said about Macedonia and the EU partnership with Africa, but has not progress elsewhere been desperately slow?

On the budget, does the Prime Minister remember having three clear objectives: first, to limit its size, when almost every country in Europe is taxing and borrowing too much; secondly, to ensure fundamental reform of the CAP; and, thirdly, to keep the British rebate unless such reform occurs? Is it not now clear that he failed in every single one?

First, the Prime Minister said that he wanted the size of the budget to be set at 1 per cent. of Europe's income. Can he confirm that the budget that he has just agreed is higher than that, higher than the compromise that he tabled and will mean £25 billion in extra spending? The Prime Minister says that that is intended to pay for enlargement, so will he confirm that Ireland, which is richer per capita than Britain, is getting more per head than Lithuania, Slovakia and Poland?

Secondly, the Prime Minister wanted to change the things that the budget was spent on. Is it not clear that he has failed to do that as well? Is it not the case that CAP spending will be higher next year, the year after that and in every year up to 2013? The Chancellor said that CAP reform was necessary to make poverty history. The Prime Minister told the House in June that he wanted to get rid of the CAP. Will he confirm that, four months later, his own Europe Minister said that the Government had not made any detailed proposals to reform the CAP? Is it not the case that the entire Government spent four years doing nothing about something that the Prime Minister thought was essential?

Will the Prime Minister be clear about what he has secured on the CAP? It is a review and it takes place in 2008. Can he confirm that, in that year, the presidency will be held by France? Is he aware that the French Foreign Minister has said that Jacques Chirac has secured that there will be no reform to the common agricultural policy before 2014? Is that not the opposite of what the Prime Minister actually wanted? In other words, he has completely failed to deliver CAP reform.

What about the Prime Minister's third objective: if all else fails, keep the rebate? All else did fail, and the Prime Minister's position was clear. He used to say the rebate was non-negotiable. He said at that Dispatch Box in June:

"The UK rebate will remain and we will not negotiate it away. Period."—[*Official Report*, 8 June 2005; Vol. 434, c. 1234.]

The Chancellor said that it was non-negotiable and fully justified. Then the Prime Minister changed his mind. The rebate could be negotiated, he said, provided that there was fundamental reform of the CAP. So it was clear that the only circumstances in which the rebate would be given up was if there were a commensurate and equal giving up of farm subsidies.

That is not an unreasonable position and, at that time, he knew all about the other considerations he mentioned today, including the importance of supporting enlargement. But what happened? The farm subsidies remain and £7 billion of the rebate has been negotiated away. If that was always the Government's plan, why was not any reduction in the rebate in the Chancellor's pre-Budget report? We are told that

the Chancellor did not even know about the final deal. Normally, it is the Chancellor who does not tell the Prime Minister about what is in the Budget; this time the Prime Minister did not tell the Chancellor.

Can the Prime Minister confirm that, by 2011, the UK will be losing £2 billion a year and that that will be the baseline from which we negotiate? Will he confirm that the amount he has given up from the rebate is almost double our entire overseas aid budget this year?

In June, the Prime Minister told the House that no deal was better than a bad deal. He said:

"Europe's credibility demands the right deal—not the usual cobbled-together compromise in the early hours of the morning."—[*Official Report*, 20 June 2005; Vol. 435, c. 524.]

Did he remember that when he was cobbling together this compromise in the early hours of the morning? Why did he give up £7 billion for next to nothing? Vitally, how is the Chancellor going to pay for it—more taxes, more borrowing or cuts in spending? Which is it?

A good budget deal would have limited spending; it would have reformed the CAP and it would have helped change Europe's direction. Is it not the case that none of those things happened under the British presidency? Europe needed to be led in a new direction. Are we not simply heading in the same direction but paying a bigger bill?

The Prime Minister: No, we are not, for the very simple reason that the direction of Europe is towards enlargement. That is why we have allowed those 10 new countries to come in.

Let us just see for a moment where we agree and disagree. The hon. Gentleman supports enlargement; yes, he supports enlargement.—*[Interruption.]* Come on. He supports the wealthy countries paying for the poorer countries. That is right too; isn't it? Although he supports enlargement and he supports the wealthy countries paying for the poorer countries, he does not support Britain paying any money for it. He talks about a crisis in the European Union. What sort of crisis would there be if he were in charge with that policy?

The hon. Gentleman talks about the rebate. Let me tell him that the rebate, as I have just explained, is rising not falling—[HON. MEMBERS: "No, it is not."] Yes, it is, because it remains on all common agricultural policy money. He and his Back Benchers say, "Why is not France paying for this?", but France is getting a bigger net contribution loss than Britain in the next financial perspective.—*[Interruption.]* Let me explain to hon. Members what is actually happening: the structural and cohesion fund budget covers about 35 per cent. of all spending. At the moment, it mainly goes to wealthy countries, but it will mainly go to poorer countries. The wealthy countries will therefore pay to the poorer countries, and we are a wealthy country, which is why we should pay our fair share. People like the hon. Gentleman, who say that they are in favour of enlargement but refuse to follow through on the consequences of that position, are not exercising leadership; they are abdicating leadership.

The hon. Gentleman has said that he would have negotiated something different, but let us work out who his allies would be in such a new European Union.—*[Interruption.]* One of his first leadership decisions was to withdraw from the EPP, which contains the other Conservative parties in Europe, and this is what his own Members of the European Parliament have said about it. Mr. Struan Stevenson has said:

"We would have to sit round the table on a weekly basis with these fascists and nutters"—*[Interruption.]*

Mr. Speaker: Order. If hon. Members stop shouting, I would be able to hear what the Prime Minister has to say.

The Prime Minister: It is actually worse than that. If the Conservatives withdraw from the EPP, Jean-Marie Le Pen will sit there, Mrs. Mussolini will sit here, the Conservative party will sit there and, worst of all, Robert Kilroy-Silk will sit there. [*Laughter.*] Before the hon. Gentleman attacks my leadership in the European Union, he should start to exercise some himself.

Mr. Charles Kennedy (Ross, Skye and Lochaber) (LD): As the Prime Minister knows, the Liberal Democrat party has consistently supported the enlargement of the EU and welcomes that development, which, following the collapse of the Berlin wall, is good for us in Europe and for the world generally. I acknowledge that that development must come with a financial price tag in order to meet moral, political and economic objectives. Having achieved a degree of expansion, we also welcome the opening of accession talks with Turkey and Croatia and the approval of candidate status for Macedonia in this presidency.

Given the ideals that the Prime Minister properly set out at the beginning of the UK presidency, there is a great deal of disappointment with its conclusion, not least where common agricultural policy reform is concerned. First, is not the truth of the matter that the stitch-up between France and Germany over CAP reform, to which the Prime Minister had to put his name, that took place two years ago is what has made the British position so difficult today?

Secondly, the French managed to call his bluff on the issue at the summit. The Prime Minister has said:

"and then to open up the prospect of a radically reformed Budget midway through the next Budget period."

The French Foreign Minister has said that there will be no reform of CAP before 2013.

Those two statements do not marry up. Will the Prime Minister confirm that when the much-vaunted review takes place, it will consist of a review by the Commission, which will result in a document being submitted to a subsequent Council of Ministers, which will decide the matter? The review carries no more force or persuasiveness than that.

In terms of pursuing long-term British interests, albeit that this has been a somewhat disappointing presidency, does the Prime Minister agree that disengagement within the European Parliament or elsewhere is a recipe for absolute disaster? This at a time when someone is making speeches about pursuing a green environmental agenda; indeed, Europe is a very logical place to pursue that. In the last European Parliament, the British Conservatives held the chairmanship of the Environment Committee. If they pursue their current course of action, they will not hold the chairmanships of any committees. That will be a loss not only for them but for Britain.

[Mr. Charles Kennedy]

The outcomes of this summit are disappointing but not disastrous. It deserves to be particularly disappointing for those Eurosceptics who want to see Britain fragmented from Europe, rather than Europe succeeding in the longer term.

The Prime Minister: I thank the right hon. Gentleman for his general welcome for what we have done. One can only imagine what would have happened had we failed to reach a budget deal this December in terms of our relationships with the central and eastern European countries who are our allies, and of course with other new Governments, not least the German Government.

The right hon. Gentleman is absolutely right to draw attention to what was said in June. I would repeat what I said in this House, if I may, when I reported from the Brussels Council:

"I proposed that we have a fundamental review of the EU budget, reporting in time for us to be able—midway through the next financial period—to alter fundamentally the structure of the budget, dealing both with the rebate and the CAP."

I went on to say:

"In the meantime, of course, we would ensure that we paid our fair share of enlargement."—[*Official Report*, 20 June 2005; Vol. 435, c. 524.]

The position is very clear. The opportunity to get the fundamental reform will come through the review. Twelve other countries joined with France in saying that they do not wish to disturb the CAP deal that was done in 2002. Of course, had we not been able to conclude that deal in 2002, enlargement would not have happened, because that summit concerned enlargement in respect of future spending. It is worth pointing out to people who criticise the deal reached in 2002 that, without it, we would never have got those countries coming into the European Union in 2004.

As the right hon. Gentleman said, there will, however, be a major battle when the review is published. As the President of the Commission made clear today, it will be a fundamental review of what the money is spent on and how it should be spent. It will also, of course, be about a proper and sensible way of deciding that according to wealth people should pay, and according to need they should receive. The one thing that is obvious is that the budget does indeed need fundamental change, but the whole point about getting this deal in December is that, without it, the new central and eastern European countries could not have planned ahead for the next budget period. That is why we had to have an immediate deal in December so that they could have the certainty of the money coming to them, and then, in the medium and longer term, the prospect of the mid-term review that would allow us fundamentally to change the structure of the budget.

The right hon. Gentleman is right that there will be a huge battle between the reformers and the non-reformers. But who are our allies in the reform struggle? They are the very countries in central and eastern Europe that, if we had not done a deal, would have been completely alienated from this country. No one should be in any doubt about that. After our ding-dong, I simply say to the Leader of the Opposition that it is important for the Conservatives to think very carefully about their position of withdrawing from the EPP. That would be a disaster in terms of this country being able to procure a good deal in Europe.—*[Interruption.]* The one thing that is very obvious from today's exchanges is that Euroscepticism is alive and well in the Tory party.

Sir Stuart Bell (Middlesbrough) (Lab): Would it not have been absolutely shameful for this Government not to have agreed under their presidency of the European Union for transfers from the richer countries to the poorer countries? Would not we all be ashamed of ourselves had that not been the case? Is it not a fact that the forward march of Europe was halted with the referendums in Holland and France in the summer? Has it not been restarted with this presidency, this budget and the reform that will ensure that such last-minute horse trading will never happen again?

The Prime Minister: My hon. Friend is absolutely right. As I said a moment or two ago, it would have been disastrous for this country's future relationship with central and eastern Europe had we not done our level best to get a budget deal. If we had not got a deal, in 2007 the European Parliament would have taken over a set of annual budgets on the existing financial mechanisms, and those countries would have ended up with about a third or a quarter of the amount of money that they needed. It is hard to overstate the importance to those countries of getting this deal. That is why it would have been a disaster for this country not to have pursued it to a successful conclusion.

Mr. Michael Howard (Folkestone and Hythe) (Con): Did not the Prime Minister know about the costs of enlargement when he told the House in June that he would not negotiate the rebate away, period?

The Prime Minister: Which is why the rebate is rising, not falling.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): As it is the season of good will and new-found co-operation across the parties, when my right hon. Friend addresses the European Parliament tomorrow, will he send our condolences to Conservative Members about their new-found neighbours, now that they have left the EPP? Will he also be very proud when we open negotiations with Turkey on 3 October, because in years to come that will probably be seen as even more significant than the budget negotiations? Will he say more about why he is so confident that the review in 2008 will lead to true reforms of the CAP?

The Prime Minister: I thank my hon. Friend for what she said. It is obviously extremely important that we begin Turkey's accession negotiations.

Three things will drive people towards reform through the Commission's review. First, it is absolutely clear that people want a budget that is more rationally directed towards what they need for the future, including research and development and innovation. Even though the CAP has come down in the last 20 years from about 70 per cent. of the budget to 40 per cent., that still means that 40 per cent. of the budget is spent on 2 or, at most, 4 per cent. of the working population.

Secondly, the World Trade Organisation negotiations will push people towards that. Thirdly, and perhaps most importantly—and this is why it is important that we keep the rebate on all CAP spending and on all spending in the European member states—there is absolutely no way that we will be able to get that reformed and restructured budget unless everything is taken into account, and that was why it was important that the review specifically mentioned both the CAP and the rebate.

Rev. Ian Paisley (North Antrim) (DUP): The Prime Minister mentioned that there was a discussion at the talks of terrorism and the counter-terrorist plan. Did he discuss the counter-terrorist plan in Northern Ireland? It seems strange to the people of Northern Ireland that the tragic situation that is developing in Northern Ireland cannot be debated in this House of Commons, but the Prime Minister can discuss it at the talks and skim over it when he makes his report. I remind him of the promise that he made to me on Wednesday that he would consider whether more information could be given to the House of Commons, and I hope that he will keep that promise.

The Prime Minister: On that last point, although it is obviously not the issue of the statement, I am looking at what more we can say and put into the public domain, but it must be done in accordance with the advice that we receive as to what is legally proper. We are looking at that and I think that it would be helpful if we were able to give some more information, but it can be done only with the consent of the proper authorities. I emphasise once again, and I hope that the right hon. Gentleman accepts this from me, that neither I, the Secretary of State nor Ministers were involved in the decision. It was a decision taken by the Director of Public Prosecutions, as it should be. I am looking carefully at what more can be said, but it has to be within the bounds of what is legally proper.

Mr. John McFall (West Dunbartonshire) (Lab/Co-op): I congratulate the Prime Minister on achieving a deal that ensures that enlargement goes on. Does he agree with the shadow Foreign Secretary when he says that it holds out the prospect of an enlarged area of peace and stability, the former leader of the Conservative party when he says that it will heal the divide that scarred the continent, and the Leader of the Opposition, with his short-term memory, who I remind him stated that enlargement will be extremely important? Can the Prime Minister detail for me how much the budget deal will cost year on year from 2007 to 2014 in addition to what has already been budgeted for?

The Prime Minister: In respect of the first point, it is important that people understand that if we support enlargement, it is absurd to say that we are not prepared to pay our fair share of the costs of enlargement. Over the budget period, the result of giving up a proportion of the rebate—it is only a proportion between 2007 and 2013—is a maximum cost of €10.5 billion. Once the increased budget is taken into account over the next period—this illustrates the absurdity of the suggestion that only Britain is paying—the total cost for France will be in the region of €31 billion. The contribution of Britain will be significantly less than that.

Mr. William Cash (Stone) (Con): In those heady days in 1997, I suggested to the Prime Minister that he was walking on water now but that he would drown in Europe. With the failure of the European constitution, the Lisbon agenda and his negotiations over the rebate, and having conceded effective victory to Angela Merkel and Jacques Chirac and being outflanked by them, does he accept that his European legacy is holed below the waterline?

The Prime Minister: Virtually whatever we might do, the hon. Gentleman will think the same, which is no surprise as we have fundamentally different views of Europe. He wants Britain out of the European Union, whereas I think, particularly when the European Union is enlarging and pulling in countries that share our vision of Europe, that it is absurd for Britain in the 21st century to withdraw from Europe. We have a different set of objectives from him, which makes him not a very good judge of whether we are successful or failing.

Ms Dari Taylor (Stockton, South) (Lab):

> "Countries such as Poland are crying out for investment in their infrastructure, and wise use of structural funds could be crucial in helping their economies to prosper."—[*Official Report*, 5 June 2003; Vol. 406, c. 372.]

I hope that my right hon. Friend agrees with that quotation from the previous shadow Foreign Secretary. Is the budget that my right hon. Friend has been so bold in negotiating sufficient to assist Poland and other countries that desperately need our help?

The Prime Minister: My hon. Friend is right that Poland stands to gain about €60 billion in economic development funds over the next financial period. That is of enormous assistance. We still have not had an answer from the Conservative party about whether it agrees that we should pay anything towards the costs of enlargement. Perhaps it will tell us now.

Michael Fabricant (Lichfield) (Con): You are in government.

The Prime Minister: The hon. Gentleman says from a sedentary position that we are in government, as if that is the answer. Occasionally, it is customary for the Opposition to have a position.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): Back in June, the French were in disarray, President Chirac had lost the referendum on the constitution and was in a weak position, and the Prime Minister looked strong. Today, we are paying £1 billion more, and President Chirac has won the rebate and denied CAP reform. Does the Prime Minister realise that Britain, and not only him, now looks weak and pathetic in the eyes of the European leaders?

The Prime Minister: How does the right hon. Gentleman therefore explain that France will pay more than Britain in the next financial period? France is also paying money. Let me try to educate him again. All the wealthy countries are paying more over the next budget

[The Prime Minister]

period because the whole point of enlargement is to transfer from the wealthy to the poor. Let me read to him what he said about enlargement:

"The Prime Minister is right to say that enlargement is a great prize that is worth fighting for. The 10 countries seeking membership of the EU will bring 70 million customers for British goods and services in a single market extending from the Atlantic to the Baltic."—[*Official Report*, 28 October 2002; Vol. 391, c. 543.]

Mr. Duncan Smith: That is nothing to do with it.

The Prime Minister: The right hon. Gentleman says from a sedentary position that that is nothing to do with it. The problem with the Tories is that they have not yet realised that Euroscepticism is a problem for them, not a solution. At some point, they might wake up to that. It is absurd, however, to say that one is in favour of enlargement, and that everybody else should pay for it but that we should not.

Mr. Doug Henderson (Newcastle upon Tyne, North) (Lab): Perhaps the barmy army on the Opposition Benches does not understand the importance of reaching a budget settlement and the link to future trade, but the British people do, British industry does, British workers do and most Members of Parliament do. Can my right hon. Friend give the Opposition more of what he has already given them this afternoon?

The Prime Minister: I simply point out that in each of the central and eastern European countries, as my hon. Friend rightly implies, there will be a tremendous development in trade in goods and services. As a result of the economic development of Ireland and Spain, for example, our trade over the past few years has grown enormously. Our trade with those countries is now about £40 billion a year, which is of enormous benefit to this country. When we pay our fair share—and it is our fair share, not more—we are actually making an investment, not merely in countries that have supported us politically but in countries whose economic success is of benefit to Britain. There are orders for goods and services as their infrastructure improves, and so forth.

My hon. Friend is absolutely right. That is why it is important to recognise that this is not just about a deal at the European Union. It is also about fulfilling our role as champion of a Europe that is enlarging because enlargement, in the end, is in Britain's interest.

Mr. Alex Salmond (Banff and Buchan) (SNP): The wealthy countries may well be paying more, but they are also getting more. Will the Prime Minister confirm that as he sought agreement, he agreed to €2 billion extra for Spain and regional development funding, €2 billion extra for Italy, the regions of France and structural funding, €400 million extra for Germany, €150 million extra for Sweden, and the same for Austria? Meanwhile, the highlands and islands and the rest of Scotland will have a €500 million shortfall under the Commission's proposals for the European regional development fund. Given that the Prime Minister achieved such a wonderful deal on the rebate, will he guarantee to Scotland and the regions of England and Wales that the Treasury will make up that shortfall pound for pound, euro for euro?

The Prime Minister: I have made clear what we can and cannot do in respect of the structural funds. Incidentally, the figures that the hon. Gentleman read out were completely wrong. Spain, which has been a massive net recipient, will receive some €40 billion less. Wealthy countries that have been big net recipients will become net contributors. That process is inevitable when—as I tried to explain for, I think, the fifth time—the wealthy countries pay more to the poorer countries. That is what enlargement is about, and in the end it will benefit Scotland as well as the United Kingdom as a whole.

Hugh Bayley (City of York) (Lab): We all know who was responsible for blocking cuts in European agriculture subsidies, and it was not our Prime Minister. Will he reassure Make Poverty History that he will continue to campaign for trade justice? Will he also talk to the friends that the United Kingdom has made in francophone Africa as a result of the progress that has been made for Africa during our presidency and try to persuade them and the Canadians to raise the case for CAP reform with France, Belgium and Luxembourg in the Assemblée parlementaire de la Francophonie?

The Prime Minister: I certainly will. My hon. Friend is right that it is important for us to keep up the pressure during the rest of the Doha trade round. The phasing out of agriculture export subsidies by 2013 represents at least some progress, and the aid-for-trade deal is also extremely important. However, I am aware—as, I think, are many others in the international community—that we must do far more if the trade round is to be a success.

Mr. Michael Ancram (Devizes) (Con): For all his histrionics, is the Prime Minister really impervious to the feelings of betrayal among the people of this country who were led by him to believe that the British rebate was safe in his hands? Is not the truth that last weekend he gave away British jam today in return for French jamais tomorrow?

The Prime Minister: I was pleased when the right hon. and learned Gentleman got to his feet, because I have a quotation from a speech that he made when he was shadow Foreign Secretary. This is what he said, talking of enlargement:

"structural funds cannot continue to be used as they have been . . . Now these funds will be needed elsewhere. Countries such as Poland are crying out for investment in their infrastructure, and wise use of structural funds could be crucial in helping their economies to prosper. I hope that that will also be pursued."—[*Official Report*, 5 June 2003; Vol. 406, c. 372.]

Well, we pursued it.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): The Prime Minister has reported that Iran was condemned for its President's recent remarks about Israel. Did that refer to Iran's threat to wipe Israel off the map or was it to do with holocaust denial? What discussions took place about how to prevent Iran from acquiring nuclear weapons?

The Prime Minister: I can tell my hon. Friend that it was in respect of the remarks about holocaust denial, as

we had already condemned at an earlier Council the comments about the state of Israel. We will continue to work closely with our European partners and with the United States to try to make sure that Iran faces up to its international responsibilities. As my hon. Friend rightly implies, those remarks caused enormous offence right across the international community and raised a whole range of doubts and concerns about the Iranian regime.

Peter Viggers (Gosport) (Con): These proposals have enormous financial implications, so what opportunity will the House have to debate and then vote on them?

The Prime Minister: I am sure that there will be plenty of opportunity to debate them. It would be nice if at least one of the Conservative Members who are asking me questions would confirm whether they accept that we have to pay something for enlargement. Surely that must be right.

Ed Balls (Normanton) (Lab): Given that in the 21 years since the rebate was first negotiated in 1984, we have yet to see any fundamental reform of the common agricultural policy, does the Prime Minister think that this weekend's deal brings forward the prospect of serious CAP reform? What tangible steps does he believe that the Government and hon. Members can take between now and 2008 to make the prospect of real reform more likely?

The Prime Minister: The important thing is that the Commission's review will relate to the whole of the budget, including the CAP, abatement and everything to do with how the EU is financed. The EU will then have to take decisions on the basis of that review, but I think that there is increasing recognition that we need that fundamental restructuring. It was never going to happen this December; it was going to happen only once a deal was secured for the short term this December and then followed up by a mid-term review that would allow us to make that fundamental reform. It is possible to achieve that, but it will mean increasing the pressure for change within Europe. Frankly, that is best achieved by forming alliances with other like-minded countries in the EU, and those alliances would all have been put at risk if we had not tried to secure a proper budget in the meantime.

Dr. John Pugh (Southport) (LD): What provision is made in the settlement for structural funds received by Cornwall and Merseyside?

The Prime Minister: I do not know the exact details, but perhaps I can write to the hon. Gentleman on that matter. Overall, of course, one has to accept that the structural and cohesion fund budget gets switched from the wealthy to the poor. That is true.

Tom Levitt (High Peak) (Lab): Does my right hon. Friend agree that we had a rebate in the first place only because others acknowledged that there were injustices in the system? As we work towards getting rid of those injustices—and, more importantly, as we work to ensure that they are not meted out on those more vulnerable or weaker than ourselves—it is natural for the rebate to be adjusted accordingly. Does he agree that the deal is not only honourable and—

Mr. Speaker: Order. One supplementary question is fine.

The Prime Minister: There is a simple way of testing the proposition that my hon. Friend has rightly raised. Between 1984 and 2004, we paid roughly double the net contributions that France paid, but for the next financial period and for the first time in the history of the European Union, we will be in parity. That is why, frankly, it is so absurd to say that we have somehow got nothing from the deal. We have actually achieved parity for the first time. Naturally, both France and Britain will have to pay more if we want to see developments in eastern Europe.

Underneath all the debates and arguments lies an important question—not just about budget reform, but in relation to enlargement—about the direction of Europe. Do we want further enlargement of the EU? Macedonia is a small country so enlargement can happen fairly easily there, but Croatia and Turkey are also coming up for membership. There is no way that we will be able to create the right context of consent across Europe for those major enlargements—I happen to believe that they are in the long-term interest of this country—unless we have a more rational budget. Such a budget will have to be decided in the future.

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): When the Prime Minister made a statement to the House and stressed that the rebate was non-negotiable, he must surely have been aware that the EU had expanded to the east and that the common agricultural policy was dire and had grievous effects on the third world and the poorest nations, which the Government claim to be dedicated to helping. Does he realise that the House and the country believe that he threw away a good negotiating hand for nothing?

The Prime Minister: Except that the rebate is rising and we have to pay our fair share of enlargement. But anyway, let me read out to the hon. Gentleman what I actually said back in June:

"I proposed that we have a fundamental review of the EU budget, reporting in time for us to be able—midway through the next financial period"—

not now, but midway through the next financial period—

"to alter fundamentally the structure of the budget, dealing both with the rebate and the CAP."

I went on to say:

"In the meantime, of course, we would ensure that we paid our fair share of enlargement."—[*Official Report*, 20 June 2005; Vol. 435, c. 524.]

That is precisely what I have secured.

Mike Gapes (Ilford, South) (Lab/Co-op): The Prime Minister referred to the importance of our relations with the 10 new member states of the European Union, and he will be aware that one of them—Slovakia—will have the presidency of the EU in 2008. Is he also aware that there will be great support in the Balkans generally for

[Mike Gapes]

the decision to give Macedonia candidate country status? Peace and security in the Balkans is vital for all of us in Europe and without this agreement, it could have been put at risk.

The Prime Minister: My hon. Friend is of course absolutely right and that is another reason why this agreement is so important. Some Opposition Members seem to think that countries hold the presidency for a year, when, in fact, they hold it for six months. As my hon. Friend rightly says, the other presidency in 2008 is Slovakia, which is of course a great supporter of reform, but in any event, the real point that he makes is worth emphasising. In the end, we want to see the European Union expand to take in those Balkan countries that for decades—for centuries, even—have been a huge problem for the whole development of the European Union. If we ended up having no budget in respect of this enlargement—relating to central and eastern Europe—there is no way that we could have prepared the ground for future enlargement to include those Balkan countries. Whatever people may say about agreements such as this—there is always criticism of them—in the end, we had to do two things: to get an immediate deal that secures the short term and to get a process agreed that allows us to get the longer-term reform. My hon. Friend is absolutely right: had we not done the first thing, the enlargement that I assume all of us want to see—toward Croatia and Macedonia and, in time, other Balkan states—would have been put at risk.

Mr. Brian Binley (Northampton, South) (Con) *rose—*

Mr. Speaker: I call Mike Penning.—*[Interruption.]* I mean Mr. Brian Binley.

Mr. Binley: I am most grateful, Mr. Speaker; you may call me what you wish.

There is clearly going to be a shortfall in respect of Treasury expectations and the lost rebate. Will the Prime Minister make it up through direct taxation, indirect taxation or more stealth taxes?

The Prime Minister: Actually, as a result of the agreement, we start off with a zero percentage of the costs of enlargement and build up over time. I assume from what the hon. Gentleman said that he does not agree with paying any money toward enlargement, which is not very sensible.

Angela Eagle (Wallasey) (Lab): May I warmly congratulate my right hon. Friend on his skill in bringing to a successful conclusion the EU budget negotiations, and on reaching an agreement that enables the new European Union countries—the EU 10—to have at their disposal during the next budget period a sum twice the size of the post-war Marshall plan in order to develop their countries, which is in all our interests? Could he give me his opinion—

Mr. Speaker: Order. That will do. Other hon. Members want to get in.

The Prime Minister: I thank my hon. Friend for that question and she is right to say that there will be a big transfer of money, but there are other interesting points to note about the central and eastern European countries. For example, my conversations with the Prime Minister of Estonia and with representatives of many of the other central and eastern European countries showed that they believe that they will very quickly become net contributors to the European budget. Their economies are doing extremely well, they are expanding quickly and they are massive economic reformers. What all of them therefore need is this seed corn investment, which allows them to grow quickly. In time, of course, the result will be a massive increase in trade between those countries and this country. That is an example of the way in which the European Union has granted us such prosperity over the years.

Mr. David Curry (Skipton and Ripon) (Con): What steps can the Prime Minister take to ensure that the Doha trade round does not drift into failure in the early months of next year? Can he assure us that the 2008 expenditure review will not prevent the European Union from making a new offer on agricultural subsidies a great deal earlier than that, given that, in the light of world prices, the abolition of export rebates is a relatively low-cost option?

The Prime Minister: I actually think that the opposite is true. Obviously, it is important that we do everything we can to secure progress in the Doha trade round, and that requires action by the European Union, the United States and Japan, as well as by Brazil, India and the other emerging economies. The review allows us to be in the position of saying that we are going to need fundamental reform in order to meet our trade obligations. The Doha round, even if it is fully successful, will not create immediate agricultural reform: it will set that reform out over a period of time. For example, export subsidies will be phased out by 2013. That helps us to get a better deal in the mid-term review for Europe as well as the individual countries.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): Can my right hon. Friend assure the House that the additional resources afforded to our eastern European partners will not be used, directly, indirectly or through creative accountancy, to undermine this country's manufacturing base?

The Prime Minister: I assure my hon. Friend that the rules that apply mean that the economic development of those countries must take account of the criteria set out for all spending of structural and cohesion funds. However, there is a bigger positive for us. Those countries will increase in wealth and growth quickly, and that will be a market for our manufacturing industry.

Mr. Edward Leigh (Gainsborough) (Con): Would it be a fair summary to say that originally we were not going to give up any of the rebate, then we would give it up only for fundamental reform of the CAP, and now we will give it up to pay for enlargement? If that is not the case, what concrete reforms will there be of the CAP

before 2013? Would it not have been more honest of the Prime Minister to have come to the House and said that to us six months ago?

The Prime Minister: I have just read out what I said six months ago, and that is not an accurate summary of what I said. The rebate will rise in value and we will receive more back in the rebate in the next financial period than in the last. The rebate will remain on all agricultural spending. The rebate will remain on all spending in the original European 15. But we cannot say that those poorer countries should pay the rebate in respect of the money going to their economic development. Otherwise we would not be doing what I said in June that we should, which is in the meantime—before the fundamental CAP reform takes place—to pay our fair share of the costs of enlargement. If we had refused to do that, there would have been no budget deal and there would have been crisis in all the central and eastern European states, and we would have been blamed for that. That would not have been very sensible negotiating.

Tony Lloyd (Manchester, Central) (Lab): My right hon. Friend rightly pointed out that our natural allies in central Europe would have felt betrayed by Britain if we had failed to reach a deal. If we had betrayed our own national interest in not getting a deal, with whom would we have negotiated in the European Parliament and with whom would a future Tory Government negotiate in that Parliament?

The Prime Minister: As I understand it, the position of the Opposition is that they would withdraw from the Conservative party grouping in the European Parliament. That would have the most serious repercussions for this country's ability to make its influence felt, which is no doubt why the previous leaders of the Conservative party, including the shadow Foreign Secretary, refused to do it.

Mr. David Heathcoat-Amory (Wells) (Con): This descent by the Prime Minister from tough talking in advance to concessions and surrender is such a familiar path for his European policy that this latest humiliation is no surprise. But why will we pay twice the amount into a budgetary and control system in Brussels that is so riddled with corruption and inefficiency that the auditors have not signed it off for the past 11 years? Was that raised at the summit—

Mr. Speaker: Order.

The Prime Minister: The right hon. Gentleman and I just have a fundamental disagreement about Europe. I happen to believe that having championed the cause of enlargement it would be absurd for this country to say that we were not prepared to pay for it. That is our position. He apparently wishes to support enlargement but would refuse to have anything to do with paying for it. I would say that that is a ridiculous position. Sometimes it is actually better to have a situation in which we work with our allies to secure a proper deal, which will mean—as I said earlier—that France will actually pay more than us in the difference between their net contributions in the next period compared with the last. It is better to do such a deal than to end up alienating every ally in Europe and getting nothing for this country.

Mr. Wayne David (Caerphilly) (Lab): As part of this agreement, west Wales and the Valleys will receive £1.3 billion in structural fund assistance over the next seven years. Does my right hon. Friend agree that that will be a tremendous boost to the Welsh economy?

The Prime Minister: Of course, which is another reason why it is a good deal and I thank my hon. Friend for reminding me of it.

Mr. Nigel Dodds (Belfast, North) (DUP): I note that the Chancellor has left the Chamber. Is that because he wants to lock the Treasury against further raids by the Prime Minister or is it to find the £7 billion? Can the Prime Minister assist the Chancellor and the House by telling us which areas of public expenditure will be targeted for cuts as a result of his largesse in Brussels?

The Prime Minister: From what the hon. Gentleman is saying and from what the Conservatives are saying, they would not pay anything towards the costs of enlargement—*[Interruption.]* The Conservative party really has to understand that there is a choice. If we agree with enlargement, and if we agree that enlargement means a transfer from the wealthy to the poor, given that we are a wealthy country, I simply ask in all logic: how can they say that all other wealthy countries should pay but we should not? That is not a sensible position.

Police Restructuring

[Relevant documents: the uncorrected minutes of evidence taken before the Welsh Affairs Committee on Tuesday 6 December, HC (2005-06) 751-i.]

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Alan Campbell.]*

4.30 pm

The Secretary of State for the Home Department (Mr. Charles Clarke): I am delighted that we are in a position today, as promised, to hold a debate in Government time on the police restructuring being considered, and which will cover all parts of the country.

I want to emphasise that the debate is wholly informed by the needs of modern policing and the need to build strong and secure communities. That is the start and end point of the process that we have set out and I shall give more detail during our discussions. Central to the approach is the issue of local support for the police and the consent and accountability of the local police, which have for centuries characterised policing in this country. I believe that our proposals strengthen rather than weaken those aspects.

I begin with the rationale for change. Members on both sides of the House will recognise that the nature of crime is changing. It is the duty of Government to ensure that our police service is equipped to protect the public and business from serious criminality as well as to provide effective neighbourhood policing. Both are increasingly related to each other in our modern society and both need structure.

That is why the issue is not simply about redrawing the boundaries on a map, but about fundamental change in our approach to what Her Majesty's inspectorate of constabulary termed protective services, by which the inspectors mean such things as serious and organised crime, counter-terrorism and handling major incidents without detriment to local policing. Protecting the public requires the police and others to predict and prevent rather than merely to react to serious criminality. That requires different approaches to policing from the traditional methods and gives particular priority to intelligence, which is at the core of dealing with serious and organised crime.

Mr. John Redwood (Wokingham) (Con): Is the Home Secretary aware that Thames Valley police authority told me today that it has no figures for the costs or benefits of a merger with Hampshire and the other option? The authority has no idea of the staff changes entailed—whether there will be staff losses or a requirement for more staff. Does not that show that the process is being rushed ridiculously? There can be no proper figures for consideration before 23 December, and asking the police to do that so rapidly takes them away from the local neighbourhood policing that we want.

Mr. Clarke: It does not mean that in any respect whatever. I shall come to the points that the right hon. Gentleman raised about financing and time scale in a moment, and will take further interventions at that point.

Several hon. Members *rose—*

Mr. Clarke: I shall give way in a second, but I want to make some more progress.

Starting in June 2004, Her Majesty's inspectorate of constabulary conducted an extensive examination of how effectively protective services are currently provided, and I pay tribute to Denis O'Connor and thank him for the work he did for the inspectorate. The inspectorate published its analysis, "Closing the Gap", in September. The inspectors' stark conclusion, based on their independent, police-led analysis of the circumstances in every force, was that the current structure of policing is

"no longer fit for purpose".

In their view, there was insufficient focus on the challenges posed by modern serious and organised crime, and they came to the conclusion that strategic forces offer "the best business solution" for the future.

Faced with that clear, well-argued and independent police advice, I judged it essential to act rather than to ignore those proposals.

Several hon. Members *rose—*

Mr. Clarke: I said that I would give way in a moment.

Without action to address the problem, the situation is likely to worsen, rather than improve. The problems identified by Her Majesty's inspectorate of constabulary are those that we face now, not problems that might never materialise. That finding is endorsed by police leadership at the most senior levels.

Martin Salter (Reading, West) (Lab): The Home Secretary will be aware that Thames Valley police force is an example of the successful amalgamation of three county-based police forces. Given the success of Thames Valley police as an effective operational unit, is he aware that not one single person in the Thames valley wants to go back to parochial county-based policing?

Mr. Clarke: My hon. Friend is entirely right. He makes the powerful point that the police have always been up for addressing the process of change—quite rightly so. Our current policing structure has reflected the past assessment of such matters. The process through which we are now going is intended to address that in the same way.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): The Home Secretary said at the beginning of his speech that the process would be undertaken only with the consent of police forces. Paul West of West Mercia police authority categorically told the Under-Secretary of State for the Home Department, the hon. Member for Slough (Fiona Mactaggart), that he was against the measures, so will the Secretary of State take that view on board?

Mr. Clarke: I will take every view on board. For precisely the reasons that I shall explain in a moment, I want to hear the views of police authorities and chief constables so that I can assess the best course of action to follow.

Paddy Tipping (Sherwood) (Lab): Her Majesty's inspectorate and the Home Secretary will know about the difficulties that Nottinghamshire police face: serious crime and high rates of homicide. Is that not a typical

example of why we need to increase resilience to tackle the way in which the face of crime has changed over the past 30 years? Change is necessary now.

Mr. Clarke: My hon. Friend is entirely correct. The case of the Nottinghamshire force gives us an excellent illustration of the situation. As a Member of Parliament who lobbied my right hon. Friend the Minister for Policing, Security and Community Safety and me on the matter, he will know about the need to get additional resilience into the Nottinghamshire force to address the problems that it faces. I am influenced by the terrible case of the murder of Thomas Marshall in Norfolk some 10 years ago. The way in which much of the Norfolk constabulary had to devote tremendous resources over a considerable time to the appalling murder meant that it thought that its ability to deal with other threats that could have arisen might have been threatened. That is the precisely the sort of problem that must be addressed.

Peter Luff (Mid-Worcestershire) (Con): Why have the Government not given more consideration to the federation of forces option? May I draw the Home Secretary's attention to paragraph 1.11 of "Closing the Gap", which made it clear that

"some smaller forces were almost as successful as the majority of larger forces, whilst two relatively large forces (5,000+ staff) received surprisingly low scores"?

He has not made the case for strategic forces.

Mr. Clarke: This is an interesting discussion. The hon. Gentleman is quite right to say that some people think that a form of federation would be a more effective way of dealing with aspects of the situation than strategic forces. I take the view—I think that I am right in saying that Her Majesty's inspectorate of constabulary takes the same view—that that is not the right approach, because if one considers the resources that are required to deal with threats of serious and organised crime, intelligence matters, drug dealing and people trafficking, one sees that a strategic capacity is needed, not simply a mutual aid-based capacity. That is the right solution.

Ed Balls (Normanton) (Lab): I understand that my right hon. Friend must consider the difficult and complex issues of terrorism, organised crime and drug trafficking. However, in my constituency and the Wakefield district we have excellent leadership at the district level—the basic command unit—and there is a shift towards community and neighbourhood policing due to the increase in the number of officers. Will he reassure me and my constituents that in any reform that he proposes, the BCU at the district level will remain as the main building block for neighbourhood and local policing?

Mr. Clarke: I can give my hon. Friend that reassurance. West Yorkshire has been a leading force in developing the strength, resilience and leadership of BCU commanders not only in Wakefield but in other local authority areas in West Yorkshire, so my hon. Friend is right to focus on that matter. As I shall say in a second, that is why the BCU and the neighbourhood policing structure is central to the whole approach that we want to follow.

Mr. James Paice (South-East Cambridgeshire) (Con): The Home Secretary mentioned a murder that took place 10 years ago in Norfolk and its impact on the Norfolk force. Much more recently my constituency suffered the tragedy of the Soham murders, when the Cambridgeshire force—one of the smallest in the country—brought in the services of officers from 21 other forces to help because it lacked the necessary capacity. That is an example of what could be achieved under the present arrangements. Surely it would be better to make the present system work effectively than to engage in the wholesale disruption that he proposes?

Mr. Clarke: The hon. Gentleman is right to say that mutual aid is an essential part of the way in which our policing works. It has been seen not only after appalling tragedies such as the Soham murders, but after the 7/7 attacks in London, when the largest force in the country—the Metropolitan police—relied on mutual aid for several aspects of its response. That is important and it will remain a feature of policing, but I maintain my strongly held view that a strategic approach is the right one.

Dr. Nick Palmer (Broxtowe) (Lab): I am grateful to the Home Secretary for taking another intervention. Does he accept that, in addition to the police and the police authorities, the general public deserve to be consulted? My experience in Nottinghamshire tells me that, as well as good neighbourhood policing, the general public want the most efficient possible wide-scale policing against major crime, not a reactionary attachment to county boundaries, which criminals have long since ceased to respect, if they ever did.

Mr. Clarke: I believe that people want precisely what my hon. Friend says they want: strong, vibrant, resilient neighbourhood policing teams without abstractions; strong basic command unit-based policing working with other authorities in other areas; and a strategic force that provides the necessary support to local policing so that local police are not distracted.

Several hon. Members *rose*—

Mr. Clarke: I will give way more, but I wish to make some progress first.

I have made the central argument for change. HMIC's conclusion was that larger forces—those with at least 4,000 officers or 6,000 staff—are more likely to have the critical mass needed to cope with organised crime, terrorism and civil contingencies without abstracting from local policing. Furthermore, there is now no area of the country where we can afford to neglect protective services. Organised criminals operate in remote areas and rural communities as well as in urban centres. Drug traffickers take advantage of remote areas to site manufacturing operations and gangmasters use illegal immigrants in rural industries. Unfortunately, murders and other major incidents, although extremely rare, can and do occur in any part of the country.

I decided to ask the police throughout the country to consider HMIC's conclusion and to make proposals this year. They are now considering that in detail. I argued that there were three key principles of the reform: to deliver improved protective services, to achieve it

[Mr. Clarke]

without taking resources from neighbourhood policing, and to modernise and reconfigure policing and the way in which it does business. The aim is to use the substantial investment that we have made in policing, which has increased by more than £3.7 billion since 1997, more effectively to deliver a better service.

We want to achieve that in the most effective ways possible. Merging police forces will deliver economies of scale and put that investment to better use. Now, there is duplication in provision of some services but gaps in others, and we can reduce the money spent on back-office functions and redirect it to strengthen front-line policing. Let me give an example. The police service now runs 43 separate finance departments, 43 press offices and 43 human resources departments, all of which do things their own way. There is no justification for continuing to spend the money when efficiencies are possible. To give another example, it is a clear duplication of effort for one region to have a total of 500 firearms officers spread between four forces, some located within 10 miles of one another, when combining them would allow skilled officers to be transferred to other areas when they are needed urgently.

Larger strategic forces—I emphasise strategic—will be better able to afford specialist functions such as firearms units, murder investigation teams, sexual offences units and counter-terrorism teams, and they will be able to use them more efficiently. At the time of the inspection to which I have referred, only 13 of the 43 forces had fully resourced specialist murder units. Smaller forces will always find it difficult to provide that level of service since, by definition, they need it far less often. However, that means that when they do need it, the skills and experience are not there or have not been tested. It is in such situations that forces have to take officers from local policing to fill the gap. The creation of strategic forces will help to safeguard local policing against that, because they will have sufficient capacity and resilience to deal with major investigations or public order incidents without abstracting officers from neighbourhood policing teams.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): I am second to none in my admiration for my right hon. Friend. The logic of the argument is that we are moving towards a national police force. Is that what he intends?

Mr. Clarke: If I am genuinely second to none in the admiration of my hon. Friend, I am in real trouble. *[Interruption.]* That is exactly the point coming from those on the Opposition Front Bench.

I have rejected from the outset the suggestion of a national police force. Some serious organisations—the Police Superintendents Association, for example—have proposed that such a force be established. I think that that would be a dangerous development given the spirit of the police in this country, who have always relied on the principle of consent and on the operational independence of chief constables. Were there to be a national force, as there is in some other countries, there would be an entirely unhealthy relationship between Ministers and the operational commander of such a force. I have opposed the concept from the outset for that reason, so there is no plan to take that course. I give my hon. Friend that assurance.

Mr. Julian Brazier (Canterbury) (Con): In Kent, we have a force that is near the top of the league by most of the Government's measures. It handles a number of strategic assets including the channel tunnel and the port of Dover. Given that Kent meets the Government's criterion on total manning, both uniformed officers and civilians, may we have an assurance that the wishes as expressed by its police authority and its county council to keep Kent as a police force will be upheld?

Mr. Clarke: The hon. Gentleman is right to point both to the effectiveness of the Kent police authority and the constabulary and to the general strategic size and importance of it in dealing with major issues. I say to him, as I say in relation to all particulars, that the Government will consider all proposals when they come before us. We will take all points of view seriously into account, including the one that the hon. Gentleman has just expressed.

Andrew Miller (Ellesmere Port and Neston) (Lab): May I give my right hon. Friend another point of view—from Cheshire? I agree with the strategy that he is setting out, but how can a strategic plan be predicated on a structure that in the north-west, for example, Greater Manchester has unilaterally declared itself to be outside? Is that not an illogical basis on which to develop a strategy?

Mr. Clarke: I say with all courtesy to all forces in the north-west, including Greater Manchester, that no one can declare themselves unilaterally outside the approach that is being taken.

Andrew Miller: It has done it.

Mr. Clarke: It does not have the ability to do that. As I said to the hon. Member for Canterbury (Mr. Brazier), we will consider all proposals that come from all forces. Some forces say that they can stand alone and that that is it. We shall consider those proposals extremely seriously. There are some forces—Greater Manchester is one—that can make such a case. There are no unilateral decisions in those areas.

Mr. Gerald Howarth (Aldershot) (Con): The Home Secretary says that he will listen to all points of view and that he wants to consider everything that has been put on the table, but he has set the deadline of Friday for police forces to come up with proposals. Furthermore, those forces that bend to his will are to be given a cash handout. If that is not a bribe, what the hell else is? In Hampshire, like the position of my hon. Friend the Member for Canterbury (Mr. Brazier), we have a splendid police authority that by 2007 will meet all the Home Secretary's strategic objectives. The county has a strong military presence where it needs special policing. If the right hon. Gentleman is really interested in

listening to what is said throughout the country, he should extend the deadline well into the new year so that all of us in this place can discuss these matters properly.

Madam Deputy Speaker (Sylvia Heal): Order. May I remind the hon. Gentleman of the maxim in "Erskine May" on the use of parliamentary language?

Mr. Howarth: I am extremely grateful, Madam Deputy Speaker, and I apologise.

Mr. Clarke: On the issue of funding, we have established that fund precisely to meet the request from the Association of Police Authorities and others that we provide funding to deal with the issues that arise in that area.

Hugh Bayley (City of York) (Lab): I readily acknowledge the economies of scale if forces merge that ought to release resources for front-line policing, but can the Home Secretary give me, as a Member representing a predominantly rural police force, an assurance that if that force merged with a metropolitan police force, resources would not be sucked from rural areas into big cities?

Mr. Clarke: I can certainly give my hon. Friend that assurance. First, the Government's position, which was set out in the manifesto on which we fought the last election, aims to establish neighbourhood policing at the local level. Secondly, it establishes that the basic command unit—for example, the City of York—will take policing decisions in the locality, working with other agencies in the city. Thirdly—this is very important indeed and develops the argument that I made a second ago—relatively small forces such as North Yorkshire are vulnerable by definition in the case of major incidents such as murder or a significant attack, which take resources away from neighbourhood policing. I can therefore give my hon. Friend the assurance that he is seeking.

Mr. John Greenway (Ryedale) (Con): The hon. Member for City of York (Hugh Bayley) referred to North Yorkshire, which is England's biggest county. Several times the Home Secretary has referred to murder investigations. He will know that in 2004 there were two double murders in the vicinity of York. There was one double murder in my constituency, and Mark Hobson was sent to prison in May this year. North Yorkshire police dealt with that crime, and the people of North Yorkshire have more confidence in the performance of the police locally than in the views of Her Majesty's chief inspector.

Mr. Clarke: North Yorkshire police and forces throughout the country have an outstanding record in dealing with appalling crimes of the type that the hon. Gentleman described. With his background in policing, he knows more than most of us in the House about the track record of police in dealing with such issues.

Several hon. Members *rose*—

Madam Deputy Speaker: Order. Mr. Secretary Clarke is replying to an intervention. Perhaps hon. Members would allow him to finish his response before seeking to intervene.

Mr. Clarke: Thank you, Madam Deputy Speaker. The hon. Member for Ryedale (Mr. Greenway) made his point very clearly, and everything that I say reinforces the capacity of individual forces to deal with the problem. However—and this is as true for North Yorkshire as it is for other forces—in the light of changed policing circumstances and the different forms of attack that now exist, it is necessary to strengthen that in the ways that I have described. I take seriously, as I am sure the hon. Gentleman does, the views of Her Majesty's inspectorate of constabulary. Had I decided to ignore its recommendations, I would have been more vulnerable to legitimate attack from Members such as him who have a strong background in policing.

Emily Thornberry (Islington, South and Finsbury) (Lab): Reference has been made to Her Majesty's inspectorate of constabulary. Does my right hon. Friend agree with its statement that the current 43-force structure is

"no longer fit for purpose"

and is based on a structure established in the 1960s?

Mr. Clarke: I agree, and referred to that statement earlier. My hon. Friend is quite right, however, to draw attention to it.

Mr. Owen Paterson (North Shropshire) (Con): Is the Home Secretary aware of the serious doubts about the statistics behind "Closing the Gap"? Has he read the opinion of the professor of statistics at the university of Warwick, which was published today? He said:

"The quality of statistical information gathered for the HMIC report . . . is questionable . . . The statistical treatment of the data collected is largely unjustified and appears open to criticism . . . The graphical presentation of the data is poor and trend lines could be misleading; the use of computer-produced statistical elaborations is unjustified . . . there has been minimum professional statistical science input".

He concludes:

"The conclusions drawn in respect of the 4,000 minimum force size almost totally ignore the variability of protective services performance at each force size, and no evidence is provided that this will be small at the 4,000 level. In short, there will be an unknown"—

Madam Deputy Speaker: Order. That is not supposed to be a speech, but an intervention.

Mr. Clarke: I am sure that the hon. Member for North Shropshire (Mr. Paterson) will make his points when he makes his speech in the debate. The short answer is no I have not seen that report today—I will study it, of course—but I make the point again that it is very clear that the evidence is absolutely

[Mr. Clarke]

straightforward. That is why HMIC has reached its view that strategic forces are the way to deal with such issues.

Mr. Peter Kilfoyle (Liverpool, Walton) (Lab): I do not think that anyone would argue with the thrust of the Home Secretary's argument about efficiencies, but there appears to be a difference of view between the police authorities and the police who are charged with doing the job. I am sure that the Home Secretary would agree that there are people looking after their own positions throughout the country, but the big concern, which could defuse some of the issue, is about accountability. Under the new structure, how does he intend to ensure accountability in the new areas, given that metropolitan areas and counties may perhaps fuse?

Mr. Clarke: My hon. Friend is right to say that there is a difference of opinion between some senior officers and some police authority members, although I draw no conclusion from that. Two key accountabilities will be enhanced by our proposals. First, neighbourhood policing teams will be established, whereby people who live in a patch will know the names of their police officers, their e-mail addresses, their phone numbers and how they operate. That is not already the case universally—I wish it were, but it is not—so we will establish that system. Secondly, at basic command unit level, a relationship of a different order will be established with the local authority. I accept substantially the case that we need to ensure that the proposals increase accountability. That is true, and it is what the proposals will do.

Several hon. Members *rose—*

Mr. Clarke: I want to make some more progress.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Will the right hon. Gentleman give way?

Mr. Clarke: No, I will not give way. I want to make more progress.

Mr. Hogg: Will the right hon. Gentleman give way?

Mr. Clarke: No, I shall not. I have told the right hon. and learned Gentleman that twice. I will not give way to him at any point in the debate.

Mr. Hogg: On a point of order, Madam Deputy Speaker. Of course I recognise that it is for the Home Secretary to determine whether or not to give way to any Member, but is it not extraordinary for a Secretary of State to say in advance that he is not proposing to give way to a certain Member?

Madam Deputy Speaker: That is not a point of order for the occupant of the Chair. As the right hon. and learned Gentleman well knows, it is entirely up to the Minister at the Dispatch Box to determine to whom, if anyone, he gives way.

Mr. Clarke: I am grateful, Madam Deputy Speaker. My experience of the quality of interventions over the past five years from the right hon. and learned Gentleman leads me to believe that they would cause no substantial addition to the quality of the discussion.

I want to make progress on the issue raised by my hon. Friend the Member for City of York (Hugh Bayley). I well understand the points that are being made about the threat to neighbourhood policing, about which people are fearful and concerned. That is why I give the assurances that forces in those neighbourhoods will stay there rather than be abstracted to other forces, or whatever. As I said, each neighbourhood, covering roughly the size of a couple of council wards, will have a dedicated team. Every resident will know the name of their local officers and their phone numbers and e-mail addresses and so on. They are essential elements of the proposals for neighbourhood policing and will be introduced in every part of the country by 2008.

Alongside the force mergers we will introduce measures to strengthen accountability at basic command unit level in the context of the crime and disorder reduction partnership, where it will make a difference to everyone's life. At the level of the strategic forces that we are talking about, we will ensure greater accountability as well. I believe that the changes that I have proposed will provide a better police service.

Several hon. Members *rose—*

Madam Deputy Speaker: Order. Once again, will the House please settle down? It is in the gift of the Home Secretary to decide whether or not to give way. At the moment, he has said that he wishes to make some progress.

Mr. Clarke: Throughout this process, I and HMIC believe that these changes will provide a better police service. That is why, in September, I invited police forces and police authorities to work up their own proposals and preferences for restructuring the service in the context of the HMIC report. I asked them to show how the changes that they proposed would deliver the step-change in the provision of protective services that I believe the whole country needs. Since the start of the process in September, forces and authorities have worked extremely hard to ensure that the reform has a solid evidence base and provides proper plans to deliver improvements in services. I understand the concerns raised in the House and by some forces about the timetable that has been set and about the potential pace of change. However, I should restate that the problems that we face will not go away. They exist right now and they need to be addressed.

I want to state formally my gratitude to authorities and forces for their hard work and to my right hon. Friend the Minister for Policing, Security and Community Safety for all that she has contributed. However, there is a great deal more to do. I understand that the time frames have been challenging. I have asked police authorities to submit preferred options for change by 23 December, along with draft costings of the business cases that support those options. I also recognise that, with the best will in the world, there will still be local issues that need further work and discussion. Any decisions will follow a period in January when my officials will work closely with police forces

and authorities to refine the cases submitted on 23 December and to resolve these issues. However, I have to say that it is the Government's clear preference to move early to strategic forces given the medium-term and sustained value-for-money benefits of doing so and, most important of all, to remove the uncertainty that can be very damaging to morale.

To support forces that are prepared to merge voluntarily, I will also look at further funding options in January, and I have written to the Association of Police Authorities on this matter.

Mr. Alan Beith (Berwick-upon-Tweed) (LD): Will the Home Secretary deal with the questions that we cannot get an answer to in this time scale? What will happen in an area such as Northumberland—where the present police force size is adequate for the strategic purpose—to the precept that council tax payers will pay, which is generally lower than in other authorities, and to the representation of Northumberland on the police authority for the strategic police area, which might mean that only one person and possibly nobody at all is on the body that determines spending?

Mr. Clarke: Both issues will be addressed in the context of the proposals that will come to me by the end of this year; both issues will be part of the continued discussion with forces, authorities and chief constables in that period; and, on both issues, I can give the right hon. Gentleman the assurance that his concerns will be given full weight as we get to the position that we need to get to.

Albert Owen (Ynys Môn) (Lab): I am very pleased that my right hon. Friend is concentrating on local policing, on which many Members of Parliament are working in their local areas. In response to an intervention from my hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody), he indicated that he was not moving towards a national police force, but that is exactly what he is doing in Wales. He talked about moving resources, so is it possible for those regional authorities now to make bids whereby they could make up the level 2 gap by increasing the budget rather than by spending all this money on restructuring?

Mr. Clarke: With respect to my hon. Friend, I do not believe at the end of the day that the issues that are addressed in the HMIC report on the level 2 capacity can be dealt with purely through resourcing. There are important structural issues in many parts of the country, and they relate to different areas of priority and different areas of spending. However, I can give him the assurance, if that is what he is looking for, that if the Welsh forces were, for example, to come forward with a proposal, we would look at the pot that we have made available for giving money to help to address those particular issues.

Sir Patrick Cormack (South Staffordshire) (Con): Will the Home Secretary please explain to the House why he is proceeding at such speed? This is the biggest shake-up in the police force for half a century and he ought to want to take the people of the counties of England and Wales with him. If he devoted six months, which is not a long time, to this process, he could probably have what he wants. However, he is driving fast and furiously without any regard to local concerns and local people. May we not have an extension of this ridiculously tight timetable?

Mr. Clarke: Perhaps I should remind this very senior Member of the House that, under the law as it stands, if I were to propose a particular change covering, for example, Staffordshire that was not agreed and did not come forward on a voluntary basis, there would then be a legal requirement to go through a four-month consultation period during which anybody—be they individuals, local authorities or whoever—could make the observations that they wanted to make. Therefore, I do not think the charge that he makes that we are not allowing time for consultation in the event of changes is fairly and well made.

Paul Flynn (Newport, West) (Lab): The Association of Police Authorities has estimated that because of the start-up cost plus equalisation the increase in council tax could be 30 per cent. in some areas, so we can probably rename the council tax as the police tax. Will the Home Secretary tell us who will pay those costs? Will it be police tax payers?

Mr. Clarke: As my hon. Friend knows from our previous conversations about the matter, the figures that he is plucking out of the air have no substance. The basis on which such discussions should take place are the figures in the proposals that police forces put forward for us to think about, which will be placed in the public arena. That will allow us to have the discussion that my hon. Friend perfectly reasonably wants, but let us conduct it on the basis of actual figures rather than on a totally speculative basis.

Mr. Keith Simpson (Mid-Norfolk) (Con): Many hon. Members on both sides of the House understand the Home Secretary's argument about the requirement for strategic resources, but will he rethink the time scale? Norfolk police authority covers both of our constituencies, and it is unanimously in favour of one option on the grounds that it had better act quickly to avoid being dragged in. It had hoped to merge with Suffolk police authority and Cambridgeshire police authority, but unfortunately they are entirely opposed to the idea. The Home Secretary also knows that the regional assembly has unanimously voted against his proposals. Given the variety of options, will we see a uniform pattern at the end of the day or are we into chaos theory?

Mr. Clarke: We are not into chaos theory in any respect, but I am not sure whether the uniformity that the hon. Gentleman has mentioned is the right approach. Some people have argued that the approach should be the same in each of the Government offices for the regions, but we have not said that, which is why we are asking police authorities and police forces to examine the matter in relation to their own areas.

As I have said, I expect the cases, which I must consider by the end of December, to be robust and to show how mergers can lead to significant economies that can be reinvested in neighbourhood policing and protective services. As I said earlier in response to an

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intervention, I had that in mind when I responded to the Association of Police Authorities and decided to set aside £50 million of police capital funding for 2006–07 and up to a maximum of £75 million of police capital funding for 2007–08 to support authorities and forces committing to early—voluntary—mergers. The business cases that forces and authorities are now completing include information on financing and costs. The Home Office has provided considerable advice and guidance, including involving the independent Chartered Institute of Public Finance and Accountancy, to ensure that this financial information is provided on a consistent and equal basis.

Throughout January, my officials, supported by Her Majesty's inspectorate of constabulary and operational policing experts, will continue to work with forces and authorities to ensure that the business cases for reforms have been made and are designed to be cost-effective. This work will take place in January, and I expect to be in a position to make decisions as soon as possible. Again, I acknowledge that the time scales are challenging, but it is crucial that we press ahead to avoid a prolonged period of uncertainty, which could lead to loss of morale and distraction from the core task of protecting the public.

There are other issues that we will need to resolve to make sure that mergers can progress smoothly. My officials are working with the Treasury, the Association of Police Authorities, the Office of the Deputy Prime Minister and the Welsh Assembly Government to reach agreement on future precepting arrangements. I cannot say today what the detailed outcome of that work will be, but the level of precept gathered in England and Wales as a whole will not rise. We will obviously consider ways in which the transition can be smoothed.

In conclusion, there is an overwhelming case for reform, based not only on the professional judgment of Her Majesty's inspectorate of constabulary and the evidence presented in "Closing the Gap", but on the professional judgment of ACPO, which has consistently drawn attention over the past year to vulnerabilities that it perceives in the service that the police can provide at level 2. In the light of that, no responsible Government could refuse to act.

Strategic forces provide the best solution to the problem of delivering strong protective services to all communities as efficiently as possible. The real measure of success will be not the number of forces that we end up with next year, but how well equipped we are in 10, 15 and 30 years' time to meet the two key demands of protecting the public and providing a police service that remains truly responsive to members of the public.

5.9 pm

David Davis (Haltemprice and Howden) (Con): The matter that we are debating—the prospective reduction of 43 police forces to 12—is enormously important. The constitutional independence of the police, their local accountability, their operational effectiveness, their cost-effectiveness, the stability of their finances, and their very identity with their local communities are all at risk. That is why the Association of Police Authorities rightly called for a full parliamentary debate on this important issue. In his recent letter to its chairman, the Home Secretary said that

"there will be an opportunity for Parliament to debate in full the issues raised by the review on Monday 19 December".

So what do we have today? A debate timed to fall after the formal meetings of most or all of the relevant police authorities, despite the Home Secretary's demand that the authorities meet his deadline at the end of this week, on Friday; and a debate held just before the Christmas recess, after a major prime ministerial statement and without a substantive vote. One might almost conclude that the Home Secretary does not want it to get much press coverage. This is hardly the full debate that the subject deserves. The Home Secretary should know that Conservative Members expect a much more extensive debate on the future of policing in the new year.

We are not opposed to changing policing in Britain. We have long argued for reform and for a greater focus on neighbourhood policing. We are keen to work with the Government to find the best way to achieve that. We recognise that Britain faces growing threats from terrorism and organised crime that often require greater co-operation across forces. However, the Home Secretary would do well to heed the words of one chief constable who rightly said:

"All serious and organised crime has a local base".

It therefore requires a local response. That is why we are very concerned about plans to force mergers between forces that will inevitably make policing more remote from the people.

Sir Patrick Cormack: Will my right hon. Friend give an assurance that very early in the new year the official Opposition will ensure that this House has an opportunity to vote on the timetable for these measures?

David Davis: I give my hon. Friend the undertaking that we will ensure that we have the opportunity to vote on either the timetable or the substance of these measures, depending on where the Government have reached at that time.

Mr. Hogg: Will my right hon. Friend give way?

David Davis: Before I do, I want to say that in my 18 years in the House, I witnessed only one occasion on which a Minister, let alone a Cabinet Minister, refused to take an intervention from a Privy Councillor, and that led to an apology. I therefore give way to my right hon. and learned Friend.

Mr. Hogg: I am grateful to my right hon. Friend for his courtesy. Does he accept that the people of Lincolnshire are against amalgamation because they think that it would amount to a dilution of the policing in their county and a lack of response to their concerns by the police authority, which will be elsewhere? If the Home Secretary makes an affirmative resolution to bring about a compulsory merger of the Lincolnshire constabulary with an adjoining force, will my right hon. Friend join me, and I hope the other place, in opposing it?

David Davis: If that proposal is made over the heads of the people of Lincolnshire and without considering the views of the local authority and the local police force, of course we will oppose it.

Mr. Redwood: This debate is about money and people—how we can afford the specialist skills that we need in our police force. Does my right hon. Friend therefore agree that it is extraordinary that the Government have given no firm figures on how much the proposal might cost or how it is going to be paid for? There is an idea that it might cost £500 million, but the figures cannot be based on any proper estimate because a big police force such as Thames Valley has not yet produced its numbers. Is it not a disgrace that we have such an unprepared debate?

David Davis: My right hon. Friend is right. In fact, it is a double disgrace—first, that those numbers are not available, and, secondly, that the Home Secretary appears to expect the Association of Police Authorities to find them by the end of this week, which is a singularly untenable proposal.

Several hon. Members *rose—*

David Davis: I will give way in a moment.

That is the core of the matter. We believe that this is all happening too fast. It is happening without serious thought about the consequences and it is being driven by the wrong motives. Rather than taking their time, the Government are trying to force the changes through almost without proper debate. Rather than being driven by operational effectiveness, the changes are being driven by a blind belief in centralisation that defies the facts. Rather than focusing on the needs of local people, they are being driven by an agenda of regionalisation that the Government continue to pursue against the will of the people. We welcome today's debate, but the Home Secretary has a long way to go before he proves the case for the changes that he is advocating.

Patrick Hall (Bedford) (Lab): I heard the right hon. Gentleman this morning on Radio 4 when he was very relaxed and talked about the amount of time that is being spent looking at the restructuring proposals. He said that not enough time was being spent on it, but he referred to the 1960s when there was a two-year royal commission followed by a two-year debate. I was not quite sure whether he thought that four years was sufficient. How long does he think should be devoted to this process now?

David Davis: I will come to exactly that point and give exactly the answer that the hon. Gentleman wants shortly.

Peter Luff: Does my right hon. Friend share my amazement that the original proposals, on the basis of which restructuring will be carried forward, were published in the middle of the parliamentary recess, and that the process for specific implementation was begun in the parliamentary recess? Should we not be having two debates: one today on the principle of police restructuring, and one next year on how it will be conducted in practice?

David Davis: My hon. Friend is right. The whole approach has been entirely insufficient from a parliamentary point of view.

Several hon. Members *rose—*

David Davis: The options are enormous. I give way to my hon. Friend the Member for Salisbury (Robert Key).

Robert Key (Salisbury) (Con): When it comes to operational policing, will my right hon. Friend bear in mind the fact that this debate is being held as though only one police force operates in this country—the home police forces of the counties? It does not. Eight different police forces operate in my constituency at any one time, including the British Transport police and a host of others, most significantly the Ministry of Defence police, and we cannot possibly sensibly consider police reform unless we consider the interface of all police forces. In garrison towns around my constituency there is an everyday working relationship between such forces, as there is in Colchester—the hon. Member for Colchester (Bob Russell) is not here but I know that he would agree—and in Aldershot, represented by my hon. Friend the Member for Aldershot (Mr. Howarth), and we must take that into account if we are to have sensible operational results.

David Davis: My hon. Friend makes an excellent point about the complexity of the problem, and it brings me to my next point.

Opposition Members have long had a clear view of the kind of reform that our police service needs. We want to see genuine neighbourhood policing that is responsive to the needs of local people. We want the police to be genuinely accountable to the people whom they serve, which is why we continue to believe in the concept of elected police commissioners. Evidence suggests that smaller policing units are the most effective. Recent research from the Policy Exchange think-tank states that

"smaller forces, with a strong commitment to visible policing, are among the most successful at cutting crime and providing public reassurance."

In the Policy Exchange's ranking of police forces, the smaller forces, such as Dyfed-Powys, Gloucestershire, Northamptonshire and Dorset, came out on top. That evidence accords with the Home Office's own performance assessments for 2004–05, which show that three of the top five performing police forces in Britain have fewer than 4,000 officers. That evidence mirrors international experience.

Mr. John Denham (Southampton, Itchen) (Lab) *rose—*

David Davis: I will give way in one moment.

[David Davis]

The greatest and most high-profile success in tackling crime in recent years is found in American cities. They managed to cut crime by more than half in just 10 years. How? They adopted a system of locally managed, directed and financed policing. With all that evidence to hand, we believe in retaining and enhancing the connection between local police and local people.

Tom Levitt (High Peak) (Lab): I was going to ask the right hon. Gentleman if that was indeed still the Opposition's policy, as we do not seem to have heard much of it over the past few months. Is not what he is describing exactly what the Home Secretary suggested—enhanced strengths for basic command units, neighbourhood forums and so on? How many commissioners was he anticipating, and would there be any strategic co-ordination of their work? If they are to be truly independent, he would have no strategic overlay, and I am sure that that is not sensible.

David Davis: That is a very simplistic point that barely deserves response. Yes, we are committed to elected commissioners, and, yes, they will be expected to respond to strategic issues.

As the House will know, the Government want to move—

Mr. Denham *rose*—

David Davis: I will give way in a moment.

As the House will know, the Government want to move in the opposite direction. Fuelled by the O'Connor report, on which the current debate is based, the Home Secretary proposes to replace many existing constabularies with larger and more remote police forces. He justifies that with his now familiar claim that it is necessary to tackle the new terrorist threat. That argument, it seems, can cover a multitude of sins.

Should the proposal go ahead, however? We fear that it will be the thin end of the wedge—the first step down the road to making all policing more remote and less responsive to local people.

Philip Davies (Shipley) (Con): The Home Secretary, as my right hon. Friend will have heard, said that he was prepared to consider all options. However, West Yorkshire police force is large enough to meet the Home Secretary's requirement. The chairman of the police authority, a Labour councillor, is opposed to the move, yet the Home Secretary has already ruled out the possibility of West Yorkshire police remaining independent. Does my right hon. Friend agree that that shows that the consultation is a sham, and that it is about driving the Deputy Prime Minister's agenda of regional government by stealth?

David Davis: If my hon. Friend will forgive me, I will not return to a previous incarnation as the shadow of the Deputy Prime Minister—an interesting concept in its own right.

In an earlier debate, the hon. Member for Stockton, North (Frank Cook), whom I cannot see in the Chamber, was vocal on this subject. He quoted the report's author, Denis O'Connor, as saying:

"I was asked to put forward a protective services argument, not a critical assessment of forces".

That suggests that the Home Secretary was trying to use his report as something that it is not. As so often, the Government seem to have come to a decision and then tried to find the evidence to support it. Perhaps that is why the Home Secretary was so quick to decide which of the five options outlined in the report he preferred.

The Home Secretary supports the proposed move to fewer strategic forces. There was absolutely no mention of that in the Labour party's election manifesto earlier this year, perhaps because it knew how unpopular that would be. One opinion poll, conducted by MORI for the Cleveland force, found that public support for the plan was just 8 per cent. A similar poll for the Cumbrian force found that a majority were against the merger proposal. In the earlier debate in Westminster Hall, my hon. Friend the Member for Aldershot (Mr. Howarth) reported how his police force in Hampshire had told him:

"At an independently run, public focus group consultation event held with residents, on November 19th our residents were unanimous across all groups that Hampshire Constabulary should not be amalgamated and should remain a single force."

There has been burgeoning concern across the country, as people have come to realise that their local police force might disappear.

Mr. Denham: May we return briefly to the question of the assessment of police forces, because the right hon. Gentleman referred to the police performance assessment framework? He will be aware, as I am, that that framework, though robust, does not effectively measure level 2 crime, cross-border crime and serious crime. By far the strongest case for police service reorganisation is that it will provide the ability to deal with that type of crime. Will he tell the House what size of police force he believes is necessary to provide the critical mass of officers and support staff to deal with that type of crime?

David Davis: The right hon. Gentleman makes the mistake that his Government make—the idea that one size fits all simply does not work. The clear point that I will make, with which I think he will agree when he thinks about it, is that in order to address level 2 crime—the serious crimes that we are talking about—we should not jeopardise the way in which the police deal with so-called volume crimes. There are methods of dealing with level 2 crime that do not jeopardise the police's normal day-to-day business. I shall return to that point in a moment.

Mr. William Cash (Stone) (Con): Does my right hon. Friend accept that he is completely right in concentrating on the localisation of police forces? In the context of Staffordshire, for example, nothing would be worse than to amalgamate our force with other forces,

because the nature of crime that is committed in Staffordshire is completely different from that in the west midlands as a whole?

David Davis: My hon. Friend is right, and he is right to point out that I am right. The point is simple. Some of the proposed new forces are simply too huge to be as effective as those that they would replace.

Emily Thornberry: Will the right hon. Gentleman give way?

David Davis: In a moment.

If the proposed mergers in the south-east proceed, Kent officers could be closer to Calais than to their new regional headquarters.—*[Interruption.]* Labour Members obviously think that that is a good idea. Some officers in the proposed south-west regional force would have to drive for five hours to reach their new regional base. Officers in the north-west would have to travel for two and a half hours from one side of their area to the other. As was pointed out earlier, some officers in Wales would have to travel for about five hours to visit their headquarters in Cardiff. We would accept that if we thought that there would be genuine benefits for the local community, but, as I have said, all the evidence demonstrates that the best police forces are the smallest because they are able to respond to the needs of the local community.

Mr. Mark Harper (Forest of Dean) (Con): Her Majesty's inspectorate of constabulary noted, with regard specifically to level 2 criminality, that Gloucestershire constabulary was of very high quality, had a comprehensive level 2 capability and had led development of a comprehensive information system, thus proving that smaller forces are perfectly capable of dealing with challenging and complex issues.

David Davis: My hon. Friend is right. The Gloucestershire force is a good example of smaller forces' coping very well. Moreover, there is nothing to stop forces from co-operating, as my hon. Friend's chief constable has pointed out. It is entirely right that they should co-operate, but it is not right that they should be forced to amalgamate or to merge.

Mr. Stephen O'Brien (Eddisbury) (Con): Has my right hon. Friend received any adequate explanation, or indeed any explanation at all, from the Government of why, if we have to go down this route—to which I object—rather than retaining Cheshire as it is, forces that are already collaborating effectively cannot collaborate with forces across national boundaries in north Wales, where we collaborate most effectively, or indeed with forces in north Shropshire, where policing demands and threats are more akin to those in Cheshire than those in Merseyside or Manchester, which have unilaterally rejected any merger with Cheshire anyway?

David Davis: The Home Secretary has not come up with such a proposal. The one thing that he did say earlier, when it was pointed out that Manchester had refused to be involved, was—in effect—that it would do as it was told. That principle, in fact, underlies the whole proposal: police forces and police authorities will do as they are told.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): Is my right hon. Friend aware that our excellent chief constable of Gloucestershire, Dr. Tim Brain, told me in a letter that any forced amalgamations were likely to have a significant impact on the Crown Prosecution Service, the probation service, the combined court service and the youth offending service? The whole matter goes much deeper than has been suggested. There will be much more reorganisation, and it will cost much more than the £500 million to £600 million estimated by the Association of Police Authorities.

David Davis: My hon. Friend is right. It should be borne in mind that his chief constable is also the representative of the Association of Chief Police Officers responsible for resources, and probably understands the issues better than most.

Mr. Charles Walker (Broxbourne) (Con): Earlier this week Ian Laidlaw-Dickson, the Labour chairman of Hertfordshire police authority, wrote to Hertfordshire Members:

> "This authority regrets the undue haste with which it has been asked to make decisions on the future of policing in Hertfordshire. We will not be pushed or bribed into making snap decisions."

We in Hertfordshire want to know what the rush is. Are we going into something that we shall regret at our leisure?

David Davis: Almost certainly, if the Home Secretary proceeds as he intends. My hon. Friend has raised another point, however. The words of a Labour chairman have had the interesting effect of uniting Conservative, Labour and Liberal police authority chairmen up and down the country against the haste, the method and the approach that are proposed.

Mr. Quentin Davies (Grantham and Stamford) (Con): Does my right hon. Friend appreciate that as Lincolnshire has a much lower crime rate than the counties with which the Government propose we should be merged, if the merger takes place policing effort in Lincolnshire will in future target an average crime level that is currently much higher than ours? There will therefore be little pressure on the police who are still in Lincolnshire to improve their performance. Rather, they will be under a great deal of pressure to switch resources from what will be viewed as a lower-crime area in Lincolnshire to other parts of the merged police force area.

David Davis: My hon. Friend makes a good point about very large police authority areas. The simple truth is that we cannot be sure, particularly where there is a mix of rural and urban areas, that resources will not be

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moved from low-crime to high-crime areas. That is one of the concerns that the Home Secretary has not addressed.

Several hon. Members *rose—*

David Davis: I apologise for keeping the hon. Member for Islington, South and Finsbury (Emily Thornberry) waiting for so long.

Emily Thornberry: It is clear that, in respect of policing, Conservatives believe that small is good and local is best, so is it their view that we need more than the present 43 police authorities? If so, would not their policy cost more than the 56 per cent. increase in spending that has been invested over the last six years?

David Davis: Labour Members basically fall into two groups—the Whips' narks and the people who really care about the issue. *[Interruption.]*

Ed Balls *rose—*

David Davis: In this particular case, of course, there is no doubt about the classification.

Ed Balls: I am grateful to the right hon. Gentleman for confirming that I am one of the people who really cares, particularly about policing in my constituency. It is because I care that I have taken the trouble to consult local police leaders and it is clear to me, unlike to Conservative Members, that they are in favour of reform. Having spoken to them in detail, I know that they are completely opposed to the idea of electing local police chiefs, which would be a fast track to the politicisation of the police at a local level. Is the right hon. Gentleman really proposing that as a serious reform, or is it just a hangover from the last manifesto?

David Davis: I will tell him in a few moments what I believe about localism, but I will say that the hon. Gentleman worked in the Treasury during a period in which our police forces were starved of cash over the years—*[Interruption.]* I am quite happy to debate the matter with the hon. Member for Normanton (Ed Balls). Perhaps we could debate what happened to the police precept during the Government's term of office and how huge amounts were raised from local people, which were more than enough to pay for all the policing increases during the entire period of the Labour Government. They, and particularly the hon. Member for Normanton, should not be making any great claims about how much money they put up.

Several hon. Members *rose—*

David Davis: If my hon. Friends will forgive me, I would like to make a little progress before taking another barrage of interventions. *[Interruption.]* Well, welcome to the House of Commons.

The Home Secretary has claimed that local policing will remain through the basic command units, which he says are accountable, but there is not true accountability there at all. He obviously does not understand the difference between accountability and consultation, which are indeed rather different. The BCUs take their direction from above and report to those above them. Local people have no control over them whatever. What happens if the BCUs do something wrong? Can they be fired? No. Can they be replaced? No. Can they be held to account in any way by the people they serve? No. The Home Secretary says that he desires the establishment of mechanisms that will effectively hold BCU commanders to account, but then he admits that those mechanisms will be non-statutory. It is not enough for him to "desire" accountability; there must be a formal mechanism to put local accountability in place.

The Government have shown minimal real interest in the issue—and we know why. There is a wider agenda behind the Government's plan. We can already see how their failed regionalisation agenda is being introduced through the back door. What began in planning is now filtering through to the emergency services. The ambulance service is being reorganised, as is the fire service, and the police are simply the latest body to face the zeal of the Government's great drive towards regionalisation.

Ian Lucas (Wrexham) (Lab): Is the right hon. Gentleman suggesting that Denis O'Connor is part of this conspiracy?

David Davis: What Denis O'Connor has demonstrated is that if the Government ask the question carefully enough, it determines the answer that they get. As is demonstrated in this case, it is as simple as that. I will come back to Mr. O'Connor's comments on that very point.

Jeremy Wright (Rugby and Kenilworth) (Con): Does my right hon. Friend agree that there is no real reason why Warwickshire police force—my local police force—should not be permitted to amalgamate, if that is the appropriate solution for it, with counties such as Leicestershire and Northamptonshire, except that they cross regional government boundaries and that doing so does not fit in with the Government's regional government agenda?

David Davis: My hon. Friend makes the point exactly. If this reform is not driven by a regional agenda, why would Hampshire police authority be forbidden from amalgamating with neighbouring Dorset or Wiltshire forces? The answer is that they would then cross arbitrary Government office boundaries. My hon. Friend the Member for Rugby and Kenilworth (Jeremy Wright) mentioned Warwickshire police force, which is the smallest force in the country outside the City of London's. As it said in an early response to the report:

> "The Home Secretary has made it clear that the restructuring of forces has to take place within existing regional boundaries".

If it is so important that we create larger strategic forces to fight terrorism and organised crime, why should we let regional boundaries dictate how those forces are formed? Are criminals going mysteriously to respect regional boundaries? If this reform is truly about operational effectiveness, it should be solely about doing

what is most effective—not about fitting the Government's discredited, one-size-fits-all prejudices and preconceptions. The Government's plans for regional government were defeated soundly in a referendum of the people; it is time that they accepted that fact, rather than trying to implement them through the back door.

Tom Levitt: Pausing only to note that it was the Conservatives who established the current regional boundaries, I want to return to the question of accountability. The right hon. Gentleman will doubtless agree that the person responsible for policing in a particular area should make policing his priority. If we have elected commissioners at basic command unit level who are elected once every four years—my Tory opponent referred to that proposal at the last election—regardless of what level they are at, one year will be spent playing to the gallery in the run-up to the next election, rather than being spent putting policing matters first.

David Davis: The hon. Gentleman gives an interesting description of his own job and the way in which he fills it—playing to the gallery every four years. I am sure that his local papers will have fun with that. That is not our policy: we believe in district commissioners at force level, rather than at BCU level. Perhaps he should read our manifesto, instead of believing bits of his own propaganda.

There may be a case for amalgamation in some parts of the country—

Mr. Charles Clarke: Just to make sure that I heard the right hon. Gentleman correctly during that last exchange, does he stand by the manifesto commitment of having an elected leader of each force in the country? Is that correct?

David Davis: It is correct that the manifesto said that we would have an elected police commissioner, and there is nothing wrong with that. There may be a case—*[Interruption.]* Is the right Home Secretary having difficulty hearing? The answer to his question was yes.

We accept that there may be a case for amalgamation in some parts of the country; our concern is that the Government are forcing it on police forces that do not want or need it. As one chief constable said:

"There's not been enough critical examination of the report. Restructuring may be exactly what two or three forces in one part of the country need and may make totally sound sense. But it does not follow that it needs to work like that in every part of the country".

The speed with which this restructuring is being done is one of our greatest concerns. As that same chief constable outlined:

"This is going to be the most profound change since the modern police service was created in 1829. Maybe it is not necessary to have a two-year royal commission now, but a debate—not even much of a debate—that is based upon a report which took three months to write and which we have really only been given a month to respond to, is just too hasty".

The last time such a change was proposed, a royal commission was indeed established. As was pointed out in an earlier intervention, it was established in 1960 and reported in 1962, and its recommendations were put in place between 1964 and 1965. This time, the report was called for in June and published in September, and it will be implemented—if the Government get their way—as early as next year. As the Labour chairman—another Labour chairman—of Cheshire police authority, Mr. Peter Nurse, told the Home Secretary,

"Your timetable is so absurd that it is impossible for us to have a meaningful dialogue with our communities and for us to fully appraise what is the best structure for policing in this area that not only effectively tackles those serious criminals in our midst but also protects our neighbourhood."

That is a comment from a Labour chairman of a police authority.

The speed leaves many questions unresolved. One of the most important of those is cost.

Bob Spink (Castle Point) (Con): Has my right hon. Friend had any indication from the Home Secretary of the impact on the council tax police precept? Does he agree with the figures that have been suggested for the merger of Essex police force, which might put up the police precept by 20 or 30 per cent.?

David Davis: The Home Secretary was asked that question in an intervention, but he dismissed two important assessments of the issue as guesswork. I shall now address it in some detail. The O'Connor report, on which the Home Secretary bases his argument, is 113 pages long, of which just one and a half pages cover how the merged forces will deliver savings. A figure of £70 million is asserted, but is completely unsubstantiated. The report says that the change "could save" some £70 million in the long run, but equally it might not. There is every chance that costs will go up, not down, especially information technology costs in which both the Home Office and the police do not have a brilliant track record.

If nothing else, all experience shows that the process of amalgamation will be a ferociously disruptive and distracting exercise, for probably several years, during which time neither the terrorists nor the criminals will take a rest. The draft calculations in the report are far from convincing, and so is the evidence from history.

I am sure that many hon. Members will remember what happened on a previous occasion when a Labour Government amalgamated two institutions to try to drive up standards and cost-effectiveness. They took one poorly run car company and one very successful international lorry company, put them into one and created a disaster called British Leyland. The history of amalgamations does not inspire confidence. Rather than raising the average of all, they often pull successful institutions down. Even if the projected operational and cost improvements can be achieved, it is clear that they could also be achieved through the simpler federated structure, with forces providing mutual support and co-operation. That would have the added benefit of avoiding heavy up-front costs.

Mr. Henry Bellingham (North-West Norfolk) (Con): My right hon. Friend will be aware that after the Tony Martin case there were several cross-border policing issues. Norfolk constabulary entered into a federation with Cambridgeshire and Lincolnshire, which has achieved a great deal. It meets many of the aspirations in the inspectorate's report. Does my right

[Mr. Henry Bellingham]

hon. Friend agree that the Home Secretary has not answered the question that was put to him about federation and that that is surprising, given that he is a Norfolk MP?

David Davis: My hon. Friend is right. When the Home Secretary was questioned on that point, he dismissed federation as not having sufficient strategic direction. However, within a couple of minutes, he gave an example of four different armed response units being within 10 miles of one another. That is precisely the situation in which a federated solution would provide both economy and an improvement in effectiveness without any need for a strategic direction.

Mr. Mark Francois (Rayleigh) (Con): My right hon. Friend is, like me, an ex-Territorial Army soldier and will appreciate an analogy with the armed forces. It is possible for different regiments to work together—the British Army does that all the time at brigade and divisional level—but they do not need to be merged into one super regiment to achieve efficiency. If it can work for the armed forces, why cannot it work for the police?

David Davis: My hon. Friend is right. Ministers are obsessed by the idea of scale economies, without realising that scale can bring real disadvantages to an organisation that is supposed to be, in some part, representative of the local community.

Mr. Mark Oaten (Winchester) (LD): The right hon. Gentleman has set out a case for closer co-operation between various forces. Would he also consider using existing national organisations, such as the Serious Organised Crime Agency, as resources to be called on by local forces if they need help?

David Davis: Of course, SOCA could be used in that way. As has been said many times in this debate, when extra resources, expertise or support are needed, it is commonplace for it to be forthcoming. The Home Secretary mentioned 7 July and the 352 officers from other forces who came to London—the biggest of our forces—to help out. Just under a year ago, after the tsunami disaster, when the Metropolitan police led our end of the recovery operation from a base in Hendon, there were hundreds of people from other forces, both volunteers and formally seconded officers. That is normal. I would expect an organisation such as the Serious Organised Crime Agency to give strategic direction, assistance and intelligence to a federated structure, especially the lead player on terrorism or serious crime in such a structure. That is how the process would work, if there was a rational solution rather than one driven by the Government's prejudices.

Mr. Robert Walter (North Dorset) (Con): On anti-terrorism, one of the best examples is the regular Dorset police operation to police the party conferences. It is one of the smallest police authorities but it brings in resources from neighbouring authorities on a co-operative basis without the need for a regional superstructure.

David Davis: My hon. Friend is right. Dorset provides us with a great number of examples, in terms of who the force would prefer to amalgamate with, as a highly efficient and relatively small force. That one county manages to defy almost every precept that the Home Secretary puts up.

The O'Connor report admits that reorganisation is "bound" to entail up-front costs. It states that they "cannot be avoided". In view of that warning, did not it occur to the Government that it might be a good idea to find out what the costs might be before they demanded that amalgamation proceed? That job has been left to police authorities. The estimates are as wide ranging as they are disturbing. Figures of £25 million or £30 million have been suggested simply to amalgamate the IT systems of two neighbouring forces. The hon. Member for Stockton, North has been vocal about that. His local force in Cleveland was told that it would have to merge with Durham and Northumbria. The authority thinks that it would have to borrow £50 million to pay for that. Servicing the loan will cost £5 million a year.

Some forces will have to borrow even more. I have before me a memo from Leicestershire police authority, which puts the cost of amalgamation to create an east midlands regional force at more than £100 million, with ongoing costs—not ongoing savings—of between £30 million and £52 million.

Mr. Philip Hollobone (Kettering) (Con): I very much confirm the figures that my right hon. Friend has just read out. Is he aware that Northamptonshire police authority, which is being threatened with merger with the east midlands force, confirms that no efficiency savings have been identified to cover the costs of the merger proposals, so there is a direct threat to the roll-out of neighbourhood policing?

David Davis: My hon. Friend demonstrates that there are only two places for the money to come from—a point to which I will return; it will either come from the pockets of council tax payers or current policing. Both options are unacceptable.

The chief constable of Gloucestershire, who has already received honourable mention from a number of my colleagues, is ACPO's head of finance and resourcing. He estimates the total set-up cost as £500 million. The Association of Police Authorities assesses it at between £500 million and £600 million. I suspect that the cost of the process will be like that for the infamous identity card scheme: the harder we look at it, the more expensive it gets.

The full cost could be astronomical, yet we are told by the head of the police resources unit at the Home Office that the

"Government does not have the money"

to pay for it. However, it is amazing what Ministers can do when their backs are against the wall. After the APA refused to meet the Home Secretary's rushed deadline of 23 December he suddenly found £50 million for next year and £75 million for the year after, in a rather clumsy attempt to bribe forces to accept his merger plans without question. The APA—

Madam Deputy Speaker: Order. Perhaps the right hon. Gentleman would like to reconsider the words he has just used.

David Davis: That was a quote from the APA, Madam Deputy Speaker, not my words, but if I offended the House I withdraw them.

The APA was rightly outraged. In its response, "Policing not for Sale", it condemned the Home Secretary's attempt to—I am sorry, it is the same word: how can I put it?—"influence" police authorities into abolishing local police forces. Its chairman, Bob Jones, said that

"we will not be bought off . . . It is disappointing that the Home Secretary is now trying to bribe"—

I am sorry, Madam Deputy Speaker—

"some police authorities to merge their local police forces at the expense of those police authorities who still have serious concerns about whether this will deliver the best policing for local people".

Even with the Home Secretary's rather cack-handed attempt to influence opinion, the shortfall in funding will be massive. There are only two ways to fill the gap: borrow the money, or raise it through a higher precept on the council tax. It is clear that the cost of the exercise will fall on council tax payers, and that is just one reason why the APA opposes the Government's plan. As its highly critical statement of 7 December put it:

"the APA does not accept that HMIC's Report 'Closing the Gap' provides a complete or comprehensive business case for the creation of strategic forces and . . . the APA will urgently explore alternative models, such as a Federated approach to establish if these offer a quicker, more cost effective approach to improve protective policing services".

I welcome that approach. It makes sense to explore alternative options, especially when the O'Connor report itself proposed them.

Why is the Home Secretary so hostile to federation? He says that a "compelling case" for federation has not been made, but does he seriously contend that he has made a compelling case for amalgamation? Alternative options must be explored objectively and costed properly, not summarily ruled out because they do not fit the Government's regional blueprint.

My survey of police authorities, which was conducted last week, revealed overwhelming opposition to the Government's plans. Most authorities cited the speed and cost of the mergers as a major factor behind their opposition, together with worries about the lack of accountability.

Mr. Crispin Blunt (Reigate) (Con): In Surrey, central Government support for the police has reduced from 86 per cent. of their budget in 1997 to 55 per cent. of their budget. The remainder has been made up by Surrey council tax payers. Will my right hon. Friend explain why on earth Surrey council tax payers should continue to bear that burden—and the increased burden due to the cost of the amalgamation—when the police force will not be theirs?

David Davis: My hon. Friend makes a good point that reinforces my earlier comment that the majority of the money that has been spent on increasing the number of police on the street has come from local council tax payers, not the Government.

Dr. Julian Lewis (New Forest, East) (Con): In supporting what my right hon. Friend said earlier, may I point out that it has been reported today that the chairman of Hampshire police authority—I apologise in advance for using these words again, Madam Deputy Speaker—has stated:

"I am absolutely disgusted with the Home Secretary for his blatant attempt to bribe police authorities into accepting voluntary mergers . . . This surely illustrates how police authorities across the country have got him running scared by standing together in protest against reforming the structure of policing in England and Wales"?

Will my right hon. Friend take this opportunity to encourage police forces throughout the country not to be divided one against the other due to the offer of money if they agree to something with which they disagree in an impossibly short time scale?

David Davis: Of course I will do that, but I will also encourage forces to try to take a rational approach. What is wrong with the Government's approach is its sheer speed, haste and thoughtlessness. If they had come to the House with a deliberate plan of consultation and a way in which the various options and costs could be worked out, the response would have been completely different from what we are seeing today.

Tom Levitt *rose*—

Paddy Tipping *rose*—

David Davis: I have given way to the hon. Member for High Peak (Tom Levitt) twice, so I give way to the hon. Member for Sherwood (Paddy Tipping).

Paddy Tipping: The right hon. Gentleman has a distinguished record as a former Chairman of the Public Accounts Committee. Given that there are 43 different police authorities and forces, is he really telling the House that there is no scope for efficiency savings? Surely we should examine such efficiency savings carefully and look at bigger organisations. Yes, there will be up-front costs due to reorganisation, but he must accept that such a way forward could reduce costs in the long term.

David Davis: The hon. Gentleman is right that I served as Chairman of the Public Accounts Committee. No Opposition Member—or any Labour Member, I think—would say that there is no scope for improving the efficiency of our police force. That is why every party stood at the last election on reform plans of one sort or another, although notably the Government did not have this reform plan in their manifesto.

When I started as Chairman of the Public Accounts Committee, I told the National Audit Office that the Committee and the NAO had the three requirements of examining economy, efficiency and effectiveness. Effectiveness is the issue at play here because we are considering the responsiveness and effectiveness of our police forces as they serve their local communities. That will not be advanced by replacing effective police forces, some of which are very efficient, with super-forces of an enormous size.

Peter Bottomley (Worthing, West) (Con): My hon. Friend the Member for Arundel and South Downs (Nick Herbert) will be able to talk about the reaction of Sussex police authority and will probably confirm that not a single person has written to any Sussex MP to say that they are in favour of the changes. Does my right hon. Friend anticipate that if the Audit Commission or

[Peter Bottomley]

the National Audit Office examined the spending that the Home Secretary contemplates and considered what would happen if it were all spent on improving the strategic ability of our police forces, they would find that we would get far better value for money than we would by spending most of the money on changing uniforms and IT systems earlier than would naturally happen?

David Davis: My hon. Friend is right. I can think of many ways of spending £500 million to improve the security of this country's citizens that would come way ahead of the proposal before the House.

Mr. Kevan Jones (North Durham) (Lab) *rose—*

David Davis: The hon. Gentleman has not had the chance to intervene, so I will give way to him. I am conscious of how I am filling the pages of local newspapers with hon. Members' quotes.

Mr. Jones: Will the right hon. Gentleman clarify how much his suggestion of having elected regional police commissioners or local sheriffs would add to the cost of local policing?

David Davis: It would add next to nothing to the cost, but add enormously to the effectiveness, as I said earlier.

Tom Levitt: Will the right hon. Gentleman give way?

David Davis: If the hon. Gentleman will forgive me, I have given up on filling local newspaper pages—least of all with that sort of drivel, anyway. I have heard him twice already.

I hope that the Government will accept that they have handled the debate appallingly, which is why we are discussing such an important matter in the last week before Christmas, which is a week in which there will be no votes. Frankly, as the chief constable of Dyfed-Powys police said—this weekend, I think—the Government's plans are "verging on a shambles".

The Home Secretary needs to pause and reflect on the full implications of his proposals. We are not opposed to any change to the existing structure of 43 police forces, but we think that there are serious problems with the current proposal. It will make policing remote when we should be making it local. It will make policing unaccountable when we should be giving people greater control. It threatens massive costs for no extra benefits, and it is driven by a regional agenda that has already been rejected by the British people. Quite simply, the proposal seems to be an attempt to meet a resources problem with an organisational solution. We should be designing the right organisation and then finding the resources to implement it. It would be a tragedy if we sacrificed good and effective policing on the altar of regional dogma. It will be a tragedy if the Government push through this hasty, ill-considered, costly, disruptive and dangerous plan.

I want to say something personally to the Home Secretary because I have a great deal of regard for him. This is an extremely important constitutional, policing and security issue. There will be no vote today because this is an Adjournment debate, but I make a plea to him. He has in his hands something that is very important to the future of British life. Will he please think again? Will he go back to the Home Office and reconsider his timetable? He could take just six months to consult properly—not four years—and get the figures and assessments right, and then come back to put a proper proposal for policing in Britain before the House of Commons.

Several hon. Members *rose—*

Madam Deputy Speaker: Order. May I remind all right hon. and hon. Members that Mr. Speaker has imposed a 10-minute limit on Back-Bench speeches?

5.58 pm

Mr. John Denham (Southampton, Itchen) (Lab): The debate is important, but I found the speech of the right hon. Member for Haltemprice and Howden (David Davis) rather disappointing. I try, in my position as Chairman of the Home Affairs Committee, to avoid being partisan in these debates, but I tell those of my colleagues who might have been worried about a newly revitalised Conservative party that is preparing for government that one of the measures of a party that is preparing for government is the ability of its Front-Bench spokesmen to turn around to Members behind them and say, "I'm sorry. I'm not going to let you say that you can promise everything that your constituents want to hear." The real problem with the Opposition's position is that there are serious issues to do with whether our police service is effectively structured to deal with some of our most serious crime, but the right hon. Gentleman failed to deal with those issues so that his Back Benchers can go back to their constituencies and put out a press release saying, "I called for no change in our area." That is a great shame, because there is a serious debate to be had on the process being undertaken by the Government and the way in which they are handling it. I am surprised to hear the major Opposition party challenge the fundamental basis of the Government's proposal. We need serious reorganisation.

David Davis: The right hon. Gentleman makes an interesting but false point. Does he disagree with the proposition that we should take a sensible time—six months or so—to cost the proposals, work out their real consequences and consult the people involved to ensure that we get a decent and stable outcome?

Mr. Denham: I will make points about the timing, the consultation and the information that is necessary in just a moment, but the right hon. Gentleman needs to confront one fact. When I intervened on him on police performance, he swept aside the argument that larger police forces are necessary to tackle level 2 crime—serious and organised crime. I was a Police Minister for two years and, in my experience, the overwhelming weight of professional opinion in the police service was that larger police forces were needed to produce the capacity to deal effectively with such crime. When I was a Police Minister—which was only a couple of years ago—ACPO adopted a report produced by its then

president, Sir David Phillips, who I believe is still head of the National Centre for Policing Excellence, which called for strategic forces of 5,000 officers. That view did not emerge from the report issued earlier this year by HMIC—it has been the professional consensus of policing in this country for some time.

The reasons are clear. If there are to be sufficient officers to deliver an effective neighbourhood policing service without abstractions continually taking officers off the street, we need sufficient officers and support staff to concentrate on drug running, people trafficking, serious organised crime and fraud. We know from the analysis that has been provided that the vast majority of serious criminal gangs go untouched by the attentions of most police forces in this country.

David Taylor (North-West Leicestershire) (Lab/Co-op): Does my right hon. Friend understand the scepticism of people in Leicestershire about the idea that there is a magic number of 4,000 or 5,000 officers that will guarantee the protective services that he is describing? The reputation of the Leicestershire force, which numbers 2,300 people, for accessibility, openness and responsiveness could be weakened or lost by resources being transferred to counties to the north of Leicestershire such as Nottinghamshire, where crime is a serious problem. Can he understand their nervousness?

Mr. Denham: I can understand the nervousness and I think that Members have a responsibility not to feed it. I say two things to my hon. Friend. First, I believe that small forces will find it difficult to contribute to efforts to tackle serious and organised crime. The cost of that failure might not be immediately apparent within the boundaries of that police force area, but a weakness will be created in the capacity of policing across England and Wales to tackle organised crime. Secondly, I can see no reason why larger police forces should lose local responsiveness. I have heard hon. Members from Hampshire—my own county—talk about Hampshire remaining a stand-alone force. Hampshire police force is a large force—much bigger than Leicestershire's—but I do not believe that it can be criticised for being too remote or unresponsive. What is important is the quality of leadership provided by chief constables and chief superintendents within force areas. Yes, there are some important challenges to be managed, but there is no reason to believe that the move toward larger police forces will necessarily diminish local responsiveness, and larger forces will contribute more to efforts to tackle organised crime.

Martin Horwood (Cheltenham) (LD): The right hon. Gentleman rightly talks about the importance of leadership in police forces. Is he concerned that the abolition of up to 30 chief constable posts might remove an entire tier of leadership from our police forces?

Mr. Denham: I realise that there is nothing worse than someone like me standing up and saying, "When I was a Minister," but it was not that long ago that I was a Police Minister. During that period, I met perhaps 90 per cent. of those who are now assistant chief constables or chief constables and I discussed these issues with almost all of them. I did not encounter a single senior police officer in the ranks of those who aspired to become chief officers in the next five to 10 years who had a word to say in defence of the existing structure of policing in England and Wales. Every single senior officer or aspiring senior officer wanted larger police forces.

Tonight's debate should have started from that premise. We should then have considered the process and the way to undertake it. On that, I will make some remarks that will be less comforting to Ministers, because I believe that the Government should now take into account certain questions about the process to make sure that we take the public with us in making the necessary changes.

We need to be careful to avoid too rigid an application of coterminosity with regional boundaries. That has been an issue in Hampshire. There is a case for structuring forces to reflect the movement of crime. I do not wish to tread in areas that English MPs should treat with sensitivity, but I observe that, in terms of crime patterns, north Wales is linked far more with Cheshire and Merseyside than with the rest of Wales. Similarly, if there are to be mergers in my part of the world, there is a case for looking westward to include Dorset.

The agenda of local government is changing. As the right hon. Member for Haltemprice and Howden said, the initial concept—that regionalisation would be followed by elected regional assemblies—was hit a heavy blow by the north-east referendum. The debate on local government is becoming more diverse, with talk about city regions becoming the basic building blocks of local government. I do not think that a fixed approach should be taken to National Assembly or regional boundaries if the patterns of crime and of the criminal justice system point in a different direction. My right hon. Friend the Home Secretary has indicated—in Hampshire's case at least—some willingness to consider those boundaries and I think that he should continue that approach.

Paul Flynn: Has my right hon. Friend noted that the greatest decrease in the problems of drugs in Europe in the past five years has been achieved in Portugal? The Portuguese changed their laws and reduced the number of drugs deaths by 50 per cent. Does he think that, if we want to tackle that serious problem, we should do what Portugal has done and what his own Home Affairs Committee advocated a few years ago, which is change the laws rather than the organisation?

Mr. Denham: The Committee has certainly not advocated that since I have been a member of it. I have no expertise in the area, but I will hazard a guess that, even if Portugal has made progress on drug crime by one means or another, the criminals concerned are still involved in organised crime. We need a policing pattern that deals with the way in which crime is organised.

The second issue that Ministers should address as quickly as possible is council tax and local government funding. That issue is not fatal to our position now, but in the new year, the prospects for making progress will be far better if it is possible for each of us to explain to our constituents how reorganisation will affect local funding. If it appears on paper as though our

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constituents will be picking up the bill for other forces, it will be important to be able to say that, in fact, that will not be case.

Chris Huhne (Eastleigh) (LD): It seems from doing a few back-of-the-envelope calculations on the Government's preferred option of a merger between the Hampshire and Thames Valley police forces that we will be looking at a 23 per cent. increase in the police precept across the Hampshire constabulary for no discernible benefit. Does the right hon. Gentleman agree that that will be hard to explain to our constituents, given that the force is already the third most effective?

Mr. Denham: We need to move beyond back-of-the-envelope calculations, which are rarely right or helpful. It is important for the Government to produce the necessary figures as quickly as possible.

We need to see at each stage the national picture and for everyone to understand it. There has at times been a sense of 43 people trying to complete a jigsaw, with only the Home Office hanging on to the lid of the box so as to see the overall picture. The merger between Hampshire and Thames Valley that is under discussion would not sit easily with, for example, Kent remaining a stand-alone force. It would not be clear what different rules were being applied in each case. I urge the Minister to ensure that, as we move into the new year and consider the pattern of reorganisation, it will be clear what decisions have been made and what guidance has been given in each case, and that it will be possible to demonstrate a consistency of decision from one place to another.

I did not come into the Chamber to say that everything in the garden is wonderful. There are some issues that arise from the handling of the proposals that we can learn from and tackle in the months to come. I have been surprised by the extent to which the Opposition have challenged the rationale for attempting the exercise. That challenge is misplaced. I believe that a reorganisation is necessary to protect our citizens from the crimes that they face. That is the basis on which we should start tonight's discussion.

6.11 pm

Mr. Mark Oaten (Winchester) (LD): It is right and proper that we are discussing changes to the police. We should be emphasising—it is something that has not come across sufficiently—that we probably have one of the best police forces in the world. We are trying to tackle the changes that are taking place in policing, which should not be perceived as a criticism of the work that is done by many policemen and policewomen throughout the country. We have incredible police officers and we should celebrate their work, but that work has changed enormously in the past 10 years.

Six months ago, during the general election campaign, I was hauled in, as many of us were, to talk to the National Farmers Union. One issue that the NFU raised with me was the fact that we do not see police in rural communities. I was somewhat defensive and argued strongly that they, NFU representatives, had to have a change of expectation of what they could get from the police service. They wanted to go back to the "Dixon of Dock Green" era, but the world of policing has moved on enormously since those days. We now have complex crimes such as terrorism, internet pornography and those involving fraud and corruption. Some of those crimes did not exist 10 years ago.

We must acknowledge that, while policing patterns have changed enormously and there are new crimes, we still expect our police to do what they were doing 10 years ago. As well as new and complex international crimes, there has been a great increase in some of the crimes that were taking place 10 years ago. There is antisocial behaviour and drug-related crime. There has been a massive increase in the work that the police do in dealing with drugs.

There is a twin problem: new complex crimes are taking place and established crimes appear to be on the increase. That must be coupled with the massive public expectation of what we want from our police. There is a real need for change, which is why people such as Sir Ian Blair have been right to say that we need a major debate about policing.

The Government had an enormous opportunity. There was good will among many on both sides of the House in recognising that there should be such a debate. The Government have damaged that good will by rushing forward with a set of proposals and in coming to a conclusion before the debate has even taken place, the conclusion being that the only solution is that mergers should take place.

Annette Brooke (Mid-Dorset and North Poole) (LD): Does my hon. Friend share my great lack of confidence, despite the protests of the Home Secretary this afternoon, that every option advanced by local police forces will be considered? For example, federations and the crossing of regional boundaries could be good solutions that might fit the criteria apart but for the fact that the regional boundaries stand in the way.

Mr. Oaten: My hon. Friend makes an excellent point. In this rushed process we should not be so blinkered as to assume that merger is the best way forward. We should consider some of the options that I wish to set out. It may be that mergers are one alternative. The process should be based on what matters to a local area, with local people being listened to, rather than on a map in the Home Office with the approach of putting things into a grid that suits government rather than individuals and local patterns of crime.

I have three concerns about what the Government are suggesting. The first is the process. The second is that enormous costs are involved. The third, and probably most important, is the question whether this is the right way forward for policing models.

David Howarth (Cambridge) (LD): Is there not a fourth problem, namely that of democratic accountability, especially given the legal limitations on the numbers of representatives allowed on police authorities? Does not the creation of large regional forces mean that many local communities with special policing needs, such as the one that I represent, will be entirely unrepresented in the new police authorities?

Mr. Oaten: My hon. Friend makes an excellent point. One difficulty with the Government's proposal, and

with the Opposition's proposal for directly elected police commissioners, is that we have not tackled the issue of real local accountability. I shall have more to say about that.

Consultation has been badly handled. There is a need for a wide-ranging debate. Given the way in which the Government have proceeded at such a fast rate, they have lost much good will among those who wanted a sensible debate on the issue. They have also angered the associations that work in policing. The Association of Police Authorities is right to feel aggrieved that the process has been boiled down to about three months. It rightly points out that, when the previous restructuring took place in 1959, the bedding-down period was much longer. It was reasonably successful. A rushed merger and a rushed process will create bad will and probably result in a structure that will not work.

The chairman of the Hampshire police federation has described the process as having been rushed through the Home Office at an "almost obscene pace". I believe that he is right. The chairman of Cheshire police authority said to the Home Secretary:

"Your timetable is so absurd that it is impossible to have a meaningful dialogue with our communities."

Those comments were echoed by the shadow Home Secretary and many others who are involved in police matters.

The next area of concern is the costs involved. Different figures are being put around. My office has spoken to a number of police authorities. First, there is Lincolnshire. The proposed merger for the East Midlands force would amalgamate Lincolnshire, Northamptonshire, Leicestershire, Nottinghamshire and Derbyshire. It is estimated that that would cost £100 million. The director of finance says that, even if the change were made, which could result in some efficiency changes over a long period, there could be a net recurring debt cost of £30 million a year.

David Taylor: I have seen the same figures of a one-off cost of £101 million and a cost of £30 million into the middle distance. A good share of the extra £30 million over forthcoming years relates to underinvestment under previous Governments, as well as the present Government, in relation to the protective service that the police have to offer. Surely the hon. Gentleman should balance his remarks in that regard.

Mr. Oaten: To be honest, it will be of little comfort to local taxpayers to start blaming Governments of the present or past. We are where we are. A proposal has been made that, rather than helping to clear the deficit and the cost problem, will add to it.

There is a proposal to merge Norfolk, Suffolk, Essex, Hertfordshire, Bedfordshire and Cambridgeshire into one force. The director of finance said that that would be at a cost of £66 million. Similarly, when we talked to the forces for Kent, Surrey and Sussex, we were told that the merger would cost £91 million. Those are large sums for police forces and the money will have to be found from somewhere. Given the global figure, we can assume a total sum of £500 million to £600 million. The money will have to be found from council tax payers or from front-line police. If the figure is £500 million, it equates to about 5,000 police officers. I know where my priorities lie—I would wish to have 5,000 police officers, rather than spend that money on restructuring.

May I deal with the criticism that the Government are approaching the problem from the wrong direction and have produced the wrong solution? I believe passionately that policing should be local. Many contributors have said that people want a local model for policing and, in fairness to the Government, they and the Home Secretary have stressed that point themselves, but I fear that a shift towards super-forces will send all the wrong signals if we wish to establish local accountability. Chief constables should be able to name every village and every part of the community. They should not be in a position where they do not have any idea at all where they are. However much we strengthen basic command units and however much we invest in local policing, unless the people at the heart of the organisation—the individuals who drive and deliver the service and are in charge of it from day to day—know and understand the needs of their communities, we will not achieve proper local policing in this country.

Mr. Denham: Would the hon. Gentleman apply that logic to the Metropolitan police service, which is far larger than any of the police forces that are going to be introduced?

Mr. Oaten: Sir Ian Blair, the commissioner, does not have any problem travelling around that geographical area. Some of the forces that are to be created would need to hire police helicopters just to transport the chief constable from one area to another. The two concepts are very different and we have always accepted that policing in London requires a separate model. The link with the local community is essential, because it gives the chief constable a connection with the community and ultimate accountability for the area.

Mr. Stephen O'Brien: Does the hon. Gentleman therefore agree that any trend that favours regionalisation and organisation by regions will lead to an increasing breach in the trust between people who perform a service for the public and the public themselves? If the police are to be merged into larger units, there will be a failure of trust, as, indeed, will be the case if proposals for the ambulance and fire services, and for shire county local authorities, are carried out.

Mr. Oaten: There are many examples in which the forces that would be created are so large that a breakdown of trust would ensue. Worse still, there would be unhealthy competition between areas defined by the old boundaries, which would start to lobby against one another inside the new organisation. There would be accusations that one area was losing out and that large cities were gaining more than rural areas in large forces. Great tensions will build up when there is no need to create them in the first place.

It is important to acknowledge the role of the public, who are rightly concerned about the terrorist threat to this country, child pornography and so on. They want the Government to set up a structure that does everything possible to tackle those issues. The reality is that, however awful the events in London in the

[Mr. Oaten]

summer, people are concerned about crime that affects their daily lives, such as having their car window smashed, having their house burgled or having something sprayed on the side of their house, all of which they regard as an important policing priority. My nervousness about larger strategic forces, which will rightly be given the priority of dealing with the terrorist threat and larger crimes, stems from the fact that they will forget individuals' local concerns, which will be pushed further down what will be a very large inbox for the chief constable. The chief constables of the new forces will be required to report to the Home Office to say that they have dealt with the larger issues, but the local policing issues will be left behind.

Finally, on the question of structure, I have a growing concern, not only in relation to the police but in relation to the fire services and the Government's proposals on the probation service, that we will remove important local links, because it is thought that they do not matter. It is not as if it is efficient to move fire control centres to a larger area or local boards in the probation service are not needed. Such change is regrettable, and the move to larger areas takes away the local agenda.

What is the alternative and how do we deal with the problem? I acknowledge the difficulty in relation to some of the smaller forces and I accepted at the outset the need to recognise changing policing patterns and the way in which we deal with them. The Government have gone some way towards dealing with the issue. Only 18 months ago, they established SOCA—the Serious Organised Crime Agency—because they rightly accepted that solving some serious crimes required expertise and a national approach. We should expand SOCA so that forces that experience difficulties and cannot cope with, for example, a serious threat of a terrorist attack or a complex crime, can call in resources from SOCA, which has the expertise to deal with such problems. That is a much better model than merging forces and requiring them to achieve SOCA's skill level. The solution is staring the Government in the face. They created SOCA, which we should expand and use further. We need to make a number of other changes.

Mr. Francois: The chief constable of Essex, when endorsing the Essex stand-alone option in Chelmsford on Friday, said:

> "I believe that some of the Protective Services would be best provided by a national agency and not through the strategic force solution—counter terrorism for example."

Is that not an important statement from the chief constable of one of the largest forces in the country?

Mr. Oaten: The hon. Gentleman has made an excellent point. Having established SOCA, we should use and expand its expertise, so that forces can call on it at any given time. That is a perfectly sensible solution, as I am not convinced that mergers will solve the difficulty.

Mr. David Heath (Somerton and Frome) (LD): Under the Government proposals, the south-west would stretch from the Isles of Scilly to north Gloucestershire. For an individual in my constituency, there is precious little difference between such an authority, which covers an area the size of Belgium, and a national police force. I am therefore not sure that the regional forces represent any sort of localism at any level.

Mr. Oaten: In some of the examples that have been given there is little connection between the communities involved. In such circumstances, one might as well have a national police force. The model that we are suggesting, however, keeps everything that is special and important about the local structure, but does not dodge the difficult question that the Government rightly ask about the way in which we deal with more complex crimes.

There are two more things that we need to do. We must recognise that our borders are difficult and complex. Leaving border control to a combination of the local force and Customs and Excise is probably not the most effective way to secure our borders and I argue strongly that we should consider setting up a national border force. At the same time, we should do everything that we can to strengthen local accountability.

Mrs. Dunwoody: I am interested in that point. Is the hon. Gentleman suggesting that some aspects of policing, including, according to him, the policing of our borders, should be handled by a national force?

Mr. Oaten: The hon. Lady is correct and I shall clarify the model that we are suggesting. First, we should have a national border force for our borders, which, we accept, are complex and difficult to police. It is critical to do so at a time when guns, knives and the drugs problem are threatening the country. Such a force would manage sea borders and our ports. Secondly, we would expand SOCA to deal with the complex crimes that I set out. Finally, we should keep our forces as they are, with strengthened basic command units, so that they can deal with day-to-day local policing. That is a sensible policing model for this country.

Mark Tami (Alyn and Deeside) (Lab): Is the hon. Gentleman suggesting that we have an American-style FBI?

Mr. Oaten: The hon. Gentleman misses the point. His accusation could have been levelled at the Government when they set up SOCA, but they have changed their position. We supported SOCA because it was a sensible acknowledgement of the complex nature of crime. I do not understand why the Government cannot develop that proposal and expand the agency to take care of our policing problems.

Mr. Denham: Will the hon. Gentleman expand his argument? SOCA does not have huge numbers of people working for it. It is dependent on the existing capacity at force level. Is he suggesting that there would be a massive transfer of perhaps tens of thousands of officers from police forces to SOCA? If not, his solution does not solve the problem of needing people in each police force who are capable of delivering the response to organised crime.

Mr. Oaten: I have a great deal of respect for the right hon. Gentleman, who is the Chairman of the Home Affairs Committee. What I have been saying is that

SOCA needs an expanded and enhanced role, but the point that he makes is interesting because a great deal of movement is already taking place, as the individuals seconded to SOCA from Hampshire or other forces move backwards and forwards. There clearly is spare cash, so rather than spending the money on reorganisation and restructuring, expanding SOCA would be the sensible model with which to make progress.

Mr. Kevan Jones: I am interested in the notion of a border police force. Durham has a very long and now beautiful coastline, thanks to having had its beaches cleaned up by a Labour local government. Can the hon. Gentleman exemplify how such a force would work in practice? For example, when working with Durham police, would it control the beaches of Durham or Northumberland? How much would it cost?

Mr. Oaten: The hon. Gentleman is being mischievous. We know where the critical points are in this country, where we need a border force: ports, airports and other points of entry. Those are the key points where we need to expand and have better co-ordination.

Mr. Jones: Will the hon. Gentleman give way?

Mr. Oaten: No, I will not give way.

Having established such a structure, the Government should focus on other things, rather than a wasted merger exercise. For example, is it not time that we saw better co-ordination between the various police forces in this country? That can be achieved without a merger. There is no evidence to suggest that creating 11 large forces will improve co-ordination. Sadly, in the Soham case, there was a failure of communication between the Cambridge and Humberside forces. That failure of communication could still happen even with larger forces.

Step one would be to ensure that the existing forces have proper IT and management, so that they can talk to one another. Step two would be a big investment in the technology that the police must work with. Step three would be to start to cut some of the targets that the Government have set. Step four would be to cut some of the time police waste on paperwork. Labour Members may tut, but that is what police officers talk about. None of them talks about merging police forces: they talk about changing their day-to-day working routine so that they can be out on the streets for longer.

Ian Lucas: I have been listening to the hon. Gentleman's important speech. Can he explain why none of the Liberal Democrat Members of Parliament for Wales has seen fit to attend the debate today?

Mr. Oaten: I guarantee that, if the Government are prepared to hold a debate on a serious day when we can vote on the issue, all 62 of our MPs will be here, but the Government have chosen not to allow such a vote, which is a disgrace. Without a shadow of a doubt, we are up for being here in large numbers if the Government allow a vote on the issue.

Other hon. Members want to speak, so I conclude by saying that the Government have wasted an opportunity. We need to invest in our police, to ensure that they are local and accountable and to use the existing structures that the Government have set up to deal with serious and organised crime in this country. What we do not need is a merger exercise that will cost the equivalent of 5,000 police on the beat or a rushed debate on the issue. I hope that the Home Secretary will listen to the shadow Home Secretary and consider giving us six months. Perhaps the Minister will be prepared to acknowledge that an early debate will take place in January, when the Home Secretary has had time to consider some of the proposals that have been made. Perhaps the Minister will even be prepared to let the Chairman of the Home Affairs Committee and his colleagues do some serious work on the issue, because I believe that, when the proposals are examined in detail, it will be shown that they will do nothing to improve policing in this country.

6.34 pm

Albert Owen (Ynys Môn) (Lab): I am pleased to address an important issue for Members of Parliament from Wales. It should be important to hon. Members from all parties, particularly the Liberal Democrats, who now call themselves the official Opposition in Wales, although not one of their four MPs from Wales could turn up.

Martin Horwood: Does the hon. Gentleman think it disgraceful that none of the Labour Members from Gloucestershire is present for the debate? Is there not much division that can be talked about?

Albert Owen: I was about to argue that the Liberal Democrats are part of the official Opposition, and I am sure that many English MPs from all parties are present, but the point has been made.

Mark Tami: Will my hon. Friend give way?

Albert Owen: I want to make a little progress if I can, because I want to add the very important Welsh dimension to the debate.

The Home Secretary said in his opening remarks that he was not moving towards a national police force, but in Welsh terms that is exactly what he is doing. I was pleased that my right hon. Friend the Chairman of the Home Affairs Committee made a very important point about the crime trend in Wales, which is east-west. Indeed, the geography and the transport systems in many ways lead east to west, which is the way in which crime takes place. I shall return to that point a little later.

An all-Wales force will be a Cardiff-centric force. In many ways, resources will be taken to Cardiff from the areas on the periphery that I represent and, indeed, from the whole north Wales region. We have experienced that with devolution. I am very much a pro-devolutionist, but most of the powers have been transferred from London to Cardiff. When we have strategic forces, the resources will cover the Cardiff area. In fairness to

[Albert Owen]

the Welsh Assembly Government, they are talking about moving regional offices, but there is no talk about the fire and other emergency services following that pattern.

I feel strongly about a couple of other issues, including the cost implications for Wales. North Wales police force has invested using its council tax precept and increased its numbers over and above the Home Office allocation. We north Wales MPs have supported that in many ways, and we have seen the results. The Minister for Policing, Security and Community Safety, who is sitting on the Front Bench, is aware of the work that North Wales police have done, which was reflected in the HMIC baseline report that came out in October this year. There have been excellent results, with excellent resources. What worries the police authority in north Wales and, indeed, many councillors, MPs and Assembly Members is that all that may be lost. If we have an equalisation in council tax, those in the south will cry out that their precept will increase. On the other side of the coin, many of the resources that have been invested by north Wales council tax payers will go down south. That is a big issue for people in north Wales.

Another issue is jobs. The Home Secretary said that there will be economic savings, but I guarantee hon. Members that, in the Welsh dimension, jobs will be lost from the north to the south. There is no need for that to happen. I have heard no one at HMIC come up with a solution that would allow strategic forces to be effective in places such as north Wales and others on the periphery that do not have the necessary critical mass. I am a bit concerned about those issues.

We have an added problem in Wales in that the Welsh Assembly Government contribute an awful lot of their money to community policing issues in work that is coterminous with that of local authorities. The Minister is aware that I have been concerned about that in the past. I should like her to make it clear to the House today that the Home Office does not envisage the proposals as the thin end of the wedge in devolving police issues to Wales. It is very important to retain cross-border links with English authorities—particularly, in respect of the North Wales force, with Cheshire, but not just that authority. My colleagues from the south have the same concerns about the links with Bristol and Somerset. Those are big issues for us.

Historically, crime has moved east-west. North Wales police have taken down motor vehicle registrations because of the historic east-west links, and that project works. What would happen to such hugely successful projects, which North Wales police have piloted, if we were to move to an all-Wales force?

On another issue that relates to cost, the North Wales police authority has estimated—these are the only figures that we have, because the Home Office has given us none—that to meet the level 2 policing requirement in the HMIC report would cost about £3 million for the North Wales force. The Association of Police Authorities in Wales estimates that the Welsh dimension of restructuring would cost between £47 million and £57 million. I believe that that money would be better spent on assisting the smaller forces to meet the level 2 requirement that the HMIC report asks them to meet. Of course, some small forces, such as the North Wales force, which covers the port of Holyhead in my constituency, are dealing with terrorism issues, and Welsh ports have done so for many years, given the IRA threat in Ireland.

Mr. David Jones (Clwyd, West) (Con): The hon. Gentleman has raised a number of powerful and important points against an all-Wales police force. Against that background, does he not agree that it is absolutely disgraceful that the Home Office has ruled out any option for Wales other than an all-Wales force and is attempting to bounce the people of Wales into a marriage of inconvenience that nobody seems to want?

Albert Owen: I am not sure whether the hon. Gentleman was present when the Home Secretary made his opening remarks and I intervened on him. My right hon. Friend said that he was willing to look at all the options, including the one that I put forward. The reason that Conservative Members have been asking for a debate is to make such points to the Home Secretary in the House, and we have begun to do that. I would like a longer period of debate, and that is why I am making the points that I am today and have made before.

The hon. Gentleman will know that the chief constable of North Wales is firmly sitting on the fence and is giving no leadership on the issue. He says one thing to one area and another elsewhere. Indeed, the four chief constables in Wales are sending mixed messages, and I would like to see leadership from them. Three out of the four said at the Select Committee on Welsh Affairs that they favoured an all-Wales force in principle. My chief constable might be sitting on the fence, but I am not. I think that an all-Wales force would be bad for the people I represent in north Wales.

Paul Flynn: My hon. Friend will recall that the four chief constables said a year ago that they were all opposed to an all-Wales force. What credibility can we put on what they say?

Albert Owen: That is the point that I made when I said that our chief constables are not showing the leadership that we want. A cynic would say that one of the four is after the top job if we move towards an all-Wales force, but that is not for me to say. It is for me to say that we need leadership. We also need the time so that those leaders can make a proper case for the other options.

North Wales is one of the top-performing police forces in the United Kingdom. It came in the top 10 in the United Kingdom and has been the top-performing force in Wales year on year. It has improved with the extra resources. We should not rule out the cross-border collaboration that we have with Cheshire, and we should not put the political dimension before the operational needs of policing. I reiterate that point.

Mark Tami: Will my hon. Friend join me in recognising that, to get the extra money in the precept, it was important to convince people that that meant extra police on the streets? That is now being delivered. If we

move to an all-Wales force, there is a danger that it will be seen as meaning that resources will be sucked into south Wales.

Albert Owen: That is the point I made earlier. We have invested additional resources in local policing and we are concerned that we will lose them in an all-Wales dimension if decision making takes place further south.

David Taylor: May I offer my hon. Friend a word of caution? Any cross-border collaboration with Cheshire might have its problems, because Cheshire built a new force headquarters on a greenfield site as little as four years ago. If that force were to merge with others such as Merseyside or North Wales, who would pay for the remaining 20 years of the private finance initiative deal into which a commitment has been made for that site?

Albert Owen: My hon. Friend knows that I could not possibly answer that question, but it is one of the serious issues that is thrown up when new expenditure takes place. There are additional police stations in the North Wales force and if it were to merge with another, many of those stations might become redundant. We must also consider that issue.

Mr. Stephen O'Brien: The Minister for Policing, Security and Community Safety has just opened the new police headquarters in Winsford in my constituency. It cost only £30 million and if the Cheshire force were to merge, it looks like there would be a questionable return on the PFI.

Albert Owen: I shall repeat my belief that collaboration between North Wales and Cheshire is important, and I hope that the Minister will address that point when she winds up and deal with the issue of the political boundaries and the Welsh dimension of the Assembly Government, and that she will allow co-operation to take place.

My hon. Friend the Member for North-West Leicestershire (David Taylor) referred to police headquarters, but the issue is also about the rebranding of Welsh police forces. It would cost an awful lot of money if we were to rebrand them. There has been a lot of expenditure on North Wales and on each force with its own identity, and that expenditure would also be lost when it could have been used elsewhere.

I know that many Members wish to speak, but the Welsh dimension is extremely important. I ask the Minister to bear it in mind when she winds up.

6.44 pm

Mr. Michael Howard (Folkestone and Hythe) (Con): The chief constable of Gloucestershire, who was accurately quoted by my right hon. Friend the shadow Home Secretary, has said that the proposals that are the subject of today's debate represent the most profound change in policing since the modern police service was created in 1829. They should therefore have been based on compelling evidence, subjected to a full and thorough consultation exercise and been supported by a substantial body of public opinion. The extent to which these criteria have not been met has admirably been explained in detail by my right hon. Friend in his speech, with which I entirely agreed.

I also largely agreed with the speech of the hon. Member for Winchester (Mr. Oaten), and not surprisingly, as it consisted in large part of a full endorsement of the policies on which the Conservative party fought the last general election. It is a pity that he did not say so at the time, but we cannot have everything in life. I welcome his conversion to our policies.

I want, however, to concentrate my remarks on the implications of the Government's proposals for the policing of Kent. It is always useful to start at the beginning. The purpose of the report that Her Majesty's inspectorate of constabulary was commissioned by the Home Office to prepare was to provide a professional assessment of whether the present 43-force structure is the right one to meet the challenges posed by the current and future policing environment. I would like to begin by assessing the extent to which Kent police meet those challenges.

On any view, Kent is a high-performing force. In the baseline assessment, published as recently as 27 October, Kent was placed at joint third. Kent, Lancashire and Staffordshire are the only forces to have had a top five position for two successive years. In the overall 2004–05 police performance assessment framework, Kent achieved the fourth highest national score, and is listed as improved in five of the seven assessment categories measured.

Kent has a proven track record in dealing with high-risk, protective services issues such as the Herald of Free Enterprise disaster, the Deal barracks bombing and the channel tunnel fire. As the channel tunnel terminal is in my constituency, that is, of course, a matter of special and particular concern to me. Kent also has widely acknowledged and respected investigative expertise for major and serious crime. The force currently has a 100 per cent. detection rate for murder and manslaughter. Moreover, Kent is a force that is keen to change. Prior to the publication of the inspectorate's report, Kent had already embarked on a number of comprehensive force-wide reviews to secure "fitness for purpose" for the next 10 years.

In their plans to achieve that objective, Kent police are very conscious of their links with the agencies responsible for securing our borders and with their law enforcement counterparts across the channel. Those links, and Kent's links with the Metropolitan police, are much closer than the links with Sussex and Surrey, although I stop short of suggesting that a merger with the gendarmerie of the Pas de Calais would be an appropriate solution.

In the light of those facts, it is not surprising that the response of the chief constable and the Kent police authority to the Government's proposal is that Kent can do best as a stand-alone strategic authority. That view is supported by nearly nine out of 10 Kent residents. What arguments could there possibly be for the view that Kent should merge with Sussex and Surrey? It certainly cannot be cost. The cost of the merger is estimated at £58 million. As we know, unless Kent caves in by Friday, which I very much hope it will not, the cost would not be met by the Home Office; it would be met by the council tax payers of Kent.

[Mr. Michael Howard]

The only argument as far as I can see against the stand-alone option is that although Kent satisfies the 6,000 total staff threshold set by the Home Secretary, it does not quite meet his requirement that forces should have at least 4,000 police officers. Kent does not quite satisfy that test, because it has taken a proactive approach to work force modernisation and, in particular, to the recruitment of support staff into a wide range of roles previously filled by police officers, which is something that every Home Secretary, including me, has encouraged police forces to do for the past decade or more. In addition, Kent has 323 special constables, who are not included in the figures.

The question also touches on the extent to which the Home Office is dealing with those matters in good faith. On 15 November, the chief constable of Kent and the chairman of Kent police authority discussed the issue with John Giffard, the director of the police structures review unit, when Mr. Giffard assured them that the requirement for 4,000 police officers is not a must. On 29 November, the chairman of Kent police authority wrote to the Home Secretary asking for confirmation that that is indeed the case, but, sadly, no reply to that letter has been received yet. I hope that the Minister will specifically deal with that question and give me and the House the assurance sought in that letter.

In his speech at the beginning of the debate, my right hon. Friend the shadow Home Secretary made some powerful criticisms of the Government's approach, and I support those criticisms. Even if the Government are determined to proceed with their proposals in general—I hope that they are not—there is no case for forcing on Kent police a merger that does not accord with logic, the effective use of resources or the wishes of the people of Kent. I hope that wiser counsels will prevail.

6.52 pm

Mr. Martyn Jones (Clwyd, South) (Lab): My right hon. Friend the Minister will recall that I took part in the police parliamentary scheme with North Wales police. In the previous Parliament, the Welsh Affairs Committee took evidence from all four forces in Wales about how they deal with antisocial behaviour. I therefore have some knowledge of the issues and many concerns about the proposals, but in the light of the number of hon. Members who want to speak, I shall make only one or two points.

I am afraid that the change will not work for Wales, and especially not for north Wales, because the parameters that the Home Office has laid down—a force size of between 4,000 and 6,000, no existing force being split and no crossing of boundaries—do not work for Wales. I do not disagree with those parameters per se, but from what I have learned about crime patterns in north Wales, which my hon. Friend the Member for Ynys Môn (Albert Owen) mentioned, an amalgamation with Cheshire police would make more sense than an all-Wales police force. However, the only realistic regional boundary in Wales is the Welsh border. An all-Wales police force would have nearly 8,000 police officers, more than 5,000 of whom would be in south Wales, which is more than 200 miles away from the cross-border level 2 crime in north Wales. I do not believe that an all-Wales police force would deliver on level 2 crime for the north.

North Wales police force is not huge—it has 1,600 police officers—but it has a very good record. Most local authority wards already have a dedicated policeman—the community beat manager. Community policing is not so advanced in other parts of Wales, and in south Wales it is mainly performed by community support officers. In north Wales, council tax is high because of the high police precept, but the people accept it because they get good policing and because they are happy with that policing. Yes, council tax will decrease under the proposals, but my right hon. Friend the Minister will recall that when I met her recently she said that any reductions will be phased in. Any changes in council tax will benefit south Wales, which will not go down well in north Wales. I also wonder what effect such changes will have on the North Wales police budget.

There will be provisions for local accountability in the more rural parts of Wales, but the other side of that coin is that there will be no economies of scale, which is a worry. However, an all-Wales police force is the only answer to the criteria, which is why police forces in Wales appear to support it. They have been given the parameters and the task of fulfilling the criteria, and the only answer is an all-Wales police force.

Will the Minister consider allowing a change in the criteria to fit the geography of Wales? Better still, will she consider the other option, the status quo, but with extra resources for north Wales and south Wales to deal with the level 2 problem? We should also consider how the basic command units and community policing will work out in practice. We should try to make real improvements on level 2 crimes by other means before making what I believe will be a bad mistake for policing as a whole in Wales.

6.55 pm

Mr. Roger Gale (North Thanet) (Con): Once again, I place on the record the fact that this is not the debate that the House wanted. On 29 November, there was a debate in Westminster Hall, and it is because of pressure arising from that, and only from that, that we are having this debate on the day before the House rises for Christmas, and with no vote. Given the importance of the issue to all our constituents, the House and the public can only regard that as a disgrace.

When the Minister replies to the debate, I hope that she will say that in the light of representations that may or may not be made by 23 December, there will be a further debate with a vote in the new year, in which case she will find that both the Government Benches and the Opposition Benches will be packed. The 23 December deadline is far too early; the statistics are inadequate; and the guidance has not been backed up with any figures. For any chief constable to be asked to seek to respond within that time scale to something as serious and as far-reaching for the future of policing in this country as this is is, again, a disgrace.

I shall concentrate on two issues. First, I shall follow the comments made by my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard) on policing in Kent; and, secondly, I shall briefly touch on the future of the British Transport police, in which I have a particular interest.

As my right hon. and learned Friend the Member for Folkestone and Hythe has said, Kent is an exemplary force that meets all the strategic qualifications—for example, it has 6,124 staff. Kent police has made a major input into the Kent public service board, which pulls together public services in the county and co-ordinates a £7.2 billion budget. The proposed reorganisation would place much of that co-operation at risk and is highly undesirable.

My right hon. and learned Friend the Member for Folkestone and Hythe has highlighted Kent police's track record in dealing with the Herald of Free Enterprise, the Deal barracks bombing, the channel tunnel fire and high profile murder inquiries. He omitted asylum and immigration, which are still real concerns to our constituents in Kent. That track record is exemplary.

At the moment, Kent police effectively has no borrowing. We are discussing the imposition of an almost instant debt of between £18 million and £20 million, which the chief constable, Mike Fuller, has told me would take between possibly five years and probably 10 years to repay, before any savings are made. That cannot be sound economics and, as has been said, we all know that such savings never actually accrue, because costs always rise.

The Home Office has not indicated who will meet that cost, which, as has been pointed out over and over again, can fall only as a burden on council tax payers—in this case, in the county of Kent.

The Home Office appears to have paid scant or no attention to the legislative implications of its proposals for Kent. My understanding is that the Channel Tunnel Act 1987 would need to be amended, the Sangatte protocol of 1991 would have to be redrawn, and the Channel Tunnel (International Arrangements) Order 1993 would require primary legislation, as would the Channel Tunnel Rail Link Act 1996. It will be interesting to hear the Minister explain when and how all that primary legislation will be introduced.

Kent is ready and prepared to be a strategic authority within its own boundaries, but I would not wish to throw to the wolves any of the other forces—Sussex, Hampshire, Surrey or the Thames Valley—with which Kent's name has been linked. We are looking for a strategic role for Kent, but a federal solution for the others. That is the real issue that neither the Home Secretary nor any of his Ministers has yet properly addressed, and it cannot and will not be addressed by 23 December.

I turn to the British Transport police and its future role within the policing of the United Kingdom. I am aware that the BTP is not a Home Office force but, in tandem with the review of the Home Office constabulary throughout the United Kingdom, it is the subject of a Department for Transport review. As the Minister is well aware, one of the proposals on the table is that it should be merged, in whole or in part, with the Metropolitan police and become a Home Office force.

The British Transport police, with which I have the honour to serve as a special constable, was established in the 1830s. It does not meet the Home Office requirements for staffing, with 3,662 staff in total. It polices, or is responsible for the policing of, 21,000 miles of railway track and 2,500 stations, as well as goods yards and all other railway property. Last year, it looked after the travelling needs of passengers on an estimated 1 billion journeys.

The BTP has been subjected to five reviews since 2001. It meets nine out of nine performance targets, and in 2004 and 2005 was regarded as, and remains, a target leader throughout the European Union. Its chief constable, Ian Johnston, has said that it has its own environment, with a way in, a way out, and a defined territory. It also has a defined force of men and women with specialist training in railway law, track safety, and all the hazards of 21,000 miles of track and associated stations and other territory. The BTP is experienced in dealing with terrorism—it has had to be since the terrorist outbreaks caused by the IRA in the 1970s and beyond. In 15 years, BTP policemen have dealt with eight major crashes covering five police areas. They also attend many major events and are responsible for the policing of football crowds. If Members will pardon the pun, the track record is there.

The proposal to merge all or part of the BTP with the Met could only weaken a very specialist and specialised force. It is inevitable that a commissioner of the Met, short of staff, would immediately poach from the London underground, which is part of BTP territory, and from the BTP's above-ground force. That would be to the detriment of the policing of London, of London's subways and of the whole United Kingdom. If we rip the heart out of the British Transport police force by giving the underground system to the Met, we do so at our peril. It was tried with the New York police department, but all that happened was that subway crime rose.

I say this to the Minister: whatever else you choose to do, please keep your hands off this very specialised force; recognise the job that it does not only in the London area but nationwide; and understand that once it is gone it will never, ever be replaced.

7.4 pm

Mr. Pat McFadden (Wolverhampton, South-East) (Lab): Police force reorganisation will affect every community in the country. At its heart is this fundamental question: what is the correct police force structure to serve the community on the range of crime related issues from antisocial behaviour in local neighbourhoods to major organised crime such as drugs, people trafficking and, ultimately, international terrorism? In today's world we cannot leave the community or police forces facing a choice between effective policing at a local level and an effective fight against organised and international crime. The public rightly expect both. The task for Ministers and for the police is to deliver a force structure that meets these very different challenges as effectively as possible.

[Mr. Pat McFadden]

Of course, the easiest option would be to do nothing—to duck the issue, avoid the controversy, and say it was all too difficult. As my right hon. Friend the Member for Southampton, Itchen (Mr. Denham) said, we have heard that sentiment from Opposition Front Benchers today. They gave us a shopping list of reasons not to change and not to face up to the issues facing the police and the country, but a party of government has to choose and to take difficult decisions if it wants to meet the challenges of the future.

The most common charge against the proposals is that they will make policing more remote and less responsive to local communities. That is a serious charge that we should examine. As Members of Parliament, we are acutely aware of the importance of issues of crime and antisocial behaviour to local communities. We regularly see constituents who feel powerless in the face of those in our community who pay no regard to the welfare of others—who vandalise property, spray graffiti on houses, disturb the peace of the area and engage in other forms of antisocial behaviour that are a blight on our communities. For the decent people in our constituencies, a small measure such as the gating off of an alleyway or the imposition of an antisocial behaviour order preventing those responsible from entering an area can make the difference between a tolerable life and one that is a constant struggle for peace and order.

It is precisely because of the crucial importance of the fight against antisocial behaviour and local crime that the very first question we should ask of the Government's proposals is what their effect will be on neighbourhood policing. The key police unit for community policing is the basic command unit—the BCU—or, as it is known in the west midlands force, the operational command unit. That unit organises local policing and ensures the presence on the streets of the police whom local people want to see. I therefore welcome the strong assurances we have had from the Home Secretary and, in the past, from the Minister, that the BCU structure will not be diminished by proposals for force reorganisation.

Peter Luff: Has the hon. Gentleman seen the briefing by the Association of Police Authorities stating that

"the time, effort and costs of restructuring will divert attention and improvements away from neighbourhood policing"

and that

"if police forces become more 'strategic', Basic Command Units will generally have to get bigger"?

I am afraid that what the hon. Gentleman suggests will not happen.

Mr. McFadden: That is certainly not the view of the chief constable of the west midlands police force, to whom I spoke earlier today.

The point about BCUs is absolutely essential, because it means that the unit of policing responsible for community policing stays as it is, regardless of the force structure above its head.

Martin Horwood: Is not the hon. Gentleman alarmed that it says in section 4.12 of the O'Connor report that the number of BCUs has fallen from 320 to just 230 in three years, so the process is already in train whereby they are getting bigger?

Mr. McFadden: Again, the chief constable of my local force believes that the BCU structure will be strengthened, not diminished, in the coming period. Indeed, the greatly increased number of police community support officers planned over the next few years will be deployed at BCU level, thereby ensuring an enhanced uniformed presence on the streets, which is what our constituents want. In the west midlands area, it is expected that this expansion in community support officers will mean some 1,200 more uniformed officers in local communities.

I have referred to my discussions this morning with the chief constable of West Midlands police. He has long experience of both rural and urban policing, and his view is that an expansion along the lines proposed by the Government would

"be good for the people of the West Midlands and would enhance local community policing."

Mr. Stephen O'Brien: Would the hon. Gentleman find it more helpful in placing absolute confidence in the impartiality of all chief constables if they were either not allowed to take part in the consultation or had a self-denying ordinance that none of them would apply for the top jobs if there was any reorganisation? We could then place some trust in their impartiality on those somewhat partial opinions.

Mr. McFadden: I believe that the motives of the chief constable to whom I spoke are somewhat higher than the hon. Gentleman implies.

The issue is what the effect of the proposals would be on more serious crime and on contingency planning for emergency situations—the level 2 crime that we have heard about. It is that kind of issue that the HMIC report that triggered the process sought to highlight. This is the very gap in current capabilities that force restructuring seeks to address. Here again, the West Midlands force believes strongly that the economies of scale involved in mergers will strengthen provision in those areas.

As we have heard, serious crime holds no respect for county boundaries. People traffickers and the drugs trade operate across wide areas. By pooling resources and concentrating key officers when and where they may be needed, amalgamation could strengthen significantly the police's hand against this sort of crime. For example, it has been questioned whether it is really sensible, when there may be a concentration of very serious crime in a small force, to have sometimes to withdraw officers from the community to fight such serious crime when reorganisation could enable the force more readily to call on specialist officers and units to deal with such crime. If the proposals can combine more effective policing at a local level and better protective services on more serious crime, they will offer a better service to the public and should command the support of the House.

There is then the critical issue of cost. Inevitably, there will be start-up costs, as there would be with any restructuring. But the way to judge the proposals is to take into account both start-up costs and savings in

future years released by not having 43 separate force headquarters and 43 separate chief constables' offices, and by ensuring that savings released by economies of scale go back into front-line policing. I cannot speak with certainty about the future costs over the coming years, but the West Midlands police authority estimates savings of some £158 million over 10 years. The other cost issue is any impact on the police precept. The public will, I believe, understand the arguments for reorganisation of police forces, but I ask the Minister to bear in mind any impact on police precepts for local people as she and her colleagues take the proposals forward.

I am sure that hon. Members on both sides of the House will agree that our police service is among the best in the world. It enjoys a high level of trust from the public and it has more resources and manpower now than ever before. It has helped to bring about a fall in crime of some one third since 1997 and now it must face up to new challenges at every level. If it is communicated loud and clear that these proposals help, not hinder local policing, if they do not result in major precept increases for the public, and if they can deliver the kind of improvement in protective services that we all want to see, they can and will command the confidence of the public and will lead to a major enhancement of our ability to fight crime, both in local neighbourhoods and against the most serious crimes facing our society today.

7.14 pm

Mr. James Paice (South-East Cambridgeshire) (Con): I am grateful to be called relatively early in the debate, Mr. Deputy Speaker. Inevitably, like many other hon. Members, I want to refer to my own force, Cambridgeshire, but before doing so I want to use the knowledge and experience that I gained in the role of shadow police spokesman, which I held for some three years, during which time I met many chief officers, police authority representatives and ordinary police officers throughout the country, as well as—I referred to this earlier—having experienced the awful tragedy in Soham in my constituency, a high profile murder case, with all its implications for inter-force co-operation.

I was staggered to hear not only the hon. Member for Wolverhampton, South-East (Mr. McFadden) but the Select Committee Chairman, the right hon. Member for Southampton, Itchen (Mr. Denham), castigate my right hon. Friend the shadow Home Secretary for apparently resisting change. Frankly, that is nonsense, because he is rightly proposing directly elected police commissioners. To say that he is resisting change while at the same time he is proposing directly elected police commissioners, I find somewhat odd. But the Home Secretary is right; there are problems to be resolved. The present form of policing in this country leaves a lot to be desired. Policing is far from perfect.

The "Closing the Gap" report, about which we have heard a lot today, identified where in the protective services there are grave shortcomings across a vast proportion of the police forces. I in no way dissent from the fact that there is a problem. What I dissent from is the Government's proposed solution to that problem. But there are also other problems that the report did not address. There are problems concerning the police themselves. I fear that there are now too many of what I call technocrats in the police force—people who are not necessarily good managers, but who have read the book and absorbed the gospel about how to solve crime without actually having gone out and done it. They are not very good at managing people and policing is largely about personal skills, both liaising with the public and with all the many other people with whom they have to deal. There is a perception in parts of the country, certainly in my constituency, of an unwillingness among the police sometimes to get out of their office or car. Those perceptions will not be resolved or improved by even more remote services, which the proposals suggest.

I also accept, as the Home Secretary suggested, that there is a need to do more to combat high level and organised crime. But as the hon. Member for Winchester (Mr. Oaten) said, that was the purpose of the Serious Organised Crime Agency, which Conservatives and Liberal Democrats supported. It is the building block for a much more comprehensive attack on such crime. There is no reason why there could not be local branches or squads of SOCA in every force area, precisely to address local issues and form local links. But the vast majority of my constituents—and I believe the same is true of everybody else's constituents—are bothered not by high level and organised crime, but by local crime such as street crime, car crime, vandalism, burglary and so on. Therefore, the proposed changes have to be examined against their effect on that sort of crime—the 95-odd per cent. of crime that affects ordinary people. I do not believe that the changes will help. Policing will become more distant and there will be a less accountable police force.

The importance of neighbourhood policing cannot be over-emphasised. It is not just about reassurance. In my time I have been very critical of the word "reassurance". Reassurance is a result of effective policing; it should not be the objective. Neighbourhood policing is about local intelligence. The Home Secretary referred to the greater importance of intelligence-led policing. Yes, but so much of that intelligence arises from police officers on the ground, on the streets, in our villages, knowing who is a stranger in the area, picking up what is going on and being part of the community. That is real neighbourhood policing, and it is about low level local intelligence. But so often that can lead to much higher level intelligence in the field of serious and organised crime.

As I said earlier, as with the Soham tragedy, mutual aid is also important for small forces that cannot perhaps, as currently structured, do everything as effectively as a larger one. The Soham case demonstrated that mutual aid does work—but there is plenty of room for improvement. That would be a better way, with an enhanced role for the Association of Chief Police Officers in issuing codes of practice about how it can work, to create a much clearer understanding. That is the basis for greater cross-border co-operation.

On the issue of effective use of resources, not many people would say that spending £500 million on these proposals is the best use of resources. I suspect that if the Chairman of the Home Affairs Committee, who has left the Chamber, had been asked by the Home Secretary how he, as a former Minister with responsibility for police, would spend £500 million to enhance our policing, restructuring would not have been his first suggestion. I suspect that not many other Members would have suggested that.

[Mr. James Paice]

I suspect that the economy of scale envisaged by the proposal will not arise. Of course smaller forces are not able to have specialist units—reference was made to firearms and quick-response units earlier—but there is no reason why adjoining forces should not share a unit and the costs of it. All this restructuring is not necessary to address a relatively minor, albeit important, understanding. Again, ACPO could have a role in producing draft memos of understanding about how such joint squads could be operated. I see all that as being done within the police family, without the Home Secretary coming from on high and getting heavy.

Similarly, in the case of central services such as human resources and all the other administrative-type services, there is no reason why one cannot have joint provision, with one force contracting its services out to others. That sort of thing could happen if we had a more proactive ACPO, and fewer prima donnas in the police force who want to do it all in-house, which is part of the problem. Again, that could be done without the Home Secretary stepping in.

As for Cambridgeshire, I cannot say like many hon. Members that mine is one of the best police forces and that I want to keep it as it is, because I readily admit that it comes close to the bottom of the league table in many aspects. Those figures are out-of-date, however, and we believe that the force's performance over the past year or so is improving, partly as a result of the appointment of our former deputy chief constable, Julie Spence, who, I am delighted to say, was appointed last week as chief constable. She has brought a breath of fresh air to the force.

My constituents want to see their local police officers on the street. They know full well about the problems of cross-border policing—we have problems with Travellers in Cambridgeshire and adjoining counties, and police forces must work together because the crime linked to that mobile community often goes across county boundaries. The disruption and disorganisation that is being proposed, however, is not required.

I have a rule that I call Paice's law, whereby when one joins all sorts of different organisations, one usually ends up with a central administrative system that is greater than the sum of the parts of its previous components. I have seen that on many occasions during my time in the House, and I believe that the same would happen with this proposal.

It is terribly important that our policing is with public consent. Over the past few years, there has been increasing concern that we are getting policing of the public rather than policing with the public. Policing with the public is critical, and these proposals will make the situation worse.

7.24 pm

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): In a democratic system, policing will always be a delicate task. The essential art is to persuade the general public that what is happening is in their best interests, and to persuade them that the amounts of money that the police force costs are more than justified. When the Government decide, for whatever reason, that they will change that massive and important service, it is essential that the reason and the basis for that should be clear. My difficulty is that I believe that the Government's suggestions, first, for a truncated timetable and, secondly, for a number of imposed decisions, write parameters for what is a very important change without taking account of the need for public support.

Most of my constituents, who support the police 100 per cent., hope that they will have very little to do with them. They hope that they will never have to call a policeman, that they will not have their homes burgled, and that they will not be assaulted. Essentially, however, they want to know that those services are there if they are required. The Government, it seems to me, have a special responsibility to spell out what sort of changes will be introduced and how they will improve the service before such a degree of change is carried forward. I was surprised, for example, that the Minister for Policing, Security and Community Safety had been to the City of London and said, apparently with some effusion, that its force was not only very good but one that she hoped that others would copy. Since the City of London has perhaps 1,000 officers, I found that interesting and slightly perplexing.

For the small county forces, a number of arguments can be generally accepted. Other Cheshire Members will undoubtedly tell the House that we have such a superb force of such incredible intelligence and energy that it is capable of solving all the problems of policing in a rural and urban area. That is not my attitude. I believe that there is now a real perception gap between the householder and the police.

In my constituency, no matter how often we talk about neighbourhood policing, someone who has a gang of young people on their doorstep tearing down fences and wrecking their gardens wants an immediate response. They do not want to wait two hours for a car that passes by at the end of the street. If a number of hazards are being posed by antisocial families and people are being assaulted, they do not want to ring their local police station and be transferred from one automatic voice to another before getting a response. They want someone who will be there when they are in difficulty.

Will the changes make that easier or more complex? My hon. Friend the Member for Ynys Môn (Albert Owen), it seems to me, made a watertight case about the difficulty of simply considering units in terms of numbers and geography. I am happy to accept that the normal flow of co-operation should be between north Wales and Cheshire. It would be a very brave Home Secretary, however, who suggested that Crewe should be the automatic centre for a police force consisting of north Wales and other areas in the north-west of England. However, I think that we will face that situation.

I was delighted that the Home Secretary said plainly that he does not approve of a national police force, because that is the logic of the arguments that we have heard from the Government. If one cannot organise into small units, one puts them into regions, and if one cannot put them into regions, one puts them into bigger units. One does that not on the basis of what is the bulk of normal policing—dealing with assaults, car crime and ordinary difficulties on the streets—but because one is facing difficulties in several highly specialised fields. If

that is so, let us debate the implications of that in the House, and let it be clearly spelt out. So far, that has not been the case.

There is far more in these proposals. The hon. Member for North Thanet (Mr. Gale) spoke about the British Transport police. Why have they been included in proposals yet again? They have been subject to five reviews in five years, which, even for central Government, is probably slightly otiose. Since 70 to 80 per cent. of the work of the British Transport police is precisely what is called level 1 crime, one must have a very good argument before suggesting that they should be absorbed by the Metropolitan police. The British Transport police form a specialised unit. Its officers must have special training before being allowed on to the railway system, and they are clearly committed to a particular type of policing. If it is possible that in the future a member of the British Transport police will find that those brilliant Virgin trains are crossing the border into Scotland, but the British Transport police can do nothing about it because they are attached to the Metropolitan police, I may not be the only one to foresee difficulties. That, however, is the sort of proposition that we are hearing tonight.

I want to make it very clear that I am totally opposed to the absorption by the Metropolitan police of a specialised police force such as the British Transport police. I do not care what anyone says; in a very short time, the specialised force would cease to have an individual existence. It would so rapidly be used for other jobs and become involved in other functions that it would lose its specialised knowledge. Believe me, railways are extremely dangerous places, and that does not apply just when there are explosions. It applies to normal, day-to-day dealings with passengers and services. Railways are places in which people should not blunder about on the assumption that being part of the Metropolitan police confers God-given responsibility. That is not an acceptable point of view.

Let me express one opinion very strongly. I am disturbed that in the rush to come up with a solution, the House is being stampeded into arguing a fragmented case relating to a number of small areas. In defending the west midlands or debating whether north Wales should logically be involved with Cheshire, we are missing the point of the argument. The Government have a long time in which to decide what they want to do. They should give us a much more detailed and much more serious set of reasons for their wish to pursue the changes.

If the Government seriously imagine that the whole problem can be solved on a formulaic basis, let me say this to them. It does not matter which part of the United Kingdom we are discussing. I represented Exeter once. Exeter regarded Bristol as the outer darkness then, and the Cornish regarded the rest of the peninsula as entirely unacceptable. If we simply ordain that so many thousand members of a force should go somewhere irrespective of the wishes of local people, we shall soon discover something very obvious. Neighbourhood policing is just that: it means policemen and policewomen who can be seen, and who respond to letters.

The Secretary of State did something that I cannot do. He persuaded my chief constable to write a letter to me, and to send three e-mails. They were not very effective, because I did not do what he wanted, but the Secretary of State persuaded him to write to me. I could not persuade him to write to me answering questions about my own population.

Do I care about what is being proposed? Yes, I do. Do I think that it will work? I have grave doubts. Do I wonder why the Home Office is pushing this through? I am astounded, but perhaps the answer lies in the Minister of State's views on the City of London police: as long as we all have fraud departments, we shall be able to cope with the future.

7.33 pm

Mr. Crispin Blunt (Reigate) (Con): It is always a pleasure to follow the hon. Member for Crewe and Nantwich (Mrs. Dunwoody), who chaired the Environment, Transport and Regional Affairs Committee when I was a member of it during an earlier Parliament. As usual, I agreed with a great deal of what she said, which may explain why Her Majesty has yet to receive advice that the hon. Lady should be invited to join her Privy Council. I hope that the oversight will be rectified in due course.

As a Surrey Member, I am well aware that the two most recent chief constables in Surrey have been Sir Ian Blair and Denis O'Connor. They may not be entirely happy when I say what consummate politicians they both are. We should read Denis O'Connor's words with great care, and take account of his reservations about the applicability of his report to police restructuring as a whole. My understanding is that he was invited to consider just one—albeit important—aspect of restructuring, but the Government have taken the report to apply to the police in general.

Mr. David Gauke (South-West Hertfordshire) (Con): When we read the various parts of "Closing The Gap" that deal with protective services, we see that Denis O'Connor is not quite as unequivocal as the conclusions may suggest. Under the various headings relating to protective services, he raises a number of doubts over whether larger strategic forces will make much difference.

Mr. Blunt: My hon. Friend is right. Given the detail, time is needed for all involved in the debate to establish whether the Government's case for restructuring has been made.

It is the speed with which the Government have sought to impose the most dramatic reform of police structures for over 40 years that concerns us all. When police forces are to be driven into marriages that they do not want, we can be pretty certain that they will have plenty of time to repent at leisure. Others have quoted much less complimentary observations by members of the Association of Police Authorities than I intend to quote about the Government's use of incentives to persuade police forces to sign up to their proposals. My principal concern relates to the destruction of the county-wide forces, which will take control of the police from identifiable and accountable bodies and place it in the hands of amorphous regions with which my constituents in particular do not identify.

Although today's debate focuses on the regionalisation of county constabularies, the reforms seem to make sense only as an element of the

[Mr. Blunt]

Government's incessant desire to regionalise the public services on which our constituents rely. The fire control room in Reigate is about to be moved to Fareham in Hampshire, and according to information from our ambulance service that reached my in-tray today, we should prepare for the regionalisation of the service. In each case, accountability is being taken from elected county councillors who speak up for the people of Surrey and dispersed over ever larger and more cumbersome regions.

We in Surrey are currently missing an opportunity to bring health structures into line with county structures such as social services as health services are reorganised yet again. Strangely enough, we seem to be returning to the regional health authorities that we had in 1997. Every time a structure takes root, the Government want to rip it out and replant it. Four or five years later, they revert to the original structure. That costs an enormous amount and makes the organisations involved much less accountable. Even we, who are trying to address the issues in a full-time professional manner, have great difficulty in understanding who does what.

I am also worried about the cost of the restructuring, to which others have referred. In Surrey, it is estimated at some £28 million. I am not remotely surprised that my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard) and my hon. Friend the Member for North Thanet (Mr. Gale) do not want the Kent force to merge with Surrey. As may be pointed out by my hon. Friend the Member for Arundel and South Downs (Nick Herbert), neither the Sussex nor the Kent force will want to merge with Surrey on financial grounds alone. Surrey is in a desperate financial position. In 1997, it was one of the best-funded forces in the country, with a crime prevention record second only to that of Gwent. Its reward for being so successful in crime prevention has been to see its budget reduced, reduced and reduced.

Mr. Harper: My hon. Friend may be confused about the motivation. In paragraph 6.8 of the financial section, "Closing The Gap" suggests a possible reason for the restructuring. It notes that

"real term settlements in the next two years are likely, at best, to be half the rate of the last nine."

It is possible that the Government hope to reorganise in order to mask the fact that police forces are to receive much less in the next two years.

Mr. Blunt: That would not entirely surprise me. There must be an explanation that makes rather more sense than the one that the Government gave today.

Despite the under-resourcing of Surrey police over the past eight years, they have managed to perform outstandingly well—perhaps owing to the leadership of Sir Ian Blair and Denis O'Connor. To their credit, they were not only accomplished politicians but extremely good policemen in Surrey, which is no doubt why they have gone on to take wider responsibilities.

A high level of performance does not seem to matter to the Government. To them, it seems, only size matters. They have hung on to the number of 4,000 to determine the level of protective services rather like a drowning man saying, "This is the magic figure." It does not strike me as a magic figure at all. Some small forces deliver an extremely high quality of service, and some much larger services—the merged Avon and Somerset force, for example—receive a much lower score in the national assessment than Surrey.

A graphic demonstration of what has happened to Surrey relates to financial matters. County councillors have been forced to find 46 per cent. of Surrey's funding for the next financial year from the council tax payer, in comparison with only 15 per cent. in 1997. If the Government take away from the county structure the control, accountability and responsibility for the Surrey police force, at what price will councillors vote increasing council tax precepts to support their force? In fact, it will no longer be their police force. They should dump the financial mess—that is my recommendation—in the laps of the Government, because the police will be a governmental organisation accountable to no one. I would oppose Surrey councillors who supported an increase in police precepts in that context. They should fight it as hard as they possibly can when it is no longer their police force.

Mr. Philip Dunne (Ludlow) (Con): Will this not become a precursor of, and excuse to introduce, a regional assembly in order to provide proper accountability? Not only that, it will presumably be a regional assembly with tax-raising powers.

Mr. Blunt: My hon. Friend is precisely on the mark. It is important to establish what underlies all these different proposals to reform different parts of public services: they are all relentlessly driving towards the regional level. It is ironic that the Home Secretary is now promising extra funding to forces that agree to the mergers early, while refusing to guarantee funding to the county forces that understandably remain wary of these reforms.

I recall that, when the Conservative Government promised extra funding to schools that were keen to apply for grant-maintained status, the Labour party accused us of bribing schools to follow our agenda, yet the Home Secretary is content to use the threat of withholding funding to bully county forces into mergers about which they have grave reservations. The only difference between then and now is that schools were then only too enthusiastic to take control of their own affairs and secure grant-maintained status. If Conservative policy had stayed in place, every school would have had control of itself through grant-maintained status. That seems rather similar to what is in the recent White Paper, but it has taken a long time to get there.

While I believe that the restructuring of police forces along regional lines is foolhardy in terms of financing and operational effectiveness, my greatest concern remains the impact on accountability and recognition of the police force for the people it serves. The reform will affect the relationship between my constituents and their local police. We bemoan the fact that the police are seldom face to face with the public. Over the past 30 years, the personal relationship between the police and the people they serve has been undermined. There is absolutely no way that the proposals will help to overcome that problem.

There are arguments in favour of assuming responsibilities at the national level, and the example of soccer was mentioned earlier. There are also arguments for having smaller borough units with specific local duties: to their credit, the Government are making progress on that. There is no argument, however, to justify vast regional forces that have no emotional or logical connection with the populace that they serve. A south-east regional force would not be responsive to the huge range of challenges faced in areas as different as Reigate or Redhill in my constituency, the outer suburbs of the capital, the ports of Sussex and Kent, our nation's two busiest airports or the vast swathe of rural areas in the south-east. Nor will my constituents recognise a regional force as one directly responsible to a body that they either elected or could identify with.

We are entitled to conclude that another agenda beyond the mere restructuring of the police is behind the proposals. The Government are set on regionalising the United Kingdom, taking powers from historic counties and granting them to new regional assemblies. The happy failure of the people of the north-east to support a regional assembly, despite an acknowledged strong sense of regional identity there, does not seem to have deterred the Government at all.

In Surrey, the Government are moving the police force, fire service, hospitals and ambulance services to a regional level away from county structures. If the Government's reforms remove the local education authorities, the county council will become a largely redundant body—and it is surely no coincidence that county councils are rarely in the hands of Labour administrations. The counties are being emasculated to make way for bodies even more beholden to central Government, with no thought for the traditional elected bodies of the old counties and the people who identify with them. The police restructuring is but a part of that agenda and the cost will not be substantial only in monetary terms, because it will make our police even more remote from the people whom they serve.

7.45 pm

Mr. Mark Todd (South Derbyshire) (Lab): First, I appreciate that there are some powerful arguments in favour of building a critical mass in resources and applying that to serious crime and to counter terrorism. I am not unsympathetic to the Home Secretary's arguments in his opening speech or to the arguments of the O'Connor report. My concern has been partly about the process—arguments about the time frame within which we are having to consider such a complicated matter have already been aired—and partly about the narrowing of options too early in that process.

The assumption has been made that full force amalgamation is the only acceptable way to proceed, but two options, partly aired in the debate, have been discounted. One is to form more specialist forces to deal with particular activities, as in the case of the transport police, and the other is the sharing of resources co-operatively across different parts of the country to achieve common objectives. Those options were posited as possibilities in the O'Connor report, but were discounted by the Home Office in the rather too hasty process of reaching a conclusion.

The concept of co-operation has been explored in limited fashion in the east midlands. We have a helicopter service that is shared perfectly happily between Derbyshire and Nottinghamshire and it is a successful and efficient service. My concern—to some extent, I am arguing against my own position—is the difficulty of pushing police forces that constantly seek to run their own empires and agendas into that logical step.

I am perfectly clear—I agree with the Home Secretary on this—that to have back-office operations run separately in 43 different police forces is simply crazy and mistaken. Having purchasing functions running in the 43 forces is similarly mad—not just on account of the waste of resources, but in respect of the technologies that the police require, running from the rudimentary ones such as police cars through to individual information systems. It is true that some forces, including the Derbyshire force, have made powerful reputations for scientific advance that should certainly be shared across a number of forces. It is crazy to have just one beacon of expertise.

David Taylor: My hon. Friend makes a powerful point about the cost savings that may be available, but such savings may be a necessary but not a sufficient requirement. Does he agree that the level of cost savings suggested is no more than about 2 per cent. and that the co-operation and collaboration that he mentioned is already happening?

Mr. Todd: I would like to return to that point when I debate costs and savings later in my speech.

I am also concerned about the narrowing of options relating to regionalism. Until I heard the hon. Member for Stone (Mr. Cash) refer to the extraordinarily unique nature of Staffordshire crime, I was tempted to explore the opportunity of co-operation between the Staffordshire and Derbyshire forces. That would have put together two relatively powerful forces to the benefit of people in that part of the country, but he claimed that Staffordshire criminals are unique and that we could not possibly proceed on that basis, so I must defer to the Home Office's guidance on this issue. However, given that I represent a constituency that is right on the border of a region, it is perhaps natural for me to take the view that the drawing of such a hard and narrow dividing line does not at all reflect criminal patterns.

I have two worries about the options being pursued: the possible loss of local focus, intelligence and awareness in addressing lower-level criminality; and the likely redirection of resources from well-policed, lower-level crime areas such as mine, toward areas within the new regions where policing has been ineffective. It might be possible to address those two concerns, which is why I have taken a qualified position in my conversations with Home Office Ministers. I do not start from a position of innate support for these proposals, but I could be persuaded to support them if it can be demonstrated that there are ways of dealing with my concerns.

First, is it possible to strengthen basic command unit representational frameworks? For example—I have used this example in meetings—we in South Derbyshire have an extremely successful crime and disorder partnership. I recognise that that is not repeated in all parts of the country, but it provides a relationship model in my area that the police could work comfortably with in strengthening operational activities. I want some

[Mr. Todd]

flexibility. Instead of simply opting for a local authority model involving a police committee, for example, let us look at local examples that work and that work with the existing grain.

I would not want to turn such a partnership into a rigid framework. The strength of our partnership has been the mutually respectful voluntary framework within which it has worked. Local people in South Derbyshire tend to work practically together to solve problems without doing a lot of grandstanding and point scoring among themselves. That strength would be lost if someone threw the pot of money into the equation and said, "You're going to have to carve up exactly how this is to be dealt with in a very practical way", or if such people had too much direct operational control over policing in their area. What we have works very well and we should work with the existing grain.

Tom Levitt: My experience of Derbyshire constabulary is just as positive as my hon. Friend's, but does he agree that it does not matter where the constabulary headquarters is based? In fact, many people in Derbyshire probably could not name the town in which it is currently based.

Mr. Todd: Indeed. It happens to be based in Ripley, but my hon. Friend makes a powerful point. South Derbyshire is at the bottom end of a long county, and the people who live there tend to think that most places are a long way away, so locating the headquarters some distance away is not one of my major concerns. People will think that it is a long way away wherever it is located, and, as my hon. Friend says, many people do not know where it is located now.

I turn to my second point, which is the redistribution of resources. Here, I will be blunt. We heard earlier some brief interventions from Nottinghamshire Members and I well understand their desire to move ahead with the combining of forces in that area. However, they must understand that their desire and anxiety is matched by an anxiety on the part of those in better performing areas that such a combination may involve the redistribution of resources. That has also to be balanced by the recognition that Nottinghamshire has a higher expenditure on policing per head than does Derbyshire. I have heard the argument that we will get our hands on a larger pot and that that would be great, but the greater anxiety is that a lot of that pot will go toward solving problems in the Nottinghamshire area and away from better policed areas with relatively limited resources, such as mine.

I turn to the process of transition. Such restructuring will be disruptive in all sorts of ways. In any merger, substantial career decisions have to be made that inevitably lead to distraction—there is no way round that. The cost of the east midlands option has been estimated at a little over £100 million and although that is a back-of-an-envelope calculation at this stage, the sum involved will certainly be large. The police authority has rightly said that it is very difficult to commend such an option without first knowing where the money will come from. If it comes from the normal expenditure of the newly created authority, that will inevitably mean cuts in other activities while the transition takes place. The authority also predicts an ongoing expenditure increase, simply to bring that part of the country up to the standards for protective services that the O'Connor report identifies as desirable. The question of how to distribute resources within the new authority is arguable; nevertheless, it is a fair question and it needs to be resolved now.

I finish by pointing to the differences in policing function within my region. I am sorry, in a way, that the hon. Member for South-East Cambridgeshire (Mr. Paice) is no longer in his place. He shares with me an interest in Traveller law policy and I have to say that that policy is not the same in Derbyshire as it is in Leicestershire, for example—a fact that is well exploited by the people of those communities. I would not wish to see a blanket, lowest common denominator approach applied to policing policy, simply because we were required to have a strategic focus for policy development. Local differences are valuable and have been fought for, in this particular case, extremely hard by those such as me, who have directly engaged with this issue. I do not want the hard-won ground to be lost.

I want harder answers to the questions that I have raised and I look forward to the response to this debate.

7.57 pm

Martin Horwood (Cheltenham) (LD): I am pleased to be taking part in this debate, just as I was pleased to take part in the recent Westminster Hall debate on this issue. Like other Members, I also look forward to having a debate that involves a substantive vote on the issue at hand.

I thank the Home Office for agreeing to my request for a meeting at least to discuss the specifics of the proposed merger involving Gloucestershire constabulary. The granting of that request, which I appreciate, implies a welcome willingness to talk about the specifics. The specifics in Gloucestershire are clear: we have an outstanding police force and we have had an 8 per cent. reduction in crime in the past year. As my neighbour the hon. Member for Forest of Dean (Mr. Harper) said earlier, our constabulary has been commended for its record on level 2 crime, thereby rather undermining the stereotype of small forces presented by the Home Office.

Specifics have been lacking in the Government's proposals. The "Closing the Gap" report refers to a lot of general trends and draws general conclusions from them. The Home Office's briefing, which we received in the past week, contains an impressive-looking chart showing the shortfall in protective service scores by force officer strength, and shows a trend line implying that only large forces can really cope. However, although it shows all six of the forces with an officer strength of above 4,000 scoring less than a 40-point shortfall in protective services, it also shows—this is not implied by the trend line—that 11 smaller forces have a 40-point shortfall, or less. Therefore, one size does not really fit all in this debate, despite the Government's attempts to suggest otherwise.

It is instructive to note that the forces with more than 4,000 officers—and which the "Closing the Gap" report therefore describes as those successful in tackling crime—are generally in metropolitan, urban areas: the Metropolitan police themselves, the West Midlands police, West Yorkshire police, Merseyside police, and so

on. There is no reason why that model of success in large urban areas will necessarily succeed if it is applied to much larger geographical areas, including large rural areas. There is an immediate geographical problem in the south-west: the sheer size of the option 1 proposal for a mega-force for the entire south-west, which would cover 9,000 square miles. There are parts of north Gloucestershire that are closer to Scotland than they are to the opposite end of that area—the Scilly Isles. If hon. Members are worried about different types of crime, I can tell them that we have very different crimes to the Scilly Isles. There is not much trawler crime in Cheltenham.

The Home Secretary mentioned economies of scale and implied that press offices could be merged. That seems a marginal point, but let us take him at his word. Is he seriously suggesting that the same connection to the local community that the present county force has could be achieved by someone trying to relate to the local media—which are important when trying to get the crime prevention message across—all the way from Tewkesbury to the Scilly Isles? I just do not think that that would be possible. Much more seriously, does the Home Secretary really think that democratic accountability and the same sensitivity to local needs would be possible? Many hon. Members have pointed out that they meet their chief constables regularly and we have all had good communications with them in the course of discussions on the Government's proposals. I cannot conceive how that would be possible with a chief constable based miles away in Exeter who was trying to deal with MPs from the entire south-west region.

What about the cost and disruption? The Association of Police Authorities estimates start-up costs of £500 million to £600 million nationwide. In the south-west, our chief constable has estimated £64 million of start-up costs. If that was paid for out of borrowing, and landed an annual debt on the police forces instead of being raised through the council tax, he estimates that it would cost some £6 million a year initially, which would offset more than half of the possible savings that the proposals suggest would be possible in the south-west. Most of the rest of the savings could be achieved through collaboration and federation and would not require the merger of forces. The numbers do not add up.

The Home Secretary said in his opening remarks that the evidence was straightforward and he cited the "Closing the Gap" report, which is the only piece of evidence that the Home Office has. However, as has been said, the detailed suggestions in that report are somewhat qualified. On page 11, under the heading "Stakeholders have mixed views", it admits:

> "Little work has been done on the way in which members of the public identify with police forces".

The connection between communities and the new forces is far from proved.

On page 25, the report makes the point, which I made earlier, that basic command units are already getting larger, not smaller. That undermines the Government's point on that score. On page 35, the report admits that there is only a rough correlation between size and reactivity at level 2, which is hardly a ringing endorsement of the Government's position.

Peter Luff : My hon. Friend the Member for North Shropshire (Mr. Paterson) earlier quoted from a report prepared for West Mercia constabulary by Professor Lawrance of the university of Warwick. He states:

> "The conclusions drawn in respect of the 4,000 minimum force size almost totally ignore the variability of protective services performance at each force size, and no evidence is provided that this will be small at the 4000 level. In short, there will be an unknown number of good and poor performers in reformed larger forces."

The whole statistical basis of the "Closing the Gap" report is fundamentally flawed, and the 4,000 figure has no justification in empirical fact.

Martin Horwood: I agree with the hon. Gentleman, who would agree with my chief constable, who said that the report contained some challengeable assumptions and selective analysis. The statistical basis and the methodology are far from proven. The report also suggests to Ministers that in terms of geography

> "the scale and demography may require a measure of pragmatism in proposals for change."

We see no evidence of that yet, but I live in hope.

Mr. Roger Williams (Brecon and Radnorshire) (LD): My hon. Friend makes a good case on behalf of rural areas and police authorities. The Government's proposals would not be such a problem if the consultation had been meaningful, but it is meaningless in Wales because the Secretary of State has already said that there is only one option—a single Welsh police authority. It is therefore hardly surprising that the police authorities are unwilling to take part in the consultation.

Martin Horwood: Many hon. Members have made the point about the worrying lack of consultation on the proposals and the speed at which they are being rushed through.

I shall quote one further passage from "Closing the Gap", which appears on page 62 and is, I suppose, the straightforward evidence to which the Home Secretary referred. It states:

> "To conclude, the answers to the two questions that prefaced this section are: The current structure of policing probably does not support the efficient and affordable provision of protective services and support services; and yes, there is evidence that changes in that structure might provide a more efficient basis for service provision."

Probably? Might? That is not straightforward evidence. Denis O'Connor's report does not provide the cast-iron basis for the Government's proposals that Ministers claim. The O'Connor report is, if read in detail, a call for a debate about the alternatives. It presents a genuine problem—and hon. Members on both sides of the House agree that there is a problem in the tackling of level 2 crime. It has also been suggested that the Cambridgeshire force has a particular problem with some of its issues, although that may be a little unfair. Nobody suggests that we should not try to tackle the problems that the report identifies, but the detail in the report does not make the case for the large super-forces. It makes the case for a debate on the alternatives.

[Martin Horwood]

My hon. Friend the Member for Winchester (Mr. Oaten) suggested one alternative, which would be to extend the Serious Organised Crime Agency model, which the Government have only just started to try out. There have been suggestions that forms of federation might be tried. In Gloucestershire, we discussed the possibility of going back to regional crime squads in some form for specific forms of crime. That might tackle some of the shortfall issues of particular forces. Some back-office functions could also be merged—the hon. Member for South Derbyshire (Mr. Todd) mentioned purchasing. There is no reason why purchasing powers could not be merged on whatever regional basis the Government like. We could live with that. The Home Secretary could even have his merged regional press offices, if he really wants them.

There is potential and much discussion to be had on the different options, and the Government simply have not made the case for a structural solution to a problem of how work is done. That is the same approach that they take to the probation service, the NHS and regional fire centres. It is about trying to shoehorn a problem into a structural solution instead of looking at the quality of work—in this case, policing—that is being done and using the inspectorate of constabulary for what it was set up to do, which is to help police forces to improve where there is a shortfall and to encourage them to collaborate.

In Gloucestershire, there is all-party opposition to rushing headlong into the abolition of the local force. The Prime Minister told us recently—admittedly, in another context—that what the police asked for, they should get. The police force and the chief constable in Gloucestershire are clear that the best option is a stand-alone force for the county and an independent Gloucestershire constabulary. I think that we should obey the Prime Minister's advice and give the police what they want.

8.7 pm

Dr. Ashok Kumar (Middlesbrough, South and East Cleveland) (Lab): I spoke in the Westminster Hall debate and expressed some of my serious concerns about the reforms that the Government are introducing. I am not against reform; I agree that reforms are necessary and we need to make changes. However, like many other hon. Members on both sides of the House, I am concerned that we are rushing into making major reforms and changes. There has been some debate about when the reforms were introduced, but that was 40 or 50 years ago. Surely we want to get reform right. That is crucial.

On Teesside, we feel that the reforms are being bulldozed through by the Government—my Government, whom I support wholeheartedly. Before anybody says that I am being disloyal, I point out that I have supported my Government on every occasion and have never even abstained on an issue. I speak as a friend, and with great concern. I am concerned about the proposals, and I say that not as someone who parachuted into a constituency. I lived in my constituency for 21 years before I was elected as a councillor and then a Member of Parliament. I have served the area and I know it well, so the concerns that I express are based on observation over several years. I am concerned by the changes that are being pushed on us so quickly.

Why cannot we have more time? The shadow Home Secretary suggested six months, although that is not necessarily the option that I would suggest. The Minister should go away and think about the time scale, because it is essential. My police authority has asked what approach the Home Secretary will take towards police authorities that do not submit a business case by 23 December. I shall be interested to hear the answer.

I have expressed serious concern about the timing and the rush because I recognise that policing is an important issue in my constituency. At meetings and coffee mornings over the years, it has always been one of the top three topics. I have taken issue with Cleveland police in the past. Some Members may remember that I championed the robocop, Ray Mallon, when corruption charges were levelled against him, yet he now holds a senior position, running Middlesbrough. Many of the people who told me not to support him now visit his office and say what a great job he is doing. That includes some Ministers.

I take a great interest in Cleveland police—how the force is managed, how it functions and its accountability. The Government's proposed model for us is the super-force, a merger of the Northumbrian, Durham and Cleveland forces. It would cover a massive geographical area—according to one calculation, more than 3,500 square miles, from Berwick-upon-Tweed in the north to Boulby in the south. The southern parts of that region would have more affinity with North Yorkshire than with the Northumbrian region. Such a force would serve a huge area.

I cannot understand the Government's thesis that bigger is better. It seems to be a running theme. On one hand, we are reforming education by transferring power to local areas, as the White Paper suggests—great; a good idea—while on the other hand, in reforming the health service and our fire services, we are moving to regional level. I do not understand that. There is a lack of joined-up thinking.

I do not share the view expressed by Tory Members that there is a hidden agenda for regional government. That is not so, but I want my Government to demonstrate that we are advancing an intellectually coherent case. We must do so, to win hearts and minds. The Chairman of the Home Affairs Committee said that we must carry the people with us. That is essential.

In Cleveland, our chief constable, Sean Price, has worked hard to turn things around. Earlier, a question was asked about chief constables visiting different parts of a constituency. Sean Price has attended meetings in many villages in my constituency, but I cannot see a chief constable based in Newcastle travelling 70 miles down the road to hold meetings in my little villages. I would like to believe that he would turn up, but I think it would be a struggle. The present chief constable has worked hard to win hearts and minds in small villages in my constituency.

The chairman of the police authority, Councillor Dave McLuckie, and the chief constable have worked hard to ensure that crime is down. Burglaries and robberies are down and they should be praised for that and all their work tackling crime over the past few years.

Feeling about the issue is strong. The shadow Home Secretary cited a MORI poll carried out by Cleveland police. It demonstrated that 70 per cent. of people want no change at all. When they were asked for their second preference, 60 per cent. supported a city region police force. When Tyne Tees, the television company, asked people what they thought, 78 per cent. said they wanted no change. That is how strong feeling is. Only 20 per cent. of people support a regional force, so there is a vacuum. I support an elected regional assembly, but we should remember that we were thwarted on that last year. Bearing in mind how strong feeling is, the Minister should take note of those figures.

An additional problem in Teesside is that we have the biggest concentration of petrochemical plants, and the emergency services really work together. If changes are introduced there will be disruption. Change will not be systematic. I fear for the future if a regional force is introduced. The Minister must think carefully about the concerns I have expressed. If we are to introduce reforms, we must demonstrate that they are necessary; the public must be behind us.

We held a referendum about the regional assembly and about an elected mayor for Middlesbrough. If the Minister believes that there is strong support for a regional force or a super-force, we should put the matter to a referendum. I am clear about what will happen. The hon. Member for Ealing, North (Stephen Pound) is shaking, but if democracy was okay for issues such as electing a mayor and regional government, why not for our police force? If there is support, I will accept the verdict of the electorate, but given the figures I presented I am clear about which way our people would vote.

I speak to the Minister as a friend and with great concern, and ask the Government to reconsider. I may not be able to support the reforms if Ministers go ahead without considering the things that I have asked them to note.

8.16 pm

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): As I was listening to the Home Secretary open the debate, I was underwhelmed. There is a lack of evidence to support his case. For some time, I have been tabling questions to the Minister for Policing, Security and Community Safety asking for the evidence base for that magical number, 4,000. Eventually, at paragraph 1.11 of the O'Connor report, I stumbled on the answer.

Before I address the report, however, I have a few brief comments about Welsh police forces in general. A recent report—in March—from Her Majesty's inspectorate stated that Gwent force

"is particularly successful at investigating all classes of crime and enjoys one of the highest detection rates in England and Wales. Gwent Constabulary has also reduced overall crime, and particularly the offences of burglary and vehicle crime".

The report states that in the North Wales force there were

"significant improvements in performance during the past year . . . particularly in the area of investigating crime. The force has also embarked on an ambitious neighbourhood policing programme that will see 229 community beat managers deployed to wards within the force. Managing the transition while maintaining performance and meeting demand will be a challenge, particularly when, at the same time, a central communications centre will be established".

The report on South Wales police says:

"The force has reduced recorded crime in all areas including violent crime. Additionally, it has also maintained a good level of crime detection and has performed well in relation to its peers, delivering good performances in a number of areas. The force has a good record of detecting crime and is well placed to deal with serious and major crime with its dedicated serious and major crime investigation teams."

If that is not a clean bill of health, I am not sure what is.

I mentioned my own authority of North Wales police. Burglary in north Wales is at its lowest level for 30 years. Vehicle crime is down by 22 per cent. and robberies are down by 28 per cent. All three divisions of the North Wales force are performing brilliantly and topping the performance leagues for England and Wales in many categories, so one must ask once more why we are talking about such reorganisation.

The hon. Member for Ynys Môn (Albert Owen) was right: the proposal for the Welsh forces would create a national police force because one force would cover Wales. The hon. Member for Middlesbrough, South and East Cleveland (Dr. Kumar) said that his chief constable might be hard pressed to travel 70 miles to meet him, but the equivalent distance in Wales would be 250 or 300 miles, which would be absolutely impossible to cover.

Paragraph 1.11 of the O'Connor report is not a hard and fast statement because there are qualifications in its wording. It says:

"Forces with over 4,000 officers, or 6,000 staff, tended to meet the standard across the seven protective services measured, in that they demonstrated good reactive capability with a clear measure of proactive capacity. Forces below that size tended to fall someway short of the standard, with, in general, the smallest forces faring the least well. Notwithstanding this, there are outliers: some smaller forces were almost as successful as the majority of larger forces, whilst two relatively large forces (5,000+ staff) received surprisingly low scores."

It is thus hardly written in stone that the 4,000 figure must be followed. Curiously enough, not one of the Welsh forces has a manning of more than 4,000, so we would be defeated on that criterion. However, as we were told earlier, that is not a hard-and-fast criterion. It is difficult to know what is going on because the consultation has been so poor that we do not know where the goalposts are, and whether they are still moving, or firmly in the ground.

The chair of the North Wales authority has praised the Association of Police Authorities, which has said that it will not co-operate by 23 December. I will not cite words such as "inducement" to describe the Home Secretary's offer to those that fall in line early on, but that situation compounds the mismanagement of the whole process. Ian Roberts, the chairman of the North Wales authority, says:

"We refuse to be rail-roaded"

by the Home Secretary

"because there are some very serious questions that remain unanswered."

That is the general tenor of the debate because hon. Members simply do not know what will happen. They do not know where the finance will come from, or whether the change is the first step towards a national police force.

[Mr. Elfyn Llwyd]

The letter from the Association of Police Authorities has been quoted at length today. Its chairman, Bob Jones, says that there has been a certain amount of bullying into abolishing police forces with indecent haste. He says:

"In our view, that is disgraceful. Policing is crucial to the safety and protection of all our communities. It is not for sale"—

to that I say, "Hear, hear."

On a matter of pure democracy, the National Assembly was not formally consulted on the proposals, despite the fact that it controls £144 million of the police budget in Wales. The Assembly recently supported an amendment that read:

"The National Assembly condemns the recent hurried and superficial consultation by the Home Secretary on restructuring the constabulary, which failed to:

a) formally consult the National Assembly

b) fully consider Welsh circumstances; and

c) make the case for change."

That takes me back to where I started my speech: I do not believe that the Home Secretary has made the case for change.

In case anyone is labouring under the misapprehension that I, as a nationalist, am against co-operation with other forces, let me say that I am proud of the fact that the North Wales force co-operates closely with Merseyside and Cheshire police. The same is true of West Mercia and Dyfed-Powys, and the situation is certainly the same for Gwent and South Wales forces and the Avon and Somerset police force. One of the excuses cited during the debate is the fact that small forces cannot deal with organised crime, but Gwent, South Wales and Avon and Somerset police forces recently cracked a serious crime ring in Bristol involving the most awful characters who were coming over fully armed to sell crack cocaine each day. Many of those people are now behind bars, which proves that co-operation works and can hold organised crime in check.

Peter Luff: One of the other reasons that the Home Secretary cites for forcing the proposals through at such an undignified pace is the need to help forces to cope with terrorist outrages. Is the hon. Gentleman aware that the Metropolitan police, which has nearly 32,000 officers, had 352 officers seconded to it to help it to cope with the 7 July bombings? Many of those officers came from Wales. Eight officers came from Dyfed-Powys, eight came from the North Wales force and many came from my own force of West Mercia. Many of those people are still there. The fundamental argument that we need such change to deal with terror outrages has been exploded—if hon. Members will excuse that unfortunate pun—by a devastating parliamentary answer that shows that that argument is flawed and that the Home Secretary should abandon the idea.

Mr. Llwyd: The hon. Gentleman is absolutely right. Let us remember that, unfortunately, the Met had been tailing those who were involved in the attacks for some time before 7 July. The Government are hiding behind a smokescreen in relation to terrorism and organised crime. Expertise is available. The hon. Member for Winchester (Mr. Oaten) talked about extending SOCA, which I agree would be sensible, but whenever a terrorist incident has occurred, advice has been readily available within forces and from co-operative neighbouring forces. I do not buy the Government's argument in that respect.

When the Home Secretary and the Prime Minister tried to persuade the House on the 90-day custody question, they did so on the basis of a conclusive case produced by the police—an expert case and one that was, to use the Prime Minister's words, "overwhelming" and "conclusive." The same police experts are definitely opposed to a hurried, half-baked reorganisation that has much to do with tightening the Home Secretary's stranglehold on a single police force in Wales, rather than dealing with four. Many of us are fearful: we remember the policing of the miners' strike.

ROYAL ASSENT

Madam Deputy Speaker (Sylvia Heal): I have to notify the House, in accordance with the Royal Assent Act 1967, that Her Majesty has signified her Royal Assent to the following Acts:

Consolidated Fund Act 2005

Regulation of Financial Services (Land Transactions) Act 2005

Police Restructuring

Question again proposed, That this House do now adjourn.

8.26 pm

Paul Flynn (Newport, West) (Lab): Before any reorganisation is authorised by the House, the case should be overwhelming. The last two Opposition speakers have made clear how weak the case is. The original report states the case for reorganisation in very tentative language and points out that some of the biggest police forces fall short in dealing with all levels of crime, whereas some of the smallest—including the Gwent, Dyfed-Powys and North Wales police forces—achieve remarkable results.

It was once said that

"we tend to meet any new situation by reorganizing; and a wonderful method it can be for creating the illusion of progress while producing confusion, inefficiency, and demoralization."

That was said by Gaius Petronius in AD66, and it remains true today. That is the experience that most of us have had of reorganisations. I have been an elected member of authorities for 33 years and I have seen many reorganisations, all promising to produce marvellous results. The first reorganisation of local government that I endured was based on the notion that big is beautiful, the second on the notion that small is beautiful. All of them duplicated jobs, despite promising reductions and all manner of efficiencies of scale, whether large scale or small scale. None delivered the promised improvements and all plunged the authorities affected into a period of upheaval.

Probably the only groups of people who favour police reorganisation are the criminals, because they are likely to benefit, and some members of the police service, because they are ambitious and know that it is likely to produce many new and well paid jobs. In the year leading up to the reorganisation, the police will be able to say, "Of course our standards have dropped and we haven't arrested so many people or solved so many crimes, but that is because we are building up to reorganisation." Their excuse for the next two years will be, "We are in the middle of reorganisation." The worst period will come after that. Members of the National Association of Retired Police Officers have first-hand knowledge of what happened during the last reorganisation, which took place in 1965–66, and their evidence states that it took 10 years to get back to pre-reorganisation levels of efficiency. That is the key point. There is no case for changing. We have the tyranny of arithmetic determinism. Someone names a number—for example, 4,000—and everyone has to fit into this Procrustean bed of a false 4,000.

We have a splendid police force in Gwent. It is at the top of the league, not only for last year or the year before that but for a period of 20 years. It is institutionally sound as well as administratively efficient. It enjoys enormous support from the public. The national approval rate is 78 per cent. What other service enjoys public confidence on that scale? It seems that we shall throw it away in response to a report that was not part of the Labour party's manifesto. There is no reason why we should be bound to the report. There is no ideology behind it. There is no reason why we should be supporting the report on the basis of party loyalty, or for any other reason. We are entirely free to vote against the report because it was not part of our manifesto.

There is an extraordinary political situation in the House. There is a Liberal Democrat Green who wants to hug all the asylum seekers and who is splendidly politically correct. There will be great changes to the political structure in future. The last thing that we want is to have round our neck the albatross of a reorganisation that will be unpopular, with all the problems that will occur in future, which will be blamed on the reorganisation. We shall suffer that ignominy and blame in future elections.

The report, as the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) and my hon. Friend the Member for Gloucester (Mr. Dhanda) said, makes a weak case. We are offered the window dressing that it will solve the problem of terrorism. The same excuse was used for selling identity cards, but that was dropped. Identity cards will not solve the problem of terrorism. The other issue is drugs, to which a rational approach should be taken. The new leader of the Conservative party has a splendid, pragmatic view on drugs, which he demonstrated during his interrogation of witnesses who appeared before the Home Affairs Select Committee when it was chaired by my hon. Friend the Member for Sunderland, South (Mr. Mullin). The present Chairman of the Committee did not seem to reflect that view. I believe that if the Leader of the Opposition continues to pursue the brave policy that he advanced then and during his leadership campaign election we will, for the first time in 30 years, have an intelligent debate about drugs in the House.

We will solve the problem of drugs not through a reorganisation of the police but through a set of new laws. I spent the last weekend in a country that is not regarded as one that is successful on drug policy—Italy. The Villa Mariani in Rome operates a drugs policy that would be approved by many progressive people in the House. It is one of harm reduction, of needle exchanges and of treating drug addicts not as criminals and throwing them into prisons where there are drugs—and there are drugs in every one of our prisons in this country. It is a humane and practical policy that is pursued in collaboration with the police.

Portugal has, over a five-year period, reduced the number of people who have died from drugs by 50 per cent.—an extraordinary achievement. The Netherlands, Belgium and Australia have reduced the number of deaths from drugs by taking an effective, practical and humanitarian approach to the problem. The structure of our police is completely irrelevant to that.

Criminals will, of course, welcome a restructuring. During the reorganisation the police's attention will be on where headquarters will be, on who will get what job and on who will be given what desk. Their attention will be distracted from the task of trying to catch criminals. They will be diverted by the black hole of reorganisation.

We have heard about what happened in Wales; it is an extraordinary, marvellous story. Evidence was given on 27 October 2004 to the Welsh Affairs Committee. The four chief constables turned up to say that they did not want an all-Wales authority. One of them said—I had the pleasure of quoting it back to her—that she did not

[Paul Flynn]

want to see a link between north Wales and south Wales. Exactly a year later, on 27 October 2005, she told us that she would like reorganisation on an all-Wales basis. We must not be too hard on the police, as ambition comes into play. Some very attractive jobs and career options will be created. It has been said that when Wales reorganises the chief constable will have a helicopter—the "super-copper with a chopper". However, benefits will not be delivered to the general public.

As for costs, it is irresponsible to suggest that we should embark on such a programme when the police tax—it is more accurate to describe the council tax that way—will increase by up to 30 per cent. My area will be affected by equalisation between north Wales and Gwent, so our council tax or police tax will increase by an enormous amount—an increase of 13 per cent. next year is already being talked about. If we want more community police officers, it will increase by even more. We cannot be rushed into a decision by 23 December if there is no prospectus on costs at all. What on earth would the public make of that? The decision to reorganise forces has been rushed and has no rational basis. It will help only the criminals, and it will harm the structure of the police. It is reorganisation for reorganisation's sake, and we do not know whether big or small is beautiful. We know, however, that reorganisation, before it is introduced, must be based on a strong, powerful case. This is based on nothing.

8.36 pm

Mr. Humfrey Malins (Woking) (Con): All Governments are, from time to time, guilty of the offence of hurrying to change or to legislate. This Government, I am afraid, are doing so too often. Pressures have been imposed on the people who have to respond. What chance is there of an inquiry by the Select Committee on Home Affairs into police restructuring and reorganisation? What discussions have taken place with bodies that operate on a county basis and which will be seriously affected, including the magistrates courts service, the Crown court service, the probation service and the Crown Prosecution Service? There has been no consultation with them whatsoever. The Home Secretary said that the time frames were challenging. Frankly, they are nothing short of a disgrace.

I should like to say a word or two on behalf of Surrey, which is a small police force consisting of 1,959 officers. However, the great and the good deem it too small and "not fit for purpose". I invite them, however, to look at what Surrey has been able to achieve. Surrey police have made the county one of the safest in England, and they are consistently among the top five performers nationally. The latest results indicate that they have hit the top performance targets set for them by Surrey police authority in many different areas. They have cut robbery, vehicle crime and burglary. Surrey police are an excellent police force, and their success has been achieved despite Government help which, over the years, has decreased more and more. A succession of excellent chief constables—Sir Ian Blair, Denis O'Connor and the present chief constable, Bob Quick—and an excellent authority chairman, Liz Campbell, together with a dedicated police force in Surrey, have worked against a background in which, year after year, our grant has been cut. Surrey has one of the lowest grants per head of population in the country, and receives £88 a head compared with an average of £103 a head in the south-east.

Surrey's difficulties will not be sorted out by an amalgamation with Sussex or anyone else, as they stem from the underlying funding instability of the past few years. So put that right and we could be on the road to solving Surrey's problems, by giving Surrey police increased flexibility in reconfiguring and modernising their work force, which they want to do. That, coupled with a fair financial settlement, would sort out Surrey's problems.

I have talked to many in Surrey about possible amalgamations. Where do we go? Is Surrey keen to amalgamate with another force? In truth, its preferred option is to stand alone, without the need for a merger, by exploiting work force modernisation and by co-operating with neighbouring forces to share services and with some limited financial investment. That is a viable option for Surrey police force. If it must amalgamate, I suspect that its favoured option would be to do so with Sussex; but, in truth, I am not sure that Sussex wants to amalgamate with Surrey. So the real answer is to treat Surrey police fairly—give them a chance, and they will prosper—and the Home Secretary should never say that a force of 1,959 is too small to be effective.

If I wanted to find the answer to two questions—what we think of our police forces, and what we want from—I do not think that I would go to a Whitehall mandarin; I would go and ask a victim of crime. What do the victims think? There is still huge respect for our police force. Many would say that we have the best police force in the world. Many would rightly say that our police have a magnificent record of responding to major disasters and terrorist attacks and of dealing with high-profile murders. On all the big things, there is tremendous respect for our police force in this country.

Ask individuals about their localities and how happy they are with the policing that they get, however, and perhaps there would be a frown on their foreheads. They are not so sure that the service is what they want. Locally, individuals want the police to respond and react quickly when they are contacted. They want detection levels to go up. Above all, most people still want to see more police on the streets, and the truth is that, whatever the Government's plans and policies and whatever they have talked about over the past eight years, I think that there are fewer police on our streets, and people do not like it, for each of us is comforted and reassured by the presence of the police, by knowing them personally and by knowing that they get deeply involved in the community.

If the police are deeply involved in the community, known to people, moving around, talking to people and learning about solving the minor crime—the graffiti, the assaults and the drunkenness—and if they take control of communities, not only do they get the intelligence to sort out low-level crime, but that way comes intelligence to sort out the very serious crime and to find out who is responsible for it. So one's contacts perhaps might fear that the amalgamations, the mergers and the whole principle that big is better is a flawed concept.

Someone told me not long ago, "Everything in my life seems to be getting bigger and more remote. It's moving away from me. I don't feel that I have any real involvement." So my advice to the Government is very clear. They should avoid the steady march towards a regional police force system; it is the last thing that people want. They should not think that bigger means better; it does not. They should not think that centralisation is better than devolving powers to communities; it is not. They should understand that larger can mean more remote. They should also understand that, if they focus too much on the big issues, those at the bottom end of society will find that the issues that matter to them are ignored and left aside.

So will it be in Surrey's interest to amalgamate? I doubt it somehow. If it amalgamates with Sussex, performance may drop, things will be more remote and the financial resources may be sucked down to Brighton, Hastings or Gatwick. People in my constituency, Woking, will feel less involved, and they will feel that the police service is less accountable. The Government should remember that people in our communities are feeling increasingly left out and detached, and the more that we create big things, the more that they will feel remote and left out of our society.

8.45 pm

Ian Lucas (Wrexham) (Lab): I have concerns about the proposals because I am extremely proud of the progress that the Government have made in improving policing in Wrexham. When I was elected in 2001, one of the most common issues in my constituency was antisocial behaviour and crime. I had difficulty in dealing with those issues and referring them to the police because I could not contact identifiable officers for geographical areas in the constituency and I was not sure to whom to refer constituents. I am pleased to say that, in the Wrexham and in the North Wales police area today, we have identifiable community beat officers in each council ward. In addition, we have community support officers and neighbourhood wardens. We would like to have more neighbourhood wardens, but unfortunately the Liberal Democrats and Conservatives on the local authority voted against that.

The Government have a tremendous record on neighbourhood policing and I know that my right hon. Friend the Minister for Policing, Security and Community Safety has personal experience and knowledge of policing in Wrexham. She came to Wrexham at a very difficult time and I am grateful for her support then. She has seen neighbourhood policing in its infancy and the way that it has developed since.

My concerns are shared by my colleagues right across north Wales and I am grateful to my right hon. Friend for already giving us a great deal of time. She has listened carefully to what we have had to say and she is aware of some of the arguments that have already been referred to in the debate so far. I will not discuss north Wales at length, because a number of colleagues have already raised the issue.

I wish to consider specifically Denis O'Connor's report. I am a reformer and a great believer in police reform. Police reform has occurred substantively under this Government, but it has been opposed at many stages by the Opposition parties. I remember being in Committee when the introduction of community support officers was being discussed. That was opposed by the Opposition parties. I remember concerns being expressed about the extension of neighbourhood warden schemes, but I am very pleased that progress has been made.

I welcome the assurances that have been given about the future of neighbourhood policing, but we must consider Denis O'Connor's report. I am not against the amalgamation of forces if it improves the level of policing that is afforded to my constituents. I am not against the amalgamation of forces if it improves the operational capacity of the Wrexham force and the North Wales force.

I have considered closely the proposals in Denis O'Connor's report, but I have also considered closely the statement by Chief Constable Giffard in his letter of 9 November this year to the chief constable of North Wales. It set out the reasons for recommending an all-Wales force, and it is worth quoting them in full:

"The option meets the HMIC criteria on size of force and demonstrates the potential capacity to provide protective services to national standards without adverse impact on police services at the neighbourhood level."

There is no dispute that an all-Wales force would have more than 4,000 officers; that is not an issue. However, I have seen no real evidence to date that suggests that protective services across Wales would be improved by the creation of an all-Wales force. If that evidence exists, I would like to see it. If it exists, it should be put before the public so they can see the evidence that suggests that policing would be improved.

In the Welsh context, it is extremely important to consider the geographical area that would be covered by the all-Wales force. Five hours is not an unusual journey time from Holyhead to Cardiff and, from Wrexham, it takes three hours to get to Cardiff and four hours to Swansea. It is a huge area.

When I read Denis O'Connor's report, I was struck by the stress that he places on the maintenance of local links. For example, he states:

"the overall goal should be the creation of organisations that are large enough to provide a full suite of sustainable services, yet still small enough to be able to relate to local communities."

It is difficult to see how a national Wales force could relate to local communities.

Denis O'Connor also refers to criminal markets, which are very important in the improvement of level 2 activities such as collecting intelligence and dealing with serious organised crime. It is easily explicable that improved level 2 policing would occur with the closer integration of police services in Merseyside and north Wales because, as any police officer or magistrate in north Wales knows, there is an active criminal market that is common to both places. However, it is not easy to understand how a national Wales force will deal with those criminal markets more efficiently than present arrangements, as its structure will take no account of criminal markets.

To date, the evidence has not been brought forward to support the proposed restructuring. I want my right hon. Friend the Minister to tell me how level 2 policing will be improved. How will there be better intelligence gathering in an all-Wales force? How will serious organised crime be better addressed? Will the fact that

[Ian Lucas]

criminal markets, which Denis O'Connor describes as "fundamental", are ignored by the present proposal for an all-Wales force make any difference?

I am concerned that neighbourhood policing may be undermined by an all-Wales force. I have heard and welcome the assurance that the basic command unit will remain the building block of policing, but I have concerns relating to finance, the foundation on which the building blocks stand. In particular, north Wales has invested more in policing than other parts of Wales, and its police precept is higher. If the police precept is standardised across Wales, the north Wales precept will necessarily be reduced. If that happens, will there be a call for services to move from north to south, where, after all, crime rates are higher? If resources are shifted, it will have a detrimental effect on neighbourhood policing in north Wales.

In short, the case for an all-Wales force still needs to be made, so that I can make it to my concerned constituents in Wrexham.

Several hon. Members *rose—*

Madam Deputy Speaker: I appreciate that there is already a time limit on speeches by Back Benchers in this debate, but if hon. Members are brief, a few more may be able to contribute, even at this late stage.

8.52 pm

Mr. Stephen O'Brien (Eddisbury) (Con): The Government claimed that the O'Connor report forced them to restructure our police forces. They started a panicky, so-called consultation exercise, which was too hasty, and now they are providing a financial bung to those who kowtow to them before the ridiculous deadline of Friday.

A week last Wednesday, I asked the first question at Prime Minister's questions, when I mentioned an extraordinary letter from the chairman of my police authority, who is a Labour councillor. The Prime Minister said that a full consultation is taking place, but that is not what Cheshire police authority expects. In a letter that was copied to the Minister, Councillor Peter Nurse has stated:

"Policing should be at the heart of our communities and your proposals do nothing to safeguard or develop this. Your timetable is so absurd that it is impossible for us to have a meaningful dialogue with our communities ... Your direction in respect of Cheshire is severely flawed ... Restructuring policing with such haste and without considering the long term implications is dangerous and not in the interests of the people of Cheshire."

I have not yet seen a reply to that letter.

Two days after Prime Minister's questions, I attended a meeting with Cheshire police authority and the chief constable, where I paid tribute to the hard work of the Cheshire constabulary and all the policemen and women within that force. Performance has been middling, and nobody would say that there is not vast room for improvement, but the force has specialist policing capabilities, and, as we have heard from Members on both sides of the House, it has engaged in fantastic collaboration with not only North Wales police, but Merseyside police, Greater Manchester police, Staffordshire police and, in north Shropshire, West Mercia constabulary.

My constituents in Cheshire are served by tailor-made collaboration, co-operation and co-ordination, while national threats are met by national strategies. In terms of a criminal market, as it was rather delicately put by the hon. Member for Wrexham (Ian Lucas), crime is either local or national. There is no such thing as regional crime. Logic does not impel the Government to design a response that is regionally based rather than nationally based or, as at present, locally based.

What is the answer? It is not what is on offer in the House today. We are not allowed to maintain the status quo or to look across National Assembly or regional development agency boundaries; instead, we have to look at this precisely as the Government want us to, for the convenience of Ministers and Whitehall mandarins, who no doubt see it as a nice dotted line that will not disturb their administrative flows.

We need to tell the Government to think again. This hasty timetable can easily be extended and the financial bung can be removed so that there is not a perverse incentive for rushed responses. There should be a proper, considered and serious response so that we get to the point where we have an organisation that is equal to the threats and meets the needs and demands of our local citizens. All the constituents whom I represent in south-west Cheshire want good collaboration with north Wales to continue. They do not need a national police force to make that happen, because it happens already. As we have heard from Welsh MPs, a national Welsh force is not needed either, for much the same reasons.

When my good friend and neighbour, the hon. Member for Crewe and Nantwich (Mrs. Dunwoody), asked whether there should there be a national police force, the Minister replied with a categorical no. Let us therefore assume that it is not going to happen. I very much support that. We could, however, expand national organisations such as the Serious Organised Crime Agency, the British Transport police and the National Criminal Intelligence Service in order to collaborate, co-ordinate and co-operate nationally to deal with national threats, be that through counter-terrorism or anything else.

Deep down, the consent of the British people is required for us to have confidence in our policing, because policing, as it was originally set up, has to be by the people and for the people, just like our mandate in this place.

Not for the first time, the Government's proposal has been presented to the House in a panicky way, with no votes and no chance to make corrections—only an opportunity to urge a Minister who is not necessarily going to respond positively, although she is giving a good impression of listening. We are being offered a false prospectus. This is not about improving the service of policing to my constituents; it is about mapping an organisation on to a pre-conceived regional agenda that has nothing to do with meeting the additional threat that my chief constable rightly said has gone national, while continuing the local neighbourhood policing strategy. That is what is so inconsistent, and that is why we should not be shy of

holding the Government to account and accusing them of issuing a false prospectus for an agenda and a strategy that is below-the-table stealth regionalisation that we should reject out of hand.

8.58 pm

Tom Levitt (High Peak) (Lab): I welcome the fact that we are having a debate on police reform. We cannot divorce the idea of police structure from police functions. Having said that, I could not disagree more with the hon. Member for Eddisbury (Mr. O'Brien) about the purpose of the rearrangement and the process that is being followed.

It is worth stating that police reform is already well under way. Lots of things have been happening, and I see them in my own constituency. We have significant new services in operation—for example, a mobile police station for rural areas. We have our first community support officers. We have £1.5 million of investment in a new police station in Glossop. We have had the very successful Operation Slipknot, whereby a major drugs ring was busted just a few weeks ago. Derbyshire has record numbers of police and has had a record fall in crime. That shows that things are working in my constituency as regards policing and the fight against crime. However, it is not a question of complacency, as there is much more to do.

One of the first antisocial behaviour orders in the country was imposed in my constituency. ASBOs have been welcome in the Gamesley area, where unacceptable behaviour contracts are bringing young people to book and encouraging positive behaviour, not just punishing bad behaviour. We are seeing positive leadership from police officers in our county.

I commend Derbyshire constabulary on being an active member of the local strategic partnerships that operate throughout the country. They advise others on how to work with other public services to help reduce crime across the board and to see what the police can do to help those other services deliver what they are there for as well. But most of all, we are seeing the development of neighbourhood policing. We are seeing the concept of the police officer in the allocated area with a telephone number and e-mail address, known to the people in the wards, building relationships, and that is working well. Only this weekend, a police constable said to me that, whatever happened at the top level, what was important was that the investment in neighbourhood policing should continue.

That is the agenda behind this reform. It is not about centralising control in regions but about devolving power and responsibility to the divisional headquarters, to the BCUs, and into the neighbourhoods. That is exciting and to be commended. I wonder if there really is an hon. Member who has more contact with their chief constable than with their BCU chief superintendent. When I refer constituency cases to the police, it is to the divisional headquarters, not the constabulary headquarters; it is to the chief superintendent, not the chief constable. Of course, I have a good relationship with the chief constable. I have even been to a Derby County football match with him; that is how good the relationship is. *[Interruption.]* Yes, I know, but we have to make sacrifices in this job. This really is about decisions made at chief superintendent level.

A few years ago, like a number of other speakers in this debate, I took part in the police service parliamentary scheme, and every aspect was a real eye-opener. I spent 22 days with police officers in Derbyshire and in the Metropolitan constabulary, really seeing what life was like on the front line for police officers. During that experience, I saw my first dead body. I helped to discover a cannabis factory. I found myself chasing down a street at night after a few kids with balaclava helmets and baseball bats, wondering what I was doing there. I was one of the first on the scene when an officer had been attacked with his own CS gas. We were searching an abandoned derelict building for young children who were missing at midnight. Those are the sort of pressures faced by our police officers, who are genuinely committed to what they are doing in the neighbourhoods as part of the strategy and regard themselves in Derbyshire as a police service rather than a police force.

As I started the police service parliamentary scheme, the Airwave project was being introduced. Police officers were cynical about it. They saw it as a big Government IT system that was bound to fail and questioned its advantages, saying that they were quite happy with their police radios. At the end of my participation in the scheme, 18 months later, Airwave was well established, without any fuss, on budget and on schedule. People were saying that it was wonderful and asking why they had not had it before. That innate conservatism, scepticism and cynicism about whether it would work and produce results was there at the beginning, but Airwave did work and demonstrated that police authorities and services throughout the country could deliver on such issues.

I do not mind whether we move to a Derbyshire and Nottinghamshire arrangement, or a wider east midlands arrangement. As I said to my hon. Friend the Member for South Derbyshire (Mr. Todd), I do not think that it matters where the headquarters is. What is important is that police are available in neighbourhoods. I also see this in the context of delivering more neighbourhood policies in families of schools, in primary care trusts with locality commissioning and in local authorities with local area agreements. All those policies look to more neighbourhood control and influence and more sensitivity to the delivery of services at that level.

This is an exciting set of proposals. I look forward to it being developed in harmony with the other proposals that are going on in different Departments, and I wish the Minister good speed and good luck with it.

9.4 pm

Alistair Burt (North-East Bedfordshire) (Con): Were an educated but ill-informed Martian to wander into this place and ask why this Government were both unpopular and had lost the confidence of professionals in the public services, we could do little better than refer him or her to the subject of this debate. In particular, had the Martian been observing this debate, he or she would conclude that any governing party that had the hon. Member for Crewe and Nantwich (Mrs. Dunwoody) on the Back Benches and the Home Secretary on the Front Bench was working in the wrong direction.

[Alistair Burt]

The Government's handling of this matter is a microcosm of what they get wrong in three respects. First, the consultation process and time scale never do justice to the complexity and seriousness of the issue being considered. Secondly, there is always a hint of menace in the Government if one does not do what they ask. Thirdly, they do not learn from their mistakes.

First, on the seriousness of the issues to be considered, we have heard plenty of serious speeches tonight. Had the Home Secretary approached the subject on the same basis as many of those speeches, which have called for longer to consider these matters, he would have been heard better. There are serious issues in relation to balancing local matters and larger-scale problems.

I do not want the Minister of State to talk to me about terrorism. Bedfordshire police authority is still reeling from having £400,000 removed from its budget this year, which was previously paid to it to look after the policing at Luton airport and to cover anti-terrorism measures. Bedfordshire does not need lectures from the Government about the importance of tackling terrorism.

We have not had answers in relation to serious issues such as accountability, the precept and other matters. Many colleagues mentioned the operational issue and asked whether forces will be moved from a low-crime area to a higher-crime area, bearing in mind that everything is run by targets and quotas these days. How can anyone in a low-crime area be sure that that will not happen when those who run the police force must respect the targets imposed by the Home Office?

The police authorities of the eastern area met today and could agree on nothing except that they did not want a regional force. They had different ideas on everything else. The Bedfordshire police authority voted unanimously last Friday to reject the idea of mergers. The county council passed a motion saying that it did not want any of this. In dealing with policing matters that are so important to all of us, it takes some genius for a Government to get so many people against them who reckon that they have got it wrong.

Secondly, there is the hint of menace from the Government. There is the time scale that suggests to the police authority that if it does not voluntarily co-operate and come up with a scheme, something will be imposed on it that it might not have wanted. If such an authority does not volunteer something quickly, money that might be available will be taken away. Which responsible senior officer could look at money that is available and decide not to go for it?

Thirdly, the Government are failing to learn lessons. The last time that the Home Office tried to foist something on Bedfordshire that was ill thought through, had money thrown at it and seemed to deal with a national problem, it was called Yarl's Wood detention centre, which went down in flames because of the ill consideration behind it. The Government do not learn the lessons from how they did things.

I asked parish councils in my constituency, which are affected by policing, what they thought of the proposals. I received 15 responses, three of which could be described as neither one way nor the other, while 12 were more or less vehemently against. One parish council summed it up succinctly. Mavis Knight, the clerk to Odell parish council wrote to me:

"Dear Mr Burt, Thank you for your recent letter . . . At a recent meeting, Odell Parish Councillors were somewhat derisory of the whole process and felt it a waste of time to respond with any particular option as they are of the firm opinion that this government has already decided which option is to be adopted. They are probably right, but obviously you are not in any position to agree with that premise!!! Kind regards, Mavis Knight."

I think that Mavis has got it bang right, and I agree with her absolutely.

9.9 pm

David Taylor (North-West Leicestershire) (Lab/Co-op): I am pleased to contribute briefly to this debate. I am aware that numerous colleagues also want to speak. I have often raised police issues in the Chamber—I have family links with the police, I have been a magistrate and a chair of my local safer communities forum, and my maiden speech concentrated on policing in North-West Leicestershire.

There is something of an anomaly in the debate tonight. We might have discovered a new phenomenon of the whole being less than the sum of the parts. We have heard many attestations to the quality of individual forces and the progress that has been made in particular areas, yet Opposition Members are quick to criticise, or set at low levels, the progress made in the police service as a whole.

I am very happy with the progress that we have seen in Leicestershire, where during eight and a half years of Labour government the number of police officers has risen from 1,950 to 2,311. I am reasonably happy about the increases in police grant, although I accept that the proportion of police funding required from council tax payers is probably too high, and causes problems to my constituents in particular.

An important example of progress—I have supported the Government strongly on it, although I have not always supported what they have done in the public sector—is the new role of community support officers. I have seen them in action in my constituency and throughout Leicestershire. There are 100 or more in the county, and they are doing an excellent job. I am very pleased with the way in which the initiative has worked in practice.

Leicestershire has a good force. Like every other Member, I have had regular contact with the local policing unit commanders, the area commanders and the chief constable, Matt Baggott, to whom I pay tribute. I pay even more tribute to the outgoing chair of the police authority, David Saville, who has done a magnificent job for eight and a half years.

That is the good bit. I have a criticism. Why are we changing what is a reasonable and decent force? Leicestershire is well known, rightly, for being an innovative and creative force. It is accessible, open and responsive, as I said earlier in an intervention. It

contains some 2,300 officers, serving a population of just under 1 million. How would we benefit from being absorbed, aggregated and expanded into a region containing nearly 4.5 million people and 10,000 officers?

I understand the argument that a force of a minimum size is necessary to tackle major crimes, serious organised and cross-border crimes, terrorism, civil contingencies, critical incidents and problems of public order. In Leicestershire and the east Midlands, however, there has been collaboration with some of the forces with which a merger may take place at some point. There has been a successful project involving Northamptonshire, Derbyshire, Nottinghamshire and Lincolnshire, which have jointly investigated drug trafficking, money laundering and the criminal use of firearms. Why, when we are seeing the benefits of exploratory piloting of such collaboration, do we want to run down this path far too fast?

I am baffled by the requirement for a decision from the constituent police forces by 23 December. The East Midlands strategic board, which represents collaboration by all the existing police authorities, has reluctantly concluded—that is my view, although it may not be the view of the board—that two options might work in practice, the whole-region option and the two-force option. The second option would involve Nottinghamshire and Derbyshire as one force and Lincolnshire, Northamptonshire and Leicestershire as the other. At its meeting on Thursday, the day before the deadline, the board concluded:

"Integral to the cost benefit analysis in respect of either option is a requirement for substantial initial and recurring expenditure that is well beyond any existing, or projected, means of the authorities."

As was mentioned earlier, the one-off implementation cost of an east midlands regional force would be £100 million, and there would be a continuing cost in the medium term of £30 million a year. The two-force option would cost £111 million, with a medium-term revenue cost of £50 million a year. I cannot believe that that is a sensible or coherent approach for the policing of the midlands and east midlands of England. The constituent authorities must be given more time and allowed to revisit other options than forced mergers. Collaboration and federation have some attractions and some benefits.

The authorities have been clear from the outset about the need to ensure partner and public consent to any proposed changes. A large-scale survey of people involved in the process has been undertaken. Surprise, surprise, the level of support for what is proposed and for the available options is very low indeed. Why are we going down this path? It will add nothing to the policing of the 4.5 million people of the east midlands or the 1 million people of Leicester, Leicestershire and Rutland.

9.15 pm

Mr. Owen Paterson (North Shropshire) (Con): I represent North Shropshire and, according to a combination of Her Majesty's inspectorate of constabulary's baseline assessment and the police standards unit, it is the No. 1 police force in the country even though it has the fourth lowest level of funding in the country. For example, we receive £94.38 per head from the Government, while neighbouring North Wales gets £116 and Staffordshire gets £107. I am not whingeing about money. What that means is that if West Mercia received the average of its surrounding forces, it would get £130 per citizen, which would provide an equivalent of 1,600 more police officers—and, hey presto, we would hit the magic 4,000 figure and there would be no need for an argument. The Government's threat to West Mercia is completely bogus on money grounds. The force has 2,380 officers, but if it were funded at the same level as its surrounding forces, it would have 4,000 officers.

The Home Secretary helpfully said in my local newspaper, the *Shropshire Star*:

"I do listen to what people say, but I also have to listen to what the police professionals are saying to me. My No. 1 criteria is the effectiveness of policing."

However, the Under-Secretary of State for the Home Department, the hon. Member for Slough (Fiona Mactaggart) was absolutely roasted in the café under Westminster Hall recently when she wholly failed to answer the questions put to her by Chief Constable Paul West and the chairman, Paul Deneen. She was unable to say where the 4,000 figure came from, to identify the statistics that backed it up or to clarify whether the proposal had been peer reviewed.

I take my hat off to Paul West. He is extremely brave. As a chief constable, he has been put in an impossible position by a request to destroy the force—a force that is his life's work. He told the Under-Secretary that speaking

"as Chief Constable of the best performing force"

it would not be possible for West Mercia to provide the same level of performance under a regional structure. Yet we have platitudes and bullying from the Minister for Policing, Security and Community Safety, who has just slipped out. She merely says:

"West Mercia as a standalone force does not meet HMIC's criteria . . . and is unlikely to deliver sufficient capacity . . . to meet the requirements for provision of protective services to national standards."

That is utter nonsense.

Already in West Mercia, we have a force that is going ahead towards strategic status on its own, backed by the remarkable analysis today from Professor Lawrance, statistics professor at the university of Warwick. He comprehensively rubbishes the statistical basis of the 4,000 figure. To provide a flavour of his argument, he refers to page 30 and states:

"This is an almost perfect example of how not to present a graph"—

the graph that illustrates the 4,000 figure. He argues that there are

"no scales on either axis, no data plotted . . . It is almost impossible to obtain any critical understanding from it, except that it is intended to prove that score for protective capability increases with force size. I can see very little hard evidence in pages 30 and 31 to justify the 4000 figure."

We have had an astonishing series of public meetings—more than 100—with massive support for the prospect of keeping West Mercia strategic. Support comes from all the 13 MPs in the area, all the county councils, all the district councils, 108 parish and town councils, 14 statutory organisations, 11 police community consultative groups and 15 community

[Mr. Owen Paterson]

groups. West Mercia has the capability to move forward. It is going ahead and intends to invest £2.5 million in 95 extra officers. The force has a record of level 2 care in respect of SAS Hereford, it handled Shrewsbury castle and Tern Hill when they were blown up by the IRA and it collaborated successfully with neighbouring forces at the Weston Park IRA summit and the G8 summit.

I give the force full marks for all of that and I want the Minister to assure me that Paul West and Paul Deneen will be given a fair hearing when they bring these proposals forward. I can assure the Minister that they will be considerably better prepared than the cack-handed proposals of the Government.

These proposals are totally alien to our traditions. In Elizabethan times, jury service and policing went together and citizens were expected to perform those functions. Ten years after Peel introduced his reforms, the royal commission demanded a national force but Parliament refused because it believed that policing should be rooted in our local communities. On that basis, I bitterly oppose this rushed and unnecessary attempt to bring about the greatest change in our policing in 100 years. It is based on totally bogus statistics, there is no justification for the hurry and it rides roughshod over the No. 1 police force in the country, which, on its own, would be a successful strategic force.

9.20 pm

Anne Snelgrove (South Swindon) (Lab): We in Swindon do not talk about the Wiltshire police; we talk about the Swindon police. That is because we have a good, well run local force that people identify with. They certainly do not identify with Wiltshire constabulary. It is very rare to find a Swindonian who says that they are Wiltshire first and Swindon second, so discussions about Wiltshire constabulary losing its identity do not trouble my constituents. What they want is what they already have: a Swindon police force that responds to Swindon's needs, delivering the low-crime town that we already have. However, my constituents also want the reassurance that, should a threatening incident occur over and above the usual crimes that our force is good at dealing with, an organisation is in place that is able to respond immediately and with sufficient dedicated resources.

Therein lies the rub. We are pleased with our force's performance on level 1 crimes, but level 2 crimes and major incidents are currently excluded from such measurement. It is unlikely that Wiltshire will do well in this area. With a force of some 1,000 constables, it does not have the capacity to respond to exceptional major incidents, but unfortunately there is little evidence that the police authority accepts that. It is overly concerned with the identity of Wiltshire, to the detriment of pressing national policing needs.

As Members have said such attitudes are bound up with the possible local government review and the precarious position of the county councils. Any suggestion that county identities should go is fought tooth and nail. Sadly, Wiltshire police authority is unlikely to make a recommendation to the Secretary of State, other than to recommend the loose federation of police authorities that it proposed in its last letter to the Home Secretary. Of course, such a structure is largely the same as the existing one; if it were adequate, Her Majesty's inspectorate of constabulary would have said so in its report.

A federation would be little more than a talking shop, with all the associated inherent problems. Would it have to convene a meeting to decide how to respond to a terrorist attack? If that is the plan, my constituents will not be very impressed. Federations are likely to be dominated by larger forces, and such an arrangement would be much worse than the current one for small forces such as Wiltshire. However, Wiltshire police authority has made it clear that it will sit on the fence and make the Home Secretary take the decision. That will not meet the needs of my constituents, either, and I cannot support the police authority if it decides to follow that course.

We are not living in the time when the police boundaries were first drawn, and nor are we living in the first Elizabethan age—we are living in the second Elizabethan age. International terrorism and serious and organised crime do not respect historical boundaries. Indeed, they are likely to thrive on them, as they do not reflect current crime patterns. I do not want to have to explain to my constituents that our police force could not respond adequately to a major incident because the police authority's elected members were more concerned with protecting the identity of Wiltshire than with protecting the safety of the people living in it. I have not heard from Opposition parties any proposals that offer a serious and realistic alternative to the Government's proposals for fighting the serious and organised crime that HMIC has identified that we need to fight.

As I have made clear, the removal of the Wiltshire constabulary is unlikely to trouble the people of Swindon. What my constituents want is good local policing, backed up by the reassurance of strategic policing for major incidents. It may be one of the smallest forces, but Wiltshire consistently outperforms most of the other constabularies in its group, thanks in part to its neighbourhood policing policy. I was pleased to note the reassurances given about that aspect of police work. Indeed, Ministers have gone to great lengths to make it clear that neighbourhood policing can co-exist quite happily within larger strategic forces. They are right to say that neighbourhood teams will be protected if dedicated teams for major incidents are created; that means that individual officers will not be taken away from their local duties. That is what we want in Swindon. Our local police commanders have made excellent contributions to neighbourhood teams in Swindon—they have led the way. I hope that my right hon. Friend the Minister will visit us in Swindon to see what we have done with the local authority, housing, health and education, as well as the police authority.

I commend the Home Secretary and Ministers on the rapidity of their response to the O'Connor report—*[Laughter.]* Unlike Opposition Members, I do not find it amusing that we face serious policing difficulties. We do not have the luxury of delaying reform—the last restructuring took 10 years—as they suggest and I am glad that my constituents have the backing of the Government for that restructuring.

9.25 pm

Mr. Mark Francois (Rayleigh) (Con): I am grateful to be called to speak in this debate, partly because I have been helping to co-ordinate a campaign against the changes among MPs in Essex on a cross-party basis, as I shall explain in a moment. I also look forward to an opportunity to vote against the proposals one way or another in the new year.

There are several reasons for opposing these ill thought-out proposals, which I shall attempt to summarise in four and a half minutes. First, they enjoy little or no public support, and certainly not in Essex. The *Evening Echo*, which covers most of the south of the county, ran a telephone and internet poll that showed that almost 70 per cent. of respondents want to keep Essex constabulary as a stand-alone strategic force. Only 4.1 per cent backed the Government's preferred option of a six-county regional merger.

Secondly, the reforms would make policing more remote. Essex is one of the largest counties in England, with a population of 1.5 million people. It is also very diverse, with a highly urbanised south and a mainly rural north. It is nonsense to suggest that a regional chief constable based in Cambridge would be more in touch with how to police Essex than one based in Chelmsford in the heart of our county.

Thirdly, there are important issues of accountability. County forces have a sense of identity to which people can relate. If we believe in policing by consent, we must do everything that we can to retain that, and these proposals do not. Fourthly, they raise the prospect of the politicisation of the police. We have a proud tradition in this country that our police are non-political, but if we have 12 regional super-forces, they would inevitably come under stronger political control from the Home Secretary. We had an inkling of that in the debate on terrorism when some chief constables, though thankfully not ours, wrote to MPs to advise us on how to cast our vote. We do not want to go any further down that route.

Fifthly, the reforms will be expensive for little benefit. The APA has already estimated that the whole exercise could cost more than £500 million. There will be massive costs and it will also lead to an increase in council tax. The standard Essex precept is £105 for policing, compared with £145 in Norfolk. With the greatest respect to my colleagues from elsewhere in East Anglia, Essex council tax payers pay enough council tax as it is. They do not want to pay even more to subsidise policing in other parts of East Anglia.

Sixthly, the merger is not necessary to combat terrorism, as I pointed out in an earlier intervention, when I quoted my own chief constable in Essex. Seventhly, with all the house building that is likely to take place in Essex, much as I resent it, our policing strength on a pro rata basis will rise well above the 4,000 limit in a few years and thus comply with the Government's arbitrary target.

Crucially, the proposals are now opposed on an all-party basis in the county. Essex police authority, which is chaired by Councillor Robert Chambers and is all-party, has now formally come out in favour of the stand-alone option. At a meeting in Chelmsford last Friday, its members voted overwhelmingly for the option that Essex should stand alone as a strategic force, and the authority will submit that opinion to the Home Office to comply with the 23 December deadline. In addition, the chief constable of Essex, Roger Baker, who had previously had some sympathy with the suggestion of a regional merger—as the Minister will know—has now backed the Essex stand-alone option on behalf of the force and the people it protects.

There is all-party opposition among Essex Members of Parliament. Last week, 15 of the 17 MPs in Essex signed a pledge in defence of Essex constabulary and expressed their formal support for option 4—that Essex should stand alone. They included the hon. Member for Colchester (Bob Russell)—who is in his place—a Liberal Democrat, and the hon. Member for Thurrock (Andrew Mackinlay), a Labour Member, as well as all the Conservative MPs in the county. Therefore, I may claim genuine cross-party support on the issue. Feelings are running high on both sides of the House tonight, but as far as I know, we are the only county for which MPs from all parties have come together and formally signed a pledge in defence of maintaining our force. The Minister ignores that at her peril. Shortly, I shall write to her and the Home Secretary with a copy of that pledge so that she can see the strength of feeling for herself.

I have been an MP for only about four years, and this is one of the liveliest debates in which I have participated—certainly in terms of the opening speeches. Again and again, Members on both sides of the House have spoken out against the proposals. In policemen and women, we are talking about a breed of people who do a special job. In essence, they defend us and our constituents. Tonight, MPs of all parties in the House have united to defend them.

If policing by consent still means anything to the Government, Ministers should listen to elected representatives on both sides of the House who have been sent here to speak on behalf of their police and their constituency. I say to Ministers: think again and make the changes go away.

9.30 pm

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): I welcome the report and follow my colleague, my hon. Friend the Member for Wolverhampton, South-East (Mr. McFadden), who is unfortunately no longer in the Chamber, in saying that my force, the West Midlands force, welcomes the proposals. It has taken action and made proposals within the time scale.

I spoke not only to the force management but to Paul Tonks, the secretary of the West Midlands police federation. He commented that he was surprised that the reforms had not happened before; the federation was in favour. If both management and practitioners at local level are in favour of the reforms, there must be something going for them.

Public opinion has been prayed in aid for many solutions to the gaps identified in our policing. As with all public consultation, however, it really depends on the question that is asked. If we asked the public whether it was acceptable for only 13 of our 43 police forces to have specialist murder squads, they would say no. If we asked whether it was acceptable that only 6 per cent. of big criminal gangs are targeted every year, they would say no. Is it acceptable that only seven of the 43 forces

[Mr. Adrian Bailey]

deploy special branch officers in support of local neighbourhood teams? The public would find that shocking, too. In addition, I have evidence from local people who complain that their local police are diverted to other police forces when a major incident takes place elsewhere, and are thus unable to carry out their neighbourhood policing duties.

There are huge gaps in our level 2 policing that must be addressed but, unfortunately, I have heard no coherent argument from Opposition Members about how that should be done. I have heard the Kent solution and the Hampshire solution. I have heard about a bit of federation here and a bit of collaboration there, but all those solutions were examined in the O'Connor report and rejected as not fit for the purpose we want—for our police forces to be able to deal adequately with level 2 crime.

I accept that the consultation period was short. Having been in local government for many years, I know that public authorities will take as long as they are given for consultation. Indeed, as has been said, the last police reform started in 1960 and finished in 1974. We no longer have that sort of time. We live in an age where technology and its criminal use move at such a pace that delay assists only the criminal. Given the figures outlined in the O'Connor report, the public will be on our side and will say that the Government need to address the issues urgently.

I want to emphasise an issue raised by other Members, but it is essential to keep hammering home the point: at the end of the day, the public will judge their local police on how they respond to antisocial and neighbourhood problems. An improvement in level 2 policing will have a constructive impact on the number of police available and perhaps result in the diminution of crime and antisocial behaviour at a local level. However, it is incumbent on the Government to ensure that as they make the changes and give level 2 policing a measurement of performance management, they do not take their eye off the ball on local policing. Level 2 policing must not be carried out to the detriment of local policing.

Mr. Edward Garnier (Harborough) (Con): Will the hon. Gentleman give way?

Mr. Bailey: I do not have time.

I emphasise the fact that we must control costs, because we will be judged on local impact and the size of the bills that drop through people's letter boxes.

9.35 pm

Bob Russell (Colchester) (LD): I shall be brief because of the time.

The hon. Member for Rayleigh (Mr. Francois) mentioned the support throughout Essex for the retention of Essex as a stand-alone police force. The force is already on top of its case and has 3,200 police officers. When the Minister for Policing, Security and Community Safety winds up the debate, will she set out the number of officers between 3,200 and 4,000 that would be sufficient for the force to stand alone? The right hon. and learned Member for Folkestone and Hythe (Mr. Howard) made an excellent case for why Kent police should stand alone, and I suggest that it was identical to the argument why Essex police should stand alone.

Who is exerting pressure by saying that the people of Essex would be better served by a force that was amalgamated with Hertfordshire, Bedfordshire, Cambridgeshire, Norfolk and Suffolk, because all the evidence shows that the Essex force operates perfectly well on its own? Will the Minister comment on the Prime Minister's verbal response to the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale) that he would ensure that the Government would examine the case for Essex to stand alone if evidence to support that were produced? Will she assure the House that what the Prime Minister said was the truth and that the Government will listen and act if such a case can be made?

9.37 pm

Laura Moffatt (Crawley) (Lab): I have only a couple of minutes, but I am grateful for the opportunity to contribute to the debate. I know that most of us have looked carefully at the plans, but I have become more and more suspicious that those who oppose them are doing so for many other reasons than their desire to make our police force more effective. I became incredibly suspicious when I had a dialogue with the Sussex police authority, and fast realised that because I did not take its point of view it did not want to be bothered to hear from me. I firmly believe that we need to address the question of our borders and to tackle the crime with which most people now—thank goodness—have no contact. People are worried about crime in their communities.

I have one question for the Minister for Policing, Security and Community Safety, although I firmly believe that I know the answer to it—*[Laughter.]* I am glad that Opposition Members find that funny, because we in Crawley do not. We think that policing is incredibly important. When I had my regular meeting this morning with my divisional commander, did we talk about force structure or the strange debates that are going on? No, we did not; we talked about how policing is better for people in my community, how we can tackle young people who hang about on parades, how the local strategic partnership can tackle problems and how our increased number of community support officers can do the job that they want to do. That is what matters. People do not say that they want Sussex police to turn up. They want a police officer in their neighbourhood and that is precisely what they will get. They get that now and I am glad to say that they will get it with a changed structure. I want to ensure that we move ahead and have the police authorities that we deserve.

9.39 pm

Nick Herbert (Arundel and South Downs) (Con): I regret the contribution just made by the hon. Member for Crawley (Laura Moffatt), who is completely out of step with the views of other West Sussex Members of Parliament, her own chief constable and the police authority, all of whom have expressed grave concern about the impact of amalgamation on policing in the county.

It will not have been lost on the Government that of, by my count, 26 speakers, only five Government Members were willing to defend the Government's proposals, and many of them offered only a qualified defence. Great concern has been expressed about the proposals. The right hon. Member for Southampton, Itchen (Mr. Denham), who is Chairman of the Home Affairs Committee, voiced concern about the inability of any proposed amalgamation to cross borders.

Mr. Peter Bone (Wellingborough) (Con): Will my hon. Friend give way?

Nick Herbert: I have very little time, so if my hon. Friend will forgive me, I will not give way.

We face an absurd situation in which Dorset would be unable to amalgamate with Hampshire, even if it wanted to. Many hon. Members representing Welsh constituencies, including the hon. Members for Clwyd, South (Mr. Jones), for Ynys Môn (Albert Owen) and for Meirionnydd Nant Conwy (Mr. Llwyd), made the same points in relation to the inability of North Wales police to merge with the Cheshire force, as did the hon. Member for South Derbyshire (Mr. Todd), who bravely suggested that Derbyshire might make a foray into Staffordshire.

The Opposition fear that in proposing the amalgamations, the Government are pursuing the regional agenda that we have seen in planning, health care and fire services. There is a simple remedy for our fears: if the Minister is not pursuing that agenda, she need only agree to a straightforward request to allow mergers across borders. If she will not agree to that, we shall have a clearer idea of what the proposals are about.

Conservative Members, including my hon. Friend the Member for North Thanet (Mr. Gale), spoke about the British Transport police, whose position in London is a special one. My hon. Friend's concerns were echoed by the hon. Member for Crewe and Nantwich (Mrs. Dunwoody). Having met the British Transport police authority, I believe that there are compelling reasons why the BTP should remain a separate, independent organisation. For example, the London underground extends beyond Metropolitan police force boundaries, the British Transport police pursue mainly level 1 policing functions, and soccer trains are run across county borders.

The Conservatives accept that some policing functions are best performed at national level. We would not go so far as to take up the suggestion made by the hon. Member for Winchester (Mr. Oaten) to extend the powers of SOCA, but we are grateful to him for taking up our proposal for a border police force. I hope that his brave adoption of a Conservative policy will not harm his bid for the leadership of his party. We strongly reject the concept of a national police force and we are delighted that the Home Secretary has ruled that out, but we remain concerned that the creation of regional forces will be a step towards greater centralisation, which could lead inexorably to the creation of a national force.

Several hon. Members questioned the central premise of the report, which is that a force requires at least 4,000 officers to deal with level 2 crime. My right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard) pointed out that John Giffard, the chief constable who is charged with driving the Government's proposal, told Kent police authority that that threshold simply did not matter. The O'Connor report itself makes the point that

"some smaller forces were almost as successful as the majority of larger forces, whilst two relatively large forces"—

with 5,000 or more staff—

"received surprisingly low scores."

As my hon. Friend the Member for North Shropshire (Mr. Paterson) said, the weakness of the arbitrary figure of 4,000 staff can be seen if one reads the O'Connor report. There is a central graph designed to show that bigger forces are more successful in maintaining protective services—but there are no scales on it. What does that tell us about the integrity of the research? Each force on the graph is represented by an unnamed dot. We do not know how each force performed because that information is not available to us in the report. Perhaps the Minister will agree to report it. We do not believe that a case for amalgamation can be hung upon such tenuous evidence, particularly when the consequences would be so profound.

My hon. Friends the Members for Reigate (Mr. Blunt) and for Rayleigh (Mr. Francois) referred to unequal precepts. Sussex police authority has said that if it were forced to merge with Surrey that would increase the police element of the council tax in Sussex by 20 per cent. West Mercia police authority has said that the regional West Midlands force, taking in Staffordshire, Warwickshire, West Midlands and West Mercia, would lead to council tax falling in Staffordshire, West Mercia and Warwickshire but that in the west midlands it would rise and £30 would be added to the average council tax bill. That would lead to great local resentment at a time when levels of council tax are rising unacceptably. Perhaps the Minister will tell us how she would deal with the problem of equalisation of precepts.

The Government's case for merging police forces rests on achieving savings that can be ploughed back into enhancing protective services. The Minister, in her interview in *The Daily Telegraph* this morning, said:

"The whole aim here, by having larger forces, is to give us some re-organisation of the business so that we can reinvest in these Level Two services".

The report said that the savings could be £70 million a year.

How did the report arrive at that figure? It seems to have assumed savings of 1 or 2 per cent. of spending. We do not know what those savings are. How can savings on this scale be properly estimated if the structure of the service and the number of amalgamations is not known? There are no supporting calculations to back up the estimate. The figure appears to have been written on the back of an envelope. Even if £70 million is right, that is just 0.6 per cent. of the total budget of policing, which is £11 billion a year.

The Government's case is even less convincing since they have no idea of what amalgamations would cost. The report admitted that there would be costs but did not quantify them. The Home Secretary's first letter to chief constables did not mention the costs of amalgamations. His second letter recommended borrowing to meet the costs of merger. It took a third

[Nick Herbert]

letter, two working days before the debate, for the right hon. Gentleman to recognise that the cost would be significant. He had decided to set aside up to £125 million of capital funding to support authorities and forces committing to an early merger.

We all know why he had to do that. Costly climb-downs appear to be in fashion on the Government Benches today. Where is the money coming from? It does not appear to be new money. The Home Secretary has raided the budget for police capital spending. The sum of £125 million would have been invested in police services and could have been invested in enhancing protective services. That money will now be spent, wholly unnecessarily, on amalgamating forces.

We are concerned also about accountability. The Government have not thought seriously about the issue. The O'Connor report points out that the number of basic command units upon which the Government have been relying for suggesting that there will still be elements of local policing has already fallen from 320 to 230 in just three years. The existing size of police authorities is 17 members. I understand that the Government have said that they are willing to increase that size to 23. If a police force area and the population that it serves doubles or trebles, by definition each member of the public has less representation unless the authority is increased in size by the same proportion.

As Sir Ian Blair said in his Dimbleby lecture last month,

"Every lesson of every police inquiry, not only the issues that give rise to antisocial behaviour but also those that give rise to criminal activity and to terrorism begin at the most local level, and it is the threat to that local policing that most concerns us about these proposals."

I wonder whether the Minister will tell us why she has not been keen to pursue the idea of federations, which was supported strongly by hon. Members on both sides of the House. My hon. Friends the Members for South-East Cambridgeshire (Mr. Paice) and for Eddisbury (Mr. O'Brien) and the hon. Member for Cheltenham (Martin Horwood) all said that it would be possible for police forces to share functions, and that that may be a much lower-cost option as a way of strengthening strategic services in future.

Finally, it is the speed at which the debate has been pursued that has most discredited the Government. Hon. Members on both sides of the House complained about that. The manner in which the Government have driven the debate is worrying—there has not been any time for debate, and there has not been a vote. On 5 April—the eve of the election campaign—the Government commissioned the O'Connor report. The Minister for Policing, Security and Community Safety said in a letter to Sir Ronnie Flanagan, the chief inspector:

"The next stage of the review should be low-key in terms of publicity".

I wonder why she issued such advice just before the election campaign.

The Government have simply failed to make the case for amalgamation. In 1994, in a debate on the Police and Magistrates' Courts Bill, it was said that

"a wholesale amalgamation of the smaller police services . . . will remove local policing further from local people when there is no evidence that it will create a more effective police service."—[*Official Report*, 5 July 1994; Vol. 246, c. 273.]

That was said by the right hon. Member for Sedgefield (Mr. Blair), who was then shadow Home Secretary. He was right then, and he is right now.

9.50 pm

The Minister for Policing, Security and Community Safety (Hazel Blears): May I welcome the hon. Member for Arundel and South Downs (Nick Herbert) to his Front-Bench role? I am sure that he will enjoy it and the opportunity to work with the police.

I shall try to respond to as many contributions as possible. Twenty-seven Members spoke, which shows the level of interest on both sides of the House in the future of our police services and their importance to local people. I was a little disappointed that Opposition speeches did not include a single contribution by a female Member of Parliament. Indeed, I do not think that a female Opposition Member even attended the debate, which is not the face of the new Conservative party that we want to see. The right hon. Member for Haltemprice and Howden (David Davis) made a disappointing contribution, in which he argued for the "do nothing" option. He often says that he wants efficiency, but he was not prepared to make any of the bold and courageous decisions that the Government are prepared to make. May I remind him of the history of the proposals? The right hon. and learned Member for Folkestone and Hythe (Mr. Howard) is in the Chamber and, in June 1993, just before he replaced the right hon. and learned Member for Rushcliffe (Mr. Clarke) as Home Secretary, a White Paper on police reform was published. It said that "the pattern" of 43 forces

"is partly the result of historical accident and the merging of organisations established haphazardly over more than 100 years . . . The result today is a patchwork quilt of forces of widely varying sizes and types. . . It is questionable whether 43 separate organisations are now needed to run police operations and whether the maintenance of 43 parallel organisations makes the most effective use of the resources available to policing."

Twenty-three years ago, the Conservative Government were not prepared to grasp the nettle and make the decisions that needed to be made. History has therefore repeated itself.

The hon. Member for Winchester (Mr. Oaten), like other hon. Members, commended the ability of our police forces to respond. He acknowledged that changes were taking place, and that there were new challenges in relation to serious and organised crime. However, there is not a blueprint, redprint or any other kind of print in the Home Office to redraw the map, which is why we asked forces and authorities to submit proposals. I can tell the hon. Gentleman and other hon. Members that, as a result of those proposals, the links of the locality will be stronger, not weaker—a point that has been made by several Government Members.

Several hon. Members *rose*—

Hazel Blears: I am afraid that I will not give way, as I have seven minutes to try to deal with 27 contributions, and I will do my best to do so.

I was grateful for the support of my right hon. Friend the Member for Southampton, Itchen (Mr. Denham), who asked us not to be too rigid on coterminosity and Government office boundaries. We included that issue in the original criteria for logical and coherent reasons, because prevention of crime, young people, social services, education and drug action teams are significant considerations, and it is important to align such services with policing services. Only 50 per cent. of work to tackle crime is pure policing business—the rest of that work is conducted in conjunction with a range of organisations. Where there is a compelling case for going against those criteria, we would look at that, but it is the responsibility of Government to set criteria in the first place.

My hon. Friend the Member for Ynys Môn (Albert Owen) had some understandable concerns. We have met Welsh Members on four or five different occasions and I am happy to continue having those discussions. North Wales has a good record on neighbourhood policing. I have visited the force and seen it for myself, and it is one of the excellent forces. Again, it will be important for North Wales police to continue to collaborate with the Cheshire force, whatever the future of the strategic force, because that is an important relationship to maintain, as various hon. Members have said.

The right hon. and learned Member for Folkestone and Hythe (Mr. Howard) asked whether the 4,000 figure for the size of strategic forces was a completely hard-and-fast rule. Denis O'Connor rightly said in his report that there was a clear correlation in respect of the size of force; but, again, we have said if Kent police want to work up the stand-alone option—they are doing so—and if it provides protective services in a proper way, we will consider it.

Bob Russell: Essex.

Hazel Blears: The hon. Gentleman is shouting "Essex" at me. If he calms down, I will come to him in a moment.

Again, if Essex police want to work up that option, we will consider it, but all hon. Members should realise that this is not simply about looking at individual solutions. As any Government would, we must also consider the national landscape and what works in each region—that is a careful balance to make—so we will look at the options, but we will not make the wrong decisions simply because they are based on individual forces. We will consider how the forces interact and at how the whole business is configured.

My hon. Friend the Member for Clwyd, South (Mr. Jones) made some important points about his police area, and I can reassure him about strength and accountability at BCU level.

The hon. Member for North Thanet (Mr. Gale), with his extensive experience of the British Transport police, made some important points, and he knows that the Department for Transport is conducting a review that, we hope, will feed into some of our considerations.

My hon. Friend the Member for Wolverhampton, South-East (Mr. McFadden), who has had to leave, put the emphasis in a very lucid contribution rightly on tackling antisocial behaviour and local crime. Again, I can reassure him about strengthened accountability arrangements at BCU level. We are committed to looking at the idea of local police boards, whereby local communities will be able to set priorities and have a much greater input than they currently have.

The hon. Member for South-East Cambridgeshire (Mr. Paice) has extensive knowledge from his experience of being Opposition police spokesperson, but he must also know about the links between the local communities and the volume of crime at BCU level, and then between the strategic level and serious and organised crime. They are absolutely connected, and I would not want the role of tackling all serious and organised crime to be taken over by SOCA, thus losing those essential links with community intelligence.

Several hon. Members have spoken about collaboration and federation. I am not convinced that collaboration would take us anywhere on the journey that we need to take. There have been several examples of forces that have tried to collaborate, but other forces have not provided resources and there has been no real buy-in and no real ownership. That would not get us results.

My hon. Friend the Member for Middlesbrough, South and East Cleveland (Dr. Kumar) made some very powerful points, and I acknowledge his support for local policing over very many years. If police authorities do not submit cases by 23 December, we will continue to work with them throughout January and continue to offer support, but if, at the end of the day, we have to make decisions, we will clearly need to do so.

My hon. Friend the Member for South Derbyshire (Mr. Todd) made some important points, again, about collaboration. I have discussed the matter with him, and I am not convinced that it is necessarily the way forward. My hon. Friend the Member for Newport, West (Paul Flynn) wants no change, but I am afraid that, with the serious threats that face us, that is not an option either.

My hon. Friend the Member for Wrexham (Ian Lucas) is absolutely right about the importance of good neighbourhood policing, and I acknowledge, again, his concerns about the relationship with Cheshire police. My hon. Friend the Member for High Peak (Tom Levitt), in an excellent speech, talked about the good collaboration that Derbyshire police have. They are a very good force, as well, in dealing with domestic violence and sexual offences, and I hope that they can spread that good practice among other forces.

My hon. Friend the Member for North-West Leicestershire (David Taylor) also argued for no change. Again, we must look at the position across the country. He understands the arguments and the serious threat that faces us.

The hon. Member for North Shropshire (Mr. Paterson) has his report on statistics. We also have a report that expands the HMIC report, and I hope that he will look at it.

My hon. Friend the Member for South Swindon (Anne Snelgrove) made an excellent speech in support of the idea of creating strategic forces. My hon. Friend the Member for West Bromwich, West (Mr. Bailey) also made an exceilent speech, with an analysis of the gaps in

[Hazel Blears]

our capacity. Again, my hon. Friend the Member for Crawley (Laura Moffatt) showed a real grasp of the new threats that face police authorities in this country.

We have seen a fairly unholy alliance among the Opposition parties. I wonder whether we have seen the new Liberal Conservatives, or the Conservative Liberals, united on a no-change option. Perhaps we are seeing a new merger not of police forces but of—

It being Ten o'clock, the motion for the Adjournment of the House lapsed, without Question put.

BUSINESS OF THE HOUSE

Ordered,

That, at the sitting on Thursday 12th January—

(1) the Speaker shall put the Questions necessary to dispose of proceedings on the Motions in the name of Mr Secretary Darling relating to the Crossrail Bill not later than two hours after the commencement of proceedings on the first Motion; such Questions shall include the Questions on any Amendments selected by the Speaker which may then be moved; proceedings may continue, though opposed, after the moment of interruption; and Standing Order No. 41A (Deferred divisions) shall not apply; and

(2) proceedings on the Motion for the Adjournment in the name of the Prime Minister relating to Security of Energy Supply may continue, though opposed, for three hours or until Six o'clock, whichever is the later, and shall then lapse if not previously disposed of.—*[Mr. Watts.]*

FOREIGN AFFAIRS

Ordered,

That Mr. Andrew Mackay be discharged from the Foreign Affairs Committee and Mr David Heathcoat-Amory be added.—*[Joan Ryan, on behalf of the Committee of Selection.]*

ARMED FORCES BILL

Ordered,

That Vera Baird, Mr Simon Burns, Mr David Burrowes, Mr Alan Campbell, Ben Chapman, Mr George Howarth, Mr Gerald Howarth, Mr Kevan Jones, Robert Key, Sarah McCarthy-Fry, Mr Michael Moore, Bob Russell, Jim Sheridan and Mr Don Touhig be members of the Select Committee on the Armed Forces Bill.—*[Joan Ryan, on behalf of the Committee of Selection.]*

PETITIONS

Broseley Leisure Centre

10 pm

Mr. Philip Dunne (Ludlow) (Con): I present a petition on behalf of the users of Broseley leisure centre, which

Declares that there is a social requirement for a multi-purpose leisure facility in Broseley in order to meet the needs of the local community.

The Petitioners therefore request that the House of Commons make Broseley Town Council and Bridgnorth District Council aware of the petitioners' concerns.

And the Petitioners remain, etc.

To lie upon the Table.

May Avenue (Castle Point)

10.1 pm

Bob Spink (Castle Point) (Con): Like many communities in south Essex, Castle Point faces a new plague. We are becoming flat-land, with good houses demolished to make way for massive blocks of flats that harm neighbours, do nothing for the street scene and place our already over-burdened infrastructure under even greater pressures. The drive of the Office of the Deputy Prime for more building and yet higher densities is causing that, and it is damaging our communities. It must stop.

The petition states:

The Petition of residents affected by the plan to build an additional twelve flats in May Avenue, Castle Point,

Declares that the plan to build twelve flats in May Avenue will be detrimental to the Petitioners as local residents and also to the wider community of Castle Point, which is already overdeveloped for the infrastructure that exists.

The Petitioners therefore request that the House of Commons call upon the Government to do all within its power to ensure that Castle Point Borough councillors reject the application.

And the Petitioners remain, etc.

To lie upon the Table.

Essex Police Force

Bob Spink: I am privileged to present a separate petition that, like my early-day motion 1010, seeks to resist the Government's drive to replace our local police force with a merged, more remote body that, if the excellent survey by the *Evening Echo* is anything to go by, is very much against the wishes of the people of Essex.

The petition states:

The Petition of residents of Essex,

Declares that they wish to support option four of a stand alone strategic police force for Essex and they object to Government plans to merge police forces which would lead to unacceptable centralisation with the possibility of political control and higher costs, and with less local control and accountability of the police; and they welcome the cross-Party actions of Essex MPs to save Essex Police Force.

The Petitioners therefore request that the House of Commons call upon the Government to withdraw its dangerous and politically motivated policy of merging police forces and retain Essex Police Force in its current format.

And the Petitioners remain, etc.

To lie upon the Table.

Thundersley (Toilet Facilities)

Bob Spink: My third petition is again quite separate. I present it on behalf of the people in Thundersley in Castle Point, who wish the provision of a decent set of public toilets in Thundersley village to be maintained. One of the measures of a decent borough council is that it maintains good facilities, particularly for the elderly.

The petition states:

The Petition of the residents of Thundersley area and others,

Declares that Castle Point Borough Council is not providing toilet facilities in Thundersley Village. These facilities are very much needed and can be easily made safe for all users by proper

design and management. The petition further declares that other councils provide decent toilet facilities and that the level of council tax in Castle Point is extremely high.

The Petitioners therefore request that the House of Commons call upon the Government to do all within its power to ensure that Castle Point Borough councillors provide the toilet facilities we need.

And the Petitioners remain, etc.

To lie upon the Table.

Gloucestershire Constabulary

10.4 pm

Mr. Mark Harper (Forest of Dean) (Con): This is a petition from the residents of Gloucestershire, supported by my hon. Friends the Members for Cotswold (Mr. Clifton-Brown) and for Tewkesbury (Mr. Robertson) and the hon. Member for Cheltenham (Martin Horwood). It has been signed by 1,037 residents of Gloucestershire and the shadow Home Secretary.

The petition states:

The Petitioners therefore request that the House of Commons note the commendations bestowed upon the Gloucestershire Constabulary; the excellent quality of service that is provided by the Constabulary and the Constabulary's excellent capability to address criminality in Gloucestershire. The Petitioners further request that the House of Commons urge the Home Office to maintain the Constabulary as an independent force and give support to the Constabulary to continue its independent programme of development for the people of Gloucestershire.

And the Petitioners remain, etc.

To lie upon the Table.

Internet (Rogue Dialling)

Motion made and question proposed, That this House do now adjourn.—*[Kevin Brennan.]*

10.5 pm

Mr. Bob Blizzard (Waveney) (Lab): After a lengthy and, dare I say it, extended debate about police force boundaries, I want to focus on the victims of a particular crime—we always say that we want to put victims first. I am grateful for the opportunity to bring to the attention of the House the appalling situation that 19 households in my constituency have experienced as victims of what has become known as internet rogue dialling. I also want to discuss the dismal treatment that those constituents have received as BT customers and highlight the regulatory mess, from which we are now emerging with the help of the Minister for Industry and the Regions, my right hon. Friend the Member for Cardiff, South and Penarth (Alun Michael), but which still leaves my constituents and thousands more all over the country as out-of-pocket victims who feel that they have been living a nightmare.

Although there have been various problems associated with premium rate service abuse, I am discussing one specific type of scam—for "scam", read "crime". It did not involve the victims making any judgments or misjudgments while using the internet, and it did not involve misleading online advertisements or offers that might have lured people into such a predicament. All my constituents did was open their telephone bill and find charges, usually for hundreds of pounds, for calls that they never made. The largest charge was for more than £800, and those people can prove that they never made those calls.

Ofcom accepts that that is what happened, and it has provided me with a briefing for this debate:

"There exists a type of 'rogue' dialler using premium rate ('09') international and satellite numbering that proved to be a serious virus type problem during 2004 and resulted in substantial levels of consumer harm. This resulted in ICSTIS receiving an unprecedented volume of complaints and enquiries from consumers about this activity. The majority of those cases involved websites simply installing diallers without permission and with stealth, resulting in consumers receiving high bills and subsequently disputing them on the grounds that they had no knowledge these calls were being made."

The rogue calls were usually to an obscure, faraway place, in the case of most of my constituents, the island of Tuvalu, which I confess that I had never heard of until I took up this matter, and a wave of complaints was made to BT, the police and the regulators. The matter was highlighted in East Anglia by BBC "Look East", but other victims have subsequently contacted me from all over the country.

BT has also provided me with a brief, which states:

"at one time some 2,000 cases were being reported daily to ICSTIS; ICSTIS were taking up to 26 weeks to conclude investigations; ICSTIS often did not know who ran the services in order for customers to approach them to their money back as records were not up to date, and some unscrupulous terminating comms providers dragged their feet in complying with requests to update ICSTIS; ICSTIS had no real 'teeth' to make them comply".

It is clear that BT tended to blame the Independent Committee for the Supervision of Standards of Telephone Information Services.

[Mr. Bob Blizzard]

The real problem was that whoever people complained to, BT said, in effect, "It's not me, guv—it's not my fault." One of my constituents, Mr. Gasson, received a bill for more than £600-worth of calls that he never made. He spoke to BT and then contacted the police, who referred him back to BT. Since then, he has been pursued for payment and there have been heaps of correspondence between him, myself and BT. Today, he has been cut off for not paying for something that he never bought.

Mr. Peter Bone (Wellingborough) (Con): I congratulate the hon. Gentleman on securing this important debate. The case that he describes is extraordinary. Had it been a credit card, the credit card company would have to refund the money. Why is BT not refunding it?

Mr. Blizzard: The hon. Gentleman has taken the words right out of my mouth. The key principle of this case, which applies to all commercial transactions, is that one should not have to pay for what one has never bought. There is indeed a comparison with fraudulent items on credit card bills.

Why should my constituent, Mr. Gasson, and others have to pay BT money that we now know was fraudulently generated? BT, and no other organisation, is the organisation with which he has the commercial relationship as a customer.

I accept that BT is a victim too. It did not wish this to happen and it did not intend to defraud people. However, BT is a giant company that has an overview and understands what has happened. It is much better placed than individual customers to pursue matters along the chain of comms companies involved in the process and to recover the costs in that way. BT is very keen to absolve itself of any blame. It sent me a briefing document that said:

"although the cost of these calls appears on telephone bills, originating communications providers (such as BT) have absolutely no control over the calls in question (although we are obliged to carry them) and receive only a tiny proportion of the revenues involved".

BT has maintained throughout that it will have already paid the money up the chain of operators, arriving eventually at the fraudster, before it becomes aware of the customer's problem, and so then has to recover the money from the customer.

But BT is in business and should know about business risk. It signed up to a system whereby it pays out before it gets paid by customers. If a hit has to be taken, BT, as a business, should take it. It is unfair that the customer is being punished. France Telecom has not punished its customers; it has waived charges for proven fraudulent internet rogue dialler calls. It is disappointing that BT does not have the same sense of duty to its customers. Instead, demands have been issued, lines have been blocked for outgoing calls, and many of my constituents have been disconnected. Even a local charity helpline was cut off for non-payment. It was reconnected after my intervention, but the dispute has still not been settled.

BT has made some ex gratia payments, ranging from almost nothing to £250. I have told BT that its system is inconsistent. It has not demonstrated to me that it has any underlying rationale. The only consistency lies in its unwillingness to waive the offending charges. Ex gratia payments are left to the discretion of individual advisers; that has been admitted to me in letters. This leads me to believe that BT's response is driven more by concern about how its reputation might be perceived than by real concern for its customers.

The heart of the matter is that it is wrong to pursue innocent individuals for charges that we now know were fraudulently generated. To be fair, BT has acted to improve the situation for subsequent and future customers by issuing free premium rate service barring, free software downloads and a more rapid warning system to alert customers whom they suspect are being defrauded.

Mr. Philip Hollobone (Kettering) (Con): I too congratulate the hon. Gentleman on securing this important debate. Is there not an interesting contrast between the water companies, which are not allowed to cut off customers who have confusion over their bills, and BT, which is the dominant player in the telecoms market?

Mr. Blizzard: I thank the hon. Gentleman for that comment.

BT is also now filing transaction reports with the National Criminal Intelligence Service and withholding payment in cases where it has suspicion.

The Department for Trade and Industry and Ofcom have also acted to tighten up the system. They have encouraged ICSTIS to institute a prior permissions regime for dialler software utilising premium rate numbers, they have introduced the requirement that no money should be paid out to service providers for at least 30 days, and they have increased the fines for offenders. Those actions, when they are all in place, will result in a better system, but the fact that they have had to introduce those measures demonstrates the failings of what was going on last year. However, the new measures do not address the situation of those people who have already become victims of internet rogue dialling, on which I am concentrating tonight.

Because I feel that BT took fraudulently generated money from customers and passed it on through other companies in the communications chain to the very people who perpetrated the fraud, I asked Suffolk police to investigate whether BT was in breach of the Proceeds of Crime Act 2002, and that matter is being pursued by Suffolk police and the Suffolk Crown Prosecution Service. BT knew at that time that the money was dodgy because it was paying its share to a charity. It denies guilt today, and I am not trying to take on BT on that count. It says that it was doing only what it was contractually obliged to do.

But the great feature of the whole matter is that no one will accept blame, fault or responsibility. BT said to me that it

"has a regulatory obligation as a carrier to interconnect with any comms provider in the interests of competition, with extremely limited ability to withhold funds if there is a suspicion of wrong doing"—

except that that is what it is now doing, according to the Crown Prosecution Service.

ICSTS seems to blame the companies. It said:

"We did, however, introduce an enhanced registration requirement in June 2004 for service providers operating dialler services. No service provider registered international satellite numbers with ICSTIS and no permission certificate has ever been issued for a dialler licence using an international number."

It concluded therefore that

"any dialler services operating on international numbers is doing so wilfully in an attempt to hide wrongdoing."

On that basis ICSTIS told all leading phone companies back in June 2004 that any international or satellite number found linked to a dialler service should be cut off immediately, and it repeated that message in the second half of 2004. But my constituents were still being defrauded. ICSTIS says:

"The issue of BT's effectiveness or otherwise in spotting international dialler traffic and acting to cut access and withhold outpayment is something for BT to address."

So ICSTIS was tending to pass the matter to the companies. The question is: does ICSTIS and its code have enough teeth?

BT tends to blame Ofcom. It said:

"Ofcom should stop handing out premium rate numbers to companies who have no real business model . . . Service providers could also be required to pay an up-front bond—available to compensate customers if the company defrauded them and disappeared."

Where are we now? Everybody has been playing the blame game, when in fact everybody should be trying to help the victims, not just by preventing future victims, but by addressing the problems of those who are already victims.

First, these matters must be pursued through the criminal justice system. The Suffolk investigation is proceeding very slowly. Will my right hon. Friend therefore write to the Crown Prosecution Service in Suffolk in order to be kept informed and to show some interest in the matter? Of course, that might not produce a result. Secondly, BT should take a leaf out of France Telecom's book and stop pursuing the proceeds of fraud. Of course, BT is not the only company involved. Thirdly, therefore, the Government have a duty to ensure effective and fair regulation, which was not in place in 2004. That was made clear in letters dated 21 March from the chief executive of Ofcom, Stephen Carter, which all Members of the House received.

I believe that the Government have a moral duty to protect people as consumers and as victims of crime. The Office of the Telecommunications Ombudsman only considers whether the processes were followed, but the process itself was flawed. That does not get to the heart of the problem. The Government and the industry, principally BT, should act together to establish a compensation scheme.

My right hon. Friend has nobly acted to improve the future. I believe, however, that we need action to redress the past. Crimes have been perpetrated, innocent victims deserve better from BT, and I think that they deserve a little bit more from the Government.

10.21 pm

The Minister for Industry and the Regions (Alun Michael): My hon. Friend raised some important issues in the debate, which, as he was kind enough to acknowledge, I have been addressing, as has the regulator, Ofcom—which, of course, is accountable to the House rather than to Ministers—ICSTIS and others involved, as well as the companies. I felt that this was such an important issue on which to provide enlightenment that I wrote to all Members of the House on 7 November on several of the telecoms issues that were raising concerns, to explain the actions that were being taken by all involved.

Some of the issues raised by my hon. Friend are for commercial organisations to deal with, whereas others are issues that we have already addressed, either directly or through the regulatory bodies, as he was kind enough to acknowledge at the start of his remarks. He was offered an opportunity to clarify his specific concerns, which he has every right not to do, but it is important in responding to the debate to set the proper context.

Let us be clear: when such an event occurs, the blame lies on the author of the scam or crime. Measures that have been put in place, such as withholding money for 30 days to allow recompense or fines to bite, are an important means of protection for the future and of making sure that those who contemplate such activity cannot get away with it.

As my hon. Friend acknowledged, service providers have also been victims. Generosity in dealing with victims is desirable when the service provider is a large company, as he indicated, but it is not enforceable—we cannot require that of a company that is itself a victim, when the problem has arisen because of the ability to use computer equipment that is no part of the provision of BT or any other service provider. We must be even-handed.

Our duty is to make sure that there is effective and fair regulation, and I am pleased by the steps taken to address that. ICSTIS is consulting on changing the way in which its code deals with refunds. Early next year, it should be possible to get refunds from those telecoms companies that terminate premium rate services, which is an important part of the issue.

I would be the first to acknowledge that this is a complicated area of commercial activity in which the fast-changing nature of information and communication technologies, and the pace of convergence between technologies, offer a number of challenges. It should also be acknowledged, however, that it is a success story, in terms of both the services now available and the way in which industry is co-operating with Government to deal with the cowboys. In the case of a number of scams, we have effectively created an antisocial behaviour order for the bad guys without tying the good guys up in red tape. To those who think that internet activity and premium-rate services are wholly bad, I say, "Look at the facts and study the reality." Just banning it all, as a colleague said to me last week, would be so disproportionate as to give the Luddites a good name. I know that that is not what my hon. Friend has asked for.

Mr. Blizzard: All that I asked for was some justice for the people who had already been victims. I fully acknowledge the tremendous work that my right hon. Friend has done to try to set the system straight, but if we cannot catch the fraudsters and hold them responsible, what is to be done for the victims of the

[Mr. Blizzard]

fraud, who only had a contract with BT or some other provider? Can the Government not do something for those victims?

Alun Michael: As I said at the beginning, if my hon. Friend had raised that issue with some clarity I could have said more.

In the cases that my hon. Friend mentioned, BT is the provider of a line. The equipment that is placed on the line and its vulnerability to being used are matters of individual responsibility. They are not the responsibility of BT, which provided the computer whose technology and software were not protected against the possibility of a scam.

As I said, this is a complex area. During 2003 initially but primarily during 2004, there was an explosion of activity involving a scam that had not been anticipated. Many people recognise the need for proper protection for their software and equipment, but do not realise until something goes seriously wrong how important that is, and that it is their responsibility and not that of the provider.

If there is a problem on the road, that has nothing to do with the car that is driven over it. Responsibility for the vehicle and its safety is governed by legislation. It must have passed its MOT, and it must be safe. That is entirely different from the provision of the highway. I think that my hon. Friend has confused and conflated a number of issues.

BT discovered within a day that there was a problem from an analysis of charges that were building up, and notified the person whose equipment was allowing that to happen. It was therefore possible to close it down, and indeed to close the access to overseas numbers. There are numerous such examples.

People have been able to perpetrate a scam and disappear with the money. When that happens, there is no one left to blame, although there are victims. The service provider is a victim, the individuals are victims, but there is no one to blame. We have created a system that will hold money for up to 30 days. I was examining a case with officials and experts today. The fact that the equipment was allowing the criminal—the scammer—to programme it to make the calls was identified within 24 hours. Within 48 hours, the number had been blocked, so the scam could no longer continue. The 30-day delay means that money can be retained within the system and there is a possibility of recompense or, if the equipment has not been properly put in place, of fining. I had hoped to explain some of the wider context: there may not be enough time left, but I shall attempt to do so for my hon. Friend.

We are talking about an industry that is rapidly developing. It provides a variety of services that are used on a daily basis. It is an immensely powerful tool, but my hon. Friend will know that every time one connects to the internet, a warning appears asking whether the user really wants to proceed. The point is to illustrate for users that, along with the power of the system, there are also vulnerabilities.

What has happened as a result of identifying the problems? Rather than coming in quickly with heavy legislation, we have come in quickly to provide the industry with means of enabling future scams to be prevented and to create an increasingly sophisticated system of scam prevention, which allows us to take the value out—

Mr. Blizzard: I congratulate my right hon. Friend on all that he has done to rectify the system, but the fact remains that the people who were ripped off in 2004 operated the internet in the customary way. They were akin to people who do not have burglar alarms. If we want to stop burglars, there are burglar alarms, but many people do not own them and we do not say to victims of burglary who do not possess one, "Tough, you didn't have an alarm". Will he now address the situation of the victims, rather than the future?

Alun Michael: My hon. Friend misses the point again. We certainly do not blame people who do not possess burglar alarms for the fact that their house has been burgled. We blame the burglar and the criminal. We do not ask the police to recompense residents who have been burgled. One hopes that they will have insurance. If not, we do not then say, "Let the police or someone else recompense them".

I believe that it was right that a variety of providers, including BT, which my hon. Friend specifically mentioned by name, wrote off considerable sums of money that would have gone straight on to the scammer under the previous system. In that context, BT or any other provider such as NTL would have lost money as a result of the scam. The blame falls on the scam. We should do what we have been doing—create conditions that take the value out of a scam so that the scammers cannot take the money and scarper after a short while. They cannot then reappear and repeat the activity. It is important to understand the steps that we have put in place to ensure that that happens.

As regards specific bills, I suggest that my hon. Friend speak to the service provider that dealt with the cases in his constituency. It is not for the Government to say, "You"—whether referring to BT, NTL or whatever—"have been a victim of a scam and you should recompense the customer for everything that they repaid." Such a generous response to the fact that individuals have been placed in a position of loss by large industrial organisations may well be a virtue, but it is not appropriate for the Government to require it. That is what I said to my hon. Friend at the beginning. If he had explained the precise target that he was after, I could have been more helpful, perhaps in advance of tonight's debate, about ways of dealing with the problems of his constituents.

What I want to ensure for the future is that the regulator—in the case of ICSTIS, the delegated regulator, which effectively has authority devolved to it from Ofcom—the Government and the industry can address the issues in such a way as to deal much faster with any scam that appears. We want to be able to seize

it, get a grip on it and prevent it from happening. I think that everyone involved would acknowledge that it took some time for people to realise just how costly the scam could be for customers and some time to get up to speed in responding to it. That, however, has now been achieved and I would remind my hon. Friend and the House that—

The motion having been made after Ten o'clock, and the debate having continued for half an hour, MR. SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned accordingly at twenty-five minutes to Eleven o'clock.

House of Commons

Tuesday 20 December 2005

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

HEALTH

The Secretary of State was asked—

Student Doctors

1. **Dr. Roberta Blackman-Woods** (City of Durham) (Lab): What changes there have been in the number of doctors in training since 1997. [38390]

The Secretary of State for Health (Ms Patricia Hewitt): The Government have increased the number of medically qualified doctors in training and their equivalents by 40 per cent. since 1997. The number has risen from 30,915 to 43,406.

Dr. Blackman-Woods: I am grateful to my right hon. Friend for that reply. Can she confirm that the progress with training means that we are now able to recruit more doctors from the United Kingdom; that that training prepares doctors for partnership working with other health professionals, which is now a key feature of the NHS; and that some of the additional training places could be delivered by expanding medical training in Durham university beyond pre-clinical years?

Ms Hewitt: I am grateful to my hon. Friend for those comments. Let me stress that we are training and employing more doctors than ever before. That is, of course, one of the major reasons why the national health service is treating more people than ever before and waiting lists have fallen to their lowest levels since records began.

Given the time of year, I take the opportunity to thank all our doctors and staff in the national health service, who give such superb service, and many of whom will be on duty over the Christmas and new year period.

On my hon. Friend's important question about Durham university, let me say that the chief medical officer and the Higher Education Funding Council have been considering whether we need a further expansion of medical undergraduate places, and we shall respond to their advice on that in the new year.

Mr. Michael Jack (Fylde) (Con): Will the Secretary of State look at the way in which this increasing number of trained doctors is being deployed? A senior house officer in my constituency recently found himself in a queue along with 1,200 other applicants for a job in a Gloucester hospital. Luckily he was successful, but many at that level find it extremely difficult to get placements when so many are rushing to apply. Yet the Royal College of Physicians tells me that at registrar and consultant grade it will take until 2010 to get sufficient people in post to cope adequately with today's work load. Something, somewhere is not right in medical manpower planning.

Ms Hewitt: As I said, we are employing and training more doctors than ever before. In addition to more than 1,200 additional junior doctors, the number of consultants has increased by nearly 10,000, the number of GPs has increased by well over 4,000, and the number of trainee places has risen. I am happy to say that the incident that the right hon. Gentleman cites, in which 1,000 people applied for a particular job, is fairly rare—although with electronic applications it is much easier for people to apply for a much larger number of jobs than in the past. Contrary to reports in the press earlier this year, postgraduate deans across the NHS found that only about 100 of those who left the pre-registration house officer grade had difficulty in getting a job quickly. I am proud of the fact that we have so many more doctors working in the NHS, with many more still coming through in universities and in junior doctor training, and I would have hoped that the right hon. Gentleman would congratulate us on that.

Mr. Dennis Skinner (Bolsover) (Lab): Does the Minister agree that none of the increases in doctors, nurses and others who work in hospitals could have been achieved without our having taken a decision in the House a few years ago to increase the amount of money that went into the health service by a tremendous amount? That was opposed by the Tories, yet they are still yapping about wanting more health provision here, there and everywhere. As somebody who has been in and out of hospital a few times myself, I can say without any chance of rebuttal that those doctors, by and large, understand that the only way to resolve the problems of the demographic changes that are taking place within society is not only to spend that money wisely but eventually, at some point in time, to find even more money, when the Tories will, as usual, run away from that.

Ms Hewitt: My hon. Friend is absolutely right to say that we have made more investment available to the NHS than ever before. The Conservative party, for all its complaints now, opposed that investment and has pledged further cuts in public spending should it ever return to power. The patient's passport, on which it fought the last election, and which, we understand, remains its policy, would have—

Mr. Speaker: Order. Since it is Christmas, I must allow more Back Benchers to speak.

Dr. Vincent Cable (Twickenham) (LD): Can the Secretary of State explain why, when there is a long-standing and endemic shortage of doctors, supply

is artificially restricted by academic requirements for medical schools that are far in excess of those for almost every other subject?

Ms Hewitt: I am surprised that the hon. Gentleman thinks that we should reduce the academic qualifications for people entering medicine. We keep that matter under review with the royal colleges, and as I said previously, the Higher Education Funding Council and the chief medical officer are considering whether we need further increases, beyond those that we have already introduced, in the number of undergraduate medical places. I think that our approach is right, however, and its success is underlined by the fact that we have more doctors in the NHS than ever before, treating more patients than ever before.

Mr. Andrew Lansley (South Cambridgeshire) (Con): When we are enjoying our turkey dinners over the Christmas period, I know that we will think very much of those doctors and NHS staff across the country who continue to provide an invaluable service to us 24 hours a day, seven days a week, every day of the year. We thank them, not least those who have chosen a career in medicine, for doing that.

The Secretary of State might dispute it, but in August the British Medical Association, on the basis of a survey of pre-registration house officers, concluded that up to 2,000 of them were having serious difficulties in finding a subsequent senior house officer post. I wrote to the Secretary of State on 19 August asking her whether the Department would put in place a mechanism for tracking senior house officers and keeping a record of the numbers who were unemployed. Will she say now whether she has done such a thing, and if so, does she know what the current figure is?

Ms Hewitt: The General Medical Council is conducting a survey of graduates from medical schools in 2003, 2004 and 2005 to establish their current employment status. The results will be available early in the new year. Following the BMA survey to which the hon. Gentleman refers, which, as he will remember, we disputed at the time, we checked with postgraduate deans across the national health service who hold complete records. They found that of 4,250 who had just completed pre-registration as house officers, only 130 or so did not find jobs quickly, a figure which fell to barely 100 a few weeks later.

Mr. Lansley: So the answer is that we do not know at the moment how many are unemployed. Does the Secretary of State recognise that there is a serious potential problem a little way down the line, at the point at which foundation year two comes in under the new modernising medical careers structure? At the same time, in August 2007, a large number of senior house officers who have come through the previous training route will also be looking for specialist training posts. Does she recognise that one of the ways in which we can deal with that is to designate more specialist training posts from now, so that more of those SHOs are able to go into specialist training and we do not end up with a funnel between large numbers of training doctors and a smaller number of specialist training posts?

Ms Hewitt: I am delighted to say that the modernising medical careers initiative to which the hon. Gentleman refers, with the two-year foundation programme, will end the job competition that currently exists for people emerging from their first year. That is an improvement, as is the fact that several hundred additional first-year foundation programme posts will be available over and above the number of graduates who will leave English medical schools. In relation to the problem that might arise for senior house officers in 2007, we are working on that already with the royal colleges in order to ensure that those SHOs can move into senior and specialist training posts.

Digital Hearing Aids

3. **James Brokenshire** (Hornchurch) (Con): How many people have been fitted with digital hearing aids through the NHS. [38393]

The Parliamentary Under-Secretary of State for Health (Mr. Liam Byrne): The Government do not collect that information, as it is for local NHS trusts to determine how best to deliver services. However, the Royal National Institute for Deaf People estimates that the NHS has now fitted more than half a million people with digital hearing aids.

James Brokenshire: What that information does not necessarily show is the times for which people are still waiting to receive digital hearing aids. In my area, people are waiting 12 months or more. With primary care trust funding stretched and increasing demands being placed on the service, it is feared that those times are likely to lengthen further. Does the Minister agree that, at a time when we are focusing on improving rights for those with disabilities, 12 months may be too long for someone to wait to receive a digital hearing aid?

Mr. Byrne: I welcome the Breaking the Sound Barrier campaign, launched today by the RNID. It involves a telephone hearing test. I took the test this morning, and discovered to my surprise that I was not suffering from selective hearing: my hearing is within the normal range.

As the hon. Gentleman knows, digital hearing aids were once an impossible dream, but we are now fitting about one a minute. That is not an accident; it is happening because we have invested £125 million in modernising all hearing aid services throughout the country.

Some primary care trusts do need to do more. I know that in the hon. Gentleman's constituency, the waiting list could be reduced to just 16 weeks if the number of sessions at his local trust were increased by around 20 per week. That will be made much easier by the extra £75 million that will go to his PCT over the next two years.

Mr. Brian Jenkins (Tamworth) (Lab): I am very glad that my hon. Friend will not be suffering from selective hearing when I repeat the claim made by the hon. Member for Hornchurch (James Brokenshire). When we decided to give away the digital hearing aids that have made such a tremendous difference to the lives of ordinary people suffering from hearing loss or hearing impairment, did we not foresee the queues that would

arrive at the door? Although we are doing very well, it does not help my constituents—however much money we put into the system, with the best will in the world—that we currently lack qualified staff to deal with all the appointments needed to deliver the service effectively. I know that this is a success story, but sometimes, even when there is a success story, we have to say, "Please bear with us". What message can my hon. Friend give me to convey to my constituents? Can I tell them that the waiting times will be reduced?

Mr. Byrne: I thank my hon. Friend for raising a point that he has raised before with Ministers and in the House. We have had to do two or three things to ensure that digital hearing aids are brought within the reach of as many people as possible. We have had to lower the price from £2,500 to just £55, and we have had to invest in more audiologists. The first graduates will leave university next year. We have also had to ensure that there is independent-sector capacity, so that two public-private partnerships are available to support PCTs. None of that would deliver any progress, however, without the extra funds that we are investing in the NHS over the next two or three years.

Peter Bottomley (Worthing, West) (Con): Would the Minister be surprised to learn that the waiting time for a hearing test and then a hearing aid is between six months and four years? Will he please ensure that Ministers know what the waiting times are, rather than saying that they do not know? Will he come to Worthing and listen to an 89-year-old woman, who will not be able to hear him because her hearing has not been tested and she has no hearing aid? Her life is a misery because of the wait.

Mr. Byrne: Digital hearing aids do make an enormous difference to people. They are about 40 per cent. better than other hearing aids. We must do more to ensure that there are enough audiologists to deliver services as quickly as possible. That is exactly why we helped to create a degree for audiologists, it is exactly why we ensured that 350 would take the course, and it is exactly why we established the partnerships giving every PCT an opportunity to develop the capacity to deliver the hearing aids as fast as possible. It is for local NHS managers to use the extra resources that they have been given to deliver the service to the hon. Gentleman's constituents.

David Taylor (North-West Leicestershire) (Lab/Co-op): I think that I heard the Minister say a moment ago that one digital hearing aid was being fitted every minute. A quick calculation will establish that the NHS is spending about £200,000 per minute, and I am pleased that some of it is being devoted to hearing aids. I have impaired hearing myself, with chronic tinnitus.

Is the Minister aware that some of the NHS hearing aids that have become available recently have a facility that suppresses some annoying background noises, such as tinnitus? Does he intend to acquire some of those new hearing aids, and tune them to suppress the background noise that we hear from Opposition Members who whine about a lack of investment in the health service, but oppose every opportunity for proper funding?

Mr. Byrne: My hon. Friend surely has a point. We know that a policy commission has been set up by the Conservatives under the chairmanship of the right hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) and everything is apparently up for grabs. I look forward to finding out whether we shall hear any more about the pledge to abolish all targets, including waiting lists, which was point No. 1 in their timetable for action. I also look forward to hearing about the death knell of the patient's passport.

Tim Loughton (East Worthing and Shoreham) (Con): In July 2004, last year's Health Minister acknowledged, in response to my concerns, that waiting times for fitting digital hearing aids were extending. Yet 17 months on, the waiting time to see a specialist audiologist and get fitted in my region of the south-east has risen from 58 to 81 weeks. At the Royal Sussex county hospital in Brighton, the worst wait is for 130 weeks—two and a half years. At that rate, many of our elderly constituents will have appointments with the undertaker before they have appointments with the audiologist. When is the Minister going to get a grip on this scandal, particularly given that he could be using hundreds of qualified professionals in the private sector who could be brought on board now at no extra cost?

Mr. Byrne: Let me take the example of the constituency of the hon. Member for Hornchurch (James Brokenshire). We know that waiting lists there could be brought down to just 16 weeks by moving the number of sessions at the local trust from 54 to about 71. That is not an earth-shattering exercise, particularly when we know that an extra £75 million is going into the PCT over the next two years. We have brought down the price, we have put more audiologists in place and we have helped PCTs to use their resources more effectively, so the conditions are in place for waiting lists to fall very quickly over the next 12 months.

NHS Dentistry

4. **Greg Mulholland** (Leeds, North-West) (LD): If she will make a statement on progress in introducing a new contract for NHS dentists. [38394]

The Minister of State, Department of Health (Ms Rosie Winterton): The regulations covering the new contract were laid, subject to negative resolution, on 9 December and are due to come into force on 1 January 2006. All dentists have received their contract values and primary care trusts have received details of their allocations for dentistry for 2006-07.

Greg Mulholland: I thank the Minister for that answer. She will be aware that the British Dental Association is concerned about the lack of timely information provided for dentists, particularly in respect of personalised information, which went out from the Dental Practice Board to dentists only on 2 December. According to the BDA, that has led to considerable anxiety among dentists. With the UDA—units of dental activity—system entirely untested, with inadequate consultation and unsatisfactory

communication, what extra support will the Minister put in place to ensure that the introduction of the new contracts will not prove to be a catastrophic failure?

Ms Winterton: As the hon. Gentleman may be aware, there have been ongoing discussions with the British Dental Association and dentists over a number of years, and the work has been piloted, with more than 30 per cent. of dentists being involved in the new pilot schemes. The reason why the Dental Practice Board sent out the contract values as late as December is that we wanted to give dentists the most up-to-date information about their activity over the previous year. If we had sent it out earlier, the information would have been out of date. That is why the information went out at that point—it was intended to be helpful to dentists. They now have that information and the PCTs have their allocations. I very much hope that we will move quickly to the new system, which will make a real difference to the way in which dentistry is provided in this country.

Mr. Kevin Barron (Rother Valley) (Lab): I thank my hon. Friend for what she is doing to ensure that NHS dentistry grows in this country, in contrast to its withering away before 1997. Will she ensure that any financial charges incurred by PCTs such as mine in Rotherham that have gone out for the new contract will be paid for by the centre, as has been done in previous years?

Ms Winterton: My right hon. Friend will be aware, I am sure, that the South Yorkshire PCTs have been doing a good job in meeting local dentists and moving them on to the new pilot schemes; they are to be congratulated on that work. As he will also be aware, some £268 million in extra investment has gone into NHS dentistry, which is reflected in the PCTs' new allocations.

Mrs. Iris Robinson (Strangford) (DUP): There is a shortage of dentists in the United Kingdom, and in Northern Ireland in particular. Does the Minister agree that the rural areas suffer the greatest lack of provision, and will she ensure that those areas will be highlighted for the allocation of dental provision?

Ms Winterton: One of the obvious benefits of the new system is that whereas previously if a dentist left the NHS, the money reverted to the centre, now that money will stay with local PCTs, so that they can consider the needs of their local population and think about other ways of providing dentistry if, for example, there is a particular problem in rural areas. I have seen some good examples of PCTs arranging mobile dental units for remote areas where people did not have access to a dentist. The new system allows that kind of provision to be made to reflect local needs.

Mrs. Sharon Hodgson (Gateshead, East and Washington, West) (Lab): Will my hon. Friend give us some idea of the remuneration available under the new contract?

Ms Winterton: Under the new contract, a dentist giving a pretty full-time commitment to the NHS would receive about £80,000 in salary. On top of that there will be business expenses, for which dentists are likely to receive between £60,000 and £80,000 a year. I should emphasise that under the new contract, we are also guaranteeing the same remuneration for three years, for approximately 5 per cent. less work. I think that that is quite a good deal, and I am sure that right hon. and hon. Members would agree.

Dr. Andrew Murrison (Westbury) (Con): Waiting for the new dental contract has been a bit like waiting for Christmas—several Christmases, in fact—but we must be grateful for what we have. Is it not the case that under that contract, more patients will pay more, National Audit Office concerns about under-treatment will become a reality, perverse incentives will encourage dentists to offer the easier treatments within the three treatment bands, and patients who understand the new system will maximise their benefits at the expense of the more vulnerable and those in greatest dental need?

Ms Winterton: No to almost all of that. The hon. Gentleman might like to apologise for the fact that under the Conservative Government, two dental schools were closed and a contract vastly unpopular with dentists was introduced, putting them on the treadmill that we are now trying to get them off. Under the new system, the maximum that can be paid under the NHS will be cut from £384 to £189. The hon. Gentleman talks about patients paying more, but under the new National Institute for Health and Clinical Excellence guidelines, an oral check-up, preventive health advice and scale and polish will cost £15.50, whereas under the present system if a patient goes to the dentist twice a year, and has a scale and polish and two check-ups, the cost comes to something like £30. It is not true to say that there are perverse incentives. Dentists will have to keep up the same level of activity; that is only right. The contract has been worked out with the dental profession, extra investment is going into the NHS, and it is simpler for patients to understand and dentists to administer.

Mr. Kevan Jones (North Durham) (Lab): I have listened to what the Minister said, but may I raise an issue that was raised with me by my excellent NHS dentist last week, when I was sitting in the chair? This is about charging for missed appointments. Two years ago, my hon. Friend introduced a £5 charge for people who failed to turn up to appointments, which cut by 90 per cent. the number of people who miss appointments. Can she explain why we cannot continue to charge for missed appointments under the new contract?

Ms Winterton: Dentists are currently paid for every activity that is undertaken, and dentistry is the only part of the NHS in which it is possible to charge for failed appointments. In effect, if a patient does not turn up the dentist automatically loses money, which is why dentists have been able to charge for failed appointments. Under the new system dentists will be paid monthly, so it would not be right for them to be able to charge for failed appointments, because they will not lose income through a patient's not turning up. However, dentists will operate in the same way as doctors, in that they will ensure as much as possible that people keep

appointments. We will keep the failed appointments issue under review and examine whether it proves more problematic than we expected, but the reason for the change is that dentists will not directly lose money through patients not turning up.

Mr. Philip Hollobone (Kettering) (Con): Why are 7,000 fewer residents in my Kettering constituency able to access an NHS dentist today than in 2002?

Ms Winterton: The hon. Gentleman is right to point to the fact that more dentists have been undertaking private work, which is why there are difficulties in some parts of the country. For that reason, we made £50 million available to improve access in some areas and invited primary care trusts to increase access. However, the changes that we are introducing from next April will make a real difference. The problem that the hon. Gentleman's area has suffered from is that in the past, when a dentist left the NHS the money did not stay in the local area to enable provision to be sought from elsewhere; rather, it reverted to the centre. Now, the local PCT will have that money and if a dentist leaves the NHS—for whatever reason—it will be able to purchase NHS dentistry from another dentist or to bring in dentists from elsewhere.

NHS Dentistry (Tooting)

5. **Mr. Sadiq Khan** (Tooting) (Lab): If she will make a statement on NHS dentistry provision in Tooting. [38395]

The Minister of State, Department of Health (Ms Rosie Winterton): Wandsworth primary care trust, which covers Tooting, has 174 NHS dentists and received £269,000 in access money. Patient registrations in the area have increased by 2.8 per cent. in the past year. The benefits of the new dental contracts will be available to all practices in Tooting from April 2006.

Mr. Khan: I thank my hon. Friend for her answer. In the context of the scaremongering and selective amnesia that we have witnessed today and in recent months, will she comment on the fact that last week I opened a dental practice in my constituency—the 119, on Mitcham lane—which has state-of-the-art equipment partly funded by the PCT, fantastic dentists and staff and is able, willing and keen to take on more NHS patients?

Ms Winterton: I am very glad that my hon. Friend is taking an interest in dentistry in his area and that a new practice has opened there. That is a great tribute to the hard work of his local PCT and others in ensuring proper provision. As I understand it, one difficulty in his area is getting people to register, and one of the new schemes that the PCT is examining is concerned with getting more people on to the books. As he says, there is absolutely no shortage of dentists in his area. In a sense, the problem there is the opposite of that faced by other areas: getting people on to the books.

Several hon. Members *rose*—

Mr. Speaker: Order. This question is about Tooting and it can go no further than Tooting.

Payment by Results System

6. **Mr. Eric Illsley** (Barnsley, Central) (Lab): If she will make a statement on the progress of the payment by results system in hospitals. [38396]

The Secretary of State for Health (Ms Patricia Hewitt): For most hospital trusts, payment by results applies only to elective admissions. We are introducing the new tariffs gradually, over a four-year period, so that national health service organisations can get used to the new system. By 2008, payment by results will apply to the vast majority of acute services.

Mr. Illsley: I am grateful to my right hon. Friend for that response, but as she is probably aware, some NHS hospitals—in my area, for example—are competing with independent treatment centres, where payment for an operation is based on tariff-plus, so the independent sector gets more money for an operation. That competition, plus payment by results, is putting downward pressure on the hospital to reduce costs. That is welcome in terms of reducing waiting times but is causing pressure on the NHS hospitals, who are competing, to an extent, on an uneven playing field with the private sector centres. Will my right hon. Friend take that into account in the future roll-out of payment by results and try to bring in a more even payments system as between the NHS hospitals and the independent sector treatment centres?

Ms Hewitt: I entirely agree that treatment centres, both independent and NHS, are helping to get the waiting times down, which is of huge benefit to patients in my hon. Friend's constituency and in many other parts of the country. Like him, I want to see a level playing field for all providers to the NHS. In the case of the independent sector treatment centres, a premium was paid in wave one to bring new providers into the NHS, but also to recognise that they were having to make new capital investment that was not required within the NHS itself. Overall, our foundation trusts and independent sector treatment centres in south Yorkshire and elsewhere are doing a superb job for NHS patients. We want that improvement to continue and it will undoubtedly do so next year with the introduction of patient choice of at least four hospitals, which will start in January.

Steve Webb (Northavon) (LD): Under payment by results and the market that the Secretary of State is creating in health, does she envisage that the number of local district general hospitals will decline in the NHS over the medium term?

Ms Hewitt: I envisage more care being delivered in community hospitals, health centres and so on—a theme to which we will return in next month's White Paper—and hospitals giving better and faster care to patients who need in-patient treatment. That will be supported by payment by results, which is essential both for patient choice and to ensure that we get the best value for the enormous sums of money that we are putting into the NHS.

Mr. Jim Cunningham (Coventry, South) (Lab): How will the deficit at Walsgrave hospital in Coventry be handled by payment by results, given that the hospital has been asked to reduce its budget by another 2.5 per cent.?

Ms Hewitt: For the first time, payment by results will ensure that we know how much is being spent, on what treatments, at what cost and with what value for money in different parts of the NHS. Under the historic system of funding, extremely efficient hospitals could get no reward at all and, indeed, could have any surplus taken away to cover the deficit in some other part of the NHS that might have been much less efficient or was overspending on its patients. That was unsatisfactory. Payment by results is an essential part of improving the service that we are able to offer to patients and, by giving people more choice of hospitals, as we will be doing from next month, we will continue to ensure that the NHS brings down waiting times and gives people better, faster care.

John Penrose (Weston-super-Mare) (Con): Does the Secretary of State accept that the gradual introduction of payment by results puts highly efficient hospitals such as my own in Weston-super-Mare at a comparative disadvantage? Such hospitals would gain more cash, perhaps to repay financial deficits rather faster, if they were allowed to have payment by results across the whole range of services that they currently offer.

Ms Hewitt: It is perfectly true that hospitals in that position would benefit if payment by results were rolled out in the course of one year rather than four. It is not possible to do that for the reasons that I have described, but I want to stress that the overall deficit in the NHS in the last financial year was less than half of 1 per cent. and that the vast majority of NHS organisations are not only improving services, but living within the enormously increased budgets that we have been able to give them. Payment by results will help us to ensure that all hospitals are delivering the best possible value for money and that the minority of organisations that have a deficit get those deficits under control.

Mr. Neil Gerrard (Walthamstow) (Lab): Have final decisions been made about which specialisms will not be included in the payment by results regime? The regime gives hospitals a guaranteed income, but what steps can be taken to ensure that they do not neglect treatments that are not included in payment by results?

Ms Hewitt: My hon. Friend raises an extremely important matter. We have excluded certain specialist procedures, high-cost drugs and medical devices from the payment by results regime so that they can continue to be paid for and commissioned separately. We are also ensuring that the tariff for other specialist activity is topped up, so that hospitals that undertake the most complex specialist activity are properly recognised and rewarded for their work. That continues, to the benefit of patients.

Chelmsford Primary Care Trust

7. **Mr. Simon Burns** (West Chelmsford) (Con): If she will make a statement on the deficit at Chelmsford primary care trust. [38397]

The Minister of State, Department of Health (Jane Kennedy): Chelmsford PCT reported a deficit of £7.1 million for 2004–05, and forecast a deficit of £11.2 million for 2005–06 at month six. Simultaneously, however, it improved its performance, from being zero-star rated in 2004 to being two-star rated in 2005—a very good result indeed.

Mr. Burns: Can the Minister please tell me and my constituents why she thinks that those large deficits have occurred?

Jane Kennedy: Chelmsford PCT is currently being assessed by a turnaround team. When that has concluded its work, we will have a better idea of what the causes of the deficit are. However, Chelmsford appears to be an interesting place—

Mr. Burns: Why does the Minister not answer the question?

Mr. Speaker: Order. The hon. Gentleman knows better than to shout.

Jane Kennedy: The hon. Gentleman may not like my answer, but it is the one that he is going to get. I was about to say that Chelmsford is an interesting place. It returns the hon. Gentleman to Parliament, and it was the location for the film "The Fourth Protocol", starring Pierce Brosnan. The House may also be interested to learn that the strategic health authority serving that constituency had 849 general practitioners in 1997, but that it has 1,010 in 2005. I shall describe one thing that the PCT is doing to address the deficits: its rapid assessment unit is developing an admission-avoidance service, which will save £869,000. The underlying principle, however, has always been that patient safety—

Mr. Speaker: Order. A letter to the hon. Gentleman would help.

Mr. Stephen O'Brien (Eddisbury) (Con): I shall begin by saying:

"The worst deficits are arising in the parts of the country that are both healthier and wealthier".

Those are not my words, but those used by the Secretary of State in her evidence to the Health Committee on 6 December. Does that not prove that the Government's resource-allocation formula takes too much money away from those parts of the country, to the extent that they are no longer able to maintain the level of front-line services?

Jane Kennedy: In this financial year, Chelmsford will achieve cost reductions of almost £3 million. It will do so according to a plan—based on the principle that patient safety and mission-critical services will not be cut—that is being followed in all savings proposals. It is possible

to manage finances well and achieve improvements in services. For example, the rapid assessment unit is, in essence, a primary-care based team. It filters people arriving at the accident and emergency department, and determines whether they can be discharged into the community once they have been diagnosed. That is better for patients, allows the hospital to treat sick people, and saves £869,000.

Asbestos-related Illnesses

8. **Mr. Stephen Hepburn** (Jarrow) (Lab): What treatment is available for people with asbestos-related illnesses; and if she will make a statement. [38398]

The Parliamentary Under-Secretary of State for Health (Mr. Liam Byrne): Patients with asbestos-related diseases have access to a number of treatments, including surgery, radiotherapy, chemotherapy and palliative care. Primary care trusts have responsibility for ensuring that they commission services sufficient to meet local need.

Mr. Hepburn: The Minister will be aware of the representations that I have made to him in the past about the availability of the cancer drug Alimta on the NHS in Tyne and Wear, and I thank him and his Department for the work that has been done in getting that drug prescribed. In practical terms, when can mesothelioma sufferers such as my constituent Bob McClaren expect to receive the drug?

Mr. Byrne: I congratulate my hon. Friend on his persistent work to champion the need for better treatment for sufferers from mesothelioma. As he said, Alimta is subject to an appraisal by the National Institute for Health and Clinical Excellence, and we expect guidance in October 2006. In the meantime, doctors can prescribe it on a named-patient basis, and as the Secretary of State has made clear, PCTs cannot refuse to fund such drugs on grounds of cost alone. I am glad to say that on 9 December the northern cancer network decided that all PCTs in its strategic health authority area will fund Alimta for mesothelioma, and that decision is in no small part down to my hon. Friend's persistent work over the past few months.

Accident and Emergency Departments

9. **Mr. Gordon Prentice** (Pendle) (Lab): How many NHS hospitals in England have accident and emergency departments. [38399]

The Parliamentary Under-Secretary of State for Health (Caroline Flint): There are 207 major accident and emergency departments in England.

Mr. Prentice: Is my Friend aware that people in Pendle and in Burnley are outraged at the suggestion that the accident and emergency department at Burnley general may be downgraded and blue light facilities concentrated at Blackburn? The matter has gone out to public consultation, but what weight will be given to the views of the public? Do people have a veto over the proposals?

Caroline Flint: I am pleased that the people of my hon. Friend's constituency and from further afield are benefiting from the new private finance initiative in Blackburn, where £110 million will create a new hospital, and where £30 million will go to support Burnley general hospital. A pre-consultation process is happening at the moment, and I understand that there is a commitment that there will be acute services at both hospitals. I also understand that formal consultation will start in February, when, of course, everybody will be entitled to have a say. The local authority's overview and scrutiny committee will have its say, too. It is important that services be looked at, and I am pleased that the £140 million going into the two hospitals is a sign of investment in health services in my hon. Friend's area and others.

Dr. Richard Taylor (Wyre Forest) (Ind): Does the Minister agree that when an A and E department is downgraded, a minor injuries unit led by nurses—however good it may be—is not an alternative acceptable to people? Will she promote urgent care centres, like those in Hexham and Bishop Auckland, which appear to be a reasonably acceptable halfway house between a minor injuries unit and a full A and E department, and which retain local accessibility for most emergencies?

Caroline Flint: Acute services with full back-up, resuscitation support and 24-hour consulting services are important, but so are minor injuries units. Sometimes it is quite helpful to have the services separated. More than 25 per cent. of A and E attendees now go to walk-in centres, of which we have 68, with 21 more being developed. That is a way of managing A and E services better for patient safety and access. As a doctor, the hon. Gentleman will know that a number of people who attend acute A and E services could be better served by attending a minor injuries unit or other services that we have been able to provide only because of the resources and investment put in by the Government.

Mr. Tim Boswell (Daventry) (Con): In view of local concern, including that of some of my constituents who live at least 25 miles from an alternative, may I have the Minister's assurance that the accident and emergency department at Horton general hospital in Banbury is safe in her hands?

Caroline Flint: No change will be made without full consultation. I am sure that the hon. Gentleman agrees that we have to consider the patient needs of the 21st century for both accident and emergency and other services. We need to see how best to provide for those in acute need and those who need advice and support for a minor injury. All that is about addressing the needs of local communities, which is one of the first and foremost tasks of PCTs and those who work in them.

Chris Grayling (Epsom and Ewell) (Con): Yesterday the Secretary of State intervened to overrule my local NHS trust, instructing it to build its proposed new hospital at St. Helier in Carshalton. As a result, more than 150,000 of my constituents and other patients in mid-Surrey will lose local access to accident and

emergency services. What is the logic of instructing NHS trusts to build a new hospital within three miles of three other major acute centres, in a public park and children's playground and in a location that is poorly accessible by public transport? Does it have something to do with shoring up the defences for the local elections in May?

Caroline Flint: I understand from my right hon. Friend the Secretary of State that the arguments on both sides were finely balanced. The two sites are only two miles apart. In her deliberations, she took into account the issue of health inequalities and the needs in St. Helier outweighed those in the other area. Health inequalities are an important issue to address, but everybody will benefit from the new services that will be provided.

Poisons Unit (Guy's and St Thomas' Hospital Trust)

10. **Simon Hughes** (North Southwark and Bermondsey) (LD): What plans she has for the future role of the poisons unit at Guy's and St Thomas' Hospital Trust. [38400]

The Minister of State, Department of Health (Jane Kennedy): Provision of clinical advice on poisonings is the responsibility of the Health Protection Agency, which commissions the National Poisons Information Service from a number of trusts in the UK. Guy's and St Thomas' is currently in discussion with the HPA over its role as part of this service.

Simon Hughes: Given that the poisons unit at Guy's hospital at London Bridge is the most well known and respected, the longest established, the busiest and the most used poisons unit in the country—and the only one recognised internationally—will the Minister intervene to ensure that the Health Protection Agency is told that it has to resume discussions with the unit and bring it back into the National Poisons Information Service, and not exclude the key player from the relevant league in the health service? Will she tell the HPA what to do, because at the moment it does not deserve its name?

Jane Kennedy: It is certainly a poisonous time for the Liberal Democrats. However, the hon. Gentleman raises a serious point. Following ministerial agreement on the outcome of the Department of Health review in 1997, the London centre based at Guy's was to have been part of a cohesive, sustainable National Poisons Information Service. I regret that it is not part of the NPIS, but we have limited powers of direction over the Health Protection Agency. As I have said, discussions are ongoing.

It is worth noting that as a result of the establishment of the NPIS, part of the response to the Buncefield explosion involved the on-call consultant toxicologist speaking with the accident and emergency consultants at Hemel Hempstead and St. Albans by 10 am on the Sunday to brief them and give them direct access to NPIS if further advice was needed. There is proven evidence of the worth of the work of the NPIS and I hope that the discussions will bear fruit because, as the hon. Gentleman says, Guy's plays an important role in the issue.

Kate Hoey (Vauxhall) (Lab): My hon. Friend will be aware that this is an important issue, especially for Londoners at present as they live under the threat of dreadful things such as chemical explosions. Will she look again at this issue? She says that she has no responsibility for the HPA, but surely she is the Minister with responsibility for it. It does seem as if there has been a tiff between the HPA and the poisons unit because the former did not listen to some of the advice provided by the latter.

Jane Kennedy: We have limited powers of direction over the HPA, as I have said. It appears that Guy's and St. Thomas' had established an independent poisons unit while the HPA considered that joint negotiations were still ongoing. Neither the HPA nor the Department has any remit or funding to support a service that runs in parallel with the NPIS and it is regrettable that Guy's appears to have chosen to support such a service. However, as I have said, the discussions are ongoing. I will follow them with interest and report back to my hon. Friend and the hon. Member for North Southwark and Bermondsey (Simon Hughes) on the outcome.

Dentistry

11. **Mr. David Kidney** (Stafford) (Lab): What progress she has made in implementing the provisions of the Dentists Act 1984 (Amendment) Order 2005. [38401]

The Minister of State, Department of Health (Ms Rosie Winterton): Implementing the Dentists Act 1984 (Amendment) Order is the responsibility of the General Dental Council, which is establishing a new complaints procedure for private dentistry, relaxing restrictions on the number of companies that may provide dentistry, extending registration to dental care professionals and making indemnity cover mandatory for all dentists.

Mr. Kidney: The order gives important new powers to the General Dental Council, which is, as my hon. Friend says, the regulator for dentistry in the public and private sectors alike. Can she assure me that the regulator will be given sufficient time to grow into that expanded role without the distraction of any further structural change that might be proposed for some other health regulators?

Ms Winterton: As my hon. Friend knows, reviews of some of the regulatory bodies are going on, but I can assure him that I am confident that the General Dental Council is making good progress in implementing that important order, especially through some of the measures that it is taking to ensure that there is proper regulation and a proper complaints procedure for private dentistry.

Miss Anne McIntosh (Vale of York) (Con): Will the Minister give the House an assurance that for any medical negligence by a private dentistry practitioner, cover will be exactly the same as under the NHS? I understand that that is not the case in private health cover generally.

Ms Winterton: Certainly, the indemnity cover is a big move forward, as previously it did not exist in the dental profession. It will now be the case that prior to registration a dentist will have to prove that they have indemnity cover for all the work they do.

Alison Seabeck (Plymouth, Devonport) (Lab): I note my hon. Friend's comments about the timing of the order and the progress that is being made. She will be aware of the importance of the regulator in determining standards for dental schools. May I assure her that if the dental school bid in Plymouth is successful, it will meet the highest standards and keep the regulator very happy?

Ms Winterton: That was very ingenious. I congratulate my hon. Friend on once again putting the case for a dental school in her constituency. As she knows, those matters are under consideration and we shall make an announcement in the new year.

Nurses

12. **Mr. Robert Flello** (Stoke-on-Trent, South) (Lab): What changes there have been in the number of nurses since 1997. [38402]

The Parliamentary Under-Secretary of State for Health (Caroline Flint): There are 25 per cent. more nurses than there were in 1997, vacancy rates have fallen to 1.9 per cent. and numbers of students entering training each year have increased by more than 10,000.

Mr. Flello: I am grateful to my hon. Friend for that information. Will she clarify the number of new nurses in north Staffordshire and the job opportunities for newly qualified nurses in north Staffordshire?

Caroline Flint: The number of nurses in Shropshire and north Staffordshire as a whole is 10,575, an increase of 1,960 since 1997. I realise that there has been a freeze in my hon. Friend's area, but I understand that 56 nurses were given six-month contracts in September.

I am pleased to be dealing with a situation where we have created so many opportunities to train new nurses, compared with the position before 1997 when there were not enough nurses to do the jobs available. Of course, we have to look into the situation for nurses seeking employment and we must work throughout the NHS in England to make opportunities available, but it is nice to be standing at the Dispatch Box talking about jobs filled, with nurses available, rather than to be talking about unfilled jobs and no nurses available.

Mark Pritchard (The Wrekin) (Con): I have to say that that is the most astonishing reply I have ever heard in the House. Two weeks ago, 280 people, including nurses, were told that they would lose their jobs at the Princess Royal hospital in my constituency. I am afraid that the Minister has been reading too much C. S. Lewis; she is clearly in the land of Narnia.

Caroline Flint: The situation in terms of jobs in hospitals, primary care trusts and the community is something for local commissioners and others, working together, to decide. The fact remains—which the hon. Gentleman cannot dispute—that more nurses, doctors and clinical practitioners are working in the NHS today than between 1979 and 1997.

Dr. Desmond Turner (Brighton, Kemptown) (Lab): My hon. Friend will be aware of figures published in *The Guardian* this morning, which remind us of the problem for developing countries of the drain of their trained nurses to the United Kingdom. I am aware of the NHS code of conduct for the recruitment of nurses; but none the less there is still evasion. They are still coming in through the back door, depleting developing countries with consequent effects on their medical services. Does my hon. Friend have plans for further steps to tighten up the system?

Caroline Flint: I thank my hon. Friend for that contribution. I read the article this morning. The reality is that, as the code says, we do not employ nurses from those countries in the developing world. If agencies are employing them, they are not meant to work in the NHS. Of course, we will look at this situation, but I am pleased to say that figures show that the number of nurses trained outside the UK and working in the NHS is falling. We should also remember, however, the joint work that we can do with countries in Africa to help them to support their own health services not only by giving work experience here where appropriate, but by sending teams out to those countries, with support from Departments such as the Department for International Development, to help them to build their own services in their countries, too.

Acute Services (Lancashire)

13. **Mr. Nigel Evans** (Ribble Valley) (Con): What assessment she has made of acute services in Lancashire. [38403]

The Parliamentary Under-Secretary of State for Health (Caroline Flint): This is the responsibility of the Cumbria and Lancashire strategic health authority, which is responsible for working with primary care trusts and NHS trusts to ensure that appropriate services are provided for patients in their localities, in line with the strategic aims of the Department of Health.

Mr. Evans: That is all very well, but the Minister will have heard what the hon. Member for Pendle (Mr. Prentice) had to say about mergers and the facilities that will be lost in the Lancashire region if there is a merger and, indeed, a closure of accident and emergency services in our area. Does she appreciate the fact that many people who live in rural areas, such as Ribble Valley and Pendle, must travel much further to receive those services? In fact, Queen's Park hospital, where the move is expected to take place, is already trying to tackling a multi-million pound debt. Can she assure us that, in the consultation that is taking place, the people of Lancashire will be listened to?

Caroline Flint: Yes, the people of Lancashire will be listened to, but I would reassure the hon. Gentleman that the aims of the present discussion are to consider

the provision of integrated clinical services, as a result of the new private finance initiative hospital being built in Blackburn. Of course, that will lead to the Blackburn royal infirmary, which it replaces, closing next year, but let us look across the piece at how services can be provided at Burnley as well. There will be a full consultation. I understand that the chief executive of the trust has met MPs and that there have been meetings with staff as well. Already, before we even go into the formal consultation period, leaflets and information are being provided to members of the community and patients too. So I can reassure the hon. Gentleman that there will be a full, transparent consultation on the issue, but the main driver involves the integration of clinical services, as a result of the investment of £110 million in the new PFI hospital. Of course, as I told my hon. Friend the Member for Pendle (Mr. Prentice), £30 million has been provided for new medical accommodation and a new renal unit at Burnley, which we would all say is very welcome.

WTO Conference (Hong Kong)

12.32 pm

The Secretary of State for Trade and Industry (Alan Johnson): With permission, Mr. Speaker, I should like to update the House on progress made at the sixth World Trade Organisation ministerial conference, which took place in Hong Kong last week.

I attended the conference with my right hon. Friends the Secretaries of State for Environment, Food and Rural Affairs and for International Development and my hon. Friend the Minister for Trade. The UK delegation included representatives from the CBI, the TUC and Oxfam, as well as the hon. Members for Shrewsbury and Atcham (Daniel Kawczynski) and for Gordon (Malcolm Bruce) and my hon. Friend the Member for Kingswood (Roger Berry). I greatly appreciated their participation and thank them for their work.

The conference was attended by delegates from all 150 members of the World Trade Organisation, including Tonga, whose accession was approved during the week and which we celebrate here today.

The Hong Kong meeting was an important staging post in the Doha development trade round. The round commenced just after 11 September in a spirit of harmony and good will, and with a determination to entrench global security by promoting global prosperity. The round was due to be substantially completed by the end of 2006.

We had originally hoped that the Hong Kong meeting would put in place the essential elements of an ambitious and pro-poor conclusion to the round, but in the run-up to the talks, it became clear that substantial divergence between WTO members made such an ambitious outcome unlikely. We therefore set off for Hong Kong with the objectives of locking in the progress already made, constructing a meaningful development package and using the conference as a springboard for the successful completion of the round next year.

From the repeal of the corn laws in 1846 to the successive post-war GATT rounds, Britain's liberal trade policy has fostered rising national prosperity. However, as the Make Poverty History campaign has highlighted, trade reform—alongside debt relief and increased aid—is also crucial for those in impoverished parts of the world.

The UK's G8 presidency has focused on sub-Saharan Africa and the conditions needed to foster sustainable development in the region. The meeting of Finance Ministers in June and the meeting at Gleneagles in July delivered substantial additional aid and debt relief, but trade has far greater potential to generate sustainable prosperity for poor countries. The Commission for Africa, which my right hon. Friend the Prime Minister set up last year, judged that an ambitious conclusion to the Doha round represented the best opportunity to create a reformed world trading system that would allow poor countries new scope to trade their way out of poverty.

For all the heightened political interest in trade across the world in 2005, progress in the round has remained slow. Agriculture is the motor of the round, so it was always clear that there would be no movement on other areas in advance of progress on farming. The crucial elements were domestic support in the US and market access into the European Union. Offers were tabled in October by the US, EU and others to unlock that set of negotiations. While the offers led to intensive negotiations, the major players—both from developed and developing countries—all remained some distance apart on fundamental aspects of the talks. There was a great deal of frustration that the talks were bogged down in an agricultural quagmire that was preventing progress from being made on the other two trade areas: industry, or non-agricultural market access—NAMA, to use WTO terminology—and services.

The week itself saw little real discussion on the overall level of ambition on agriculture, either in terms of domestic subsidies or tariffs. With limited movement on agriculture, it was always going to be difficult to make any significant progress on industrial goods and services. However, there was limited progress in six areas, which meant that while the talks could not be described as successful, neither could they be categorised as a failure.

First, there was progress on the agricultural export subsidies that lead to first-world farmers' produce being dumped on the third world with ruinous consequences for local producers. The House is aware that we have argued that these should be scrapped. Some European Union members came to Hong Kong reluctant to concede anything. Others argued that the end date should be dependent on broader progress in the trade round. The compromise reached was an end date of 2013. Although that is later than we would have liked, the date is specific and fixed and, furthermore, the elimination is progressive. There is a commitment to phase out a substantial proportion by the mid-point between the end of the Doha round and the 2013 end date—by around 2010.

While the EU's export support is transparent, similar practices in many rich countries are opaque, but have exactly the same effect. American food aid provides some help in feeding the hungry, but it is primarily about boosting the incomes of the well-fed by guaranteeing that significant overseas demand is met exclusively by US produce. State trading enterprises in Canada, New Zealand and Australia use a mix of export credits, financial underwriting and monopoly power to similar effect. Although export subsidies are delivered in a number of ways, the effect on poor producers is the same, so we successfully ensured that the deal provides for parallel abolition of all such practices, also by 2013.

The second area of limited progress concerns duty-free and quota-free access for least developed countries—the very poorest countries—to developed country markets. The European Union has already committed to that principle under its "Everything but Arms" initiative, and at Hong Kong we pushed hard to get the developed world to take the same approach. Other nations signed up to the principle, but only on the condition that they retained some temporary flexibility to exclude 3 per cent. of tariff lines during a transition period of indeterminate length.

That is a step forward, but the risk of a 3 per cent. exclusion is that developed countries will apply them to precisely those products where the poorest countries have the best chance to export. I very much hope that

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the US, Japan and others will now face real pressure from the rest of the WTO membership to give an early date for 100 per cent. coverage in this area.

The third important area was cotton—colleagues may remember that this was largely the cause of the complete collapse of the Cancun talks—where progress was made, but on a very disappointing scale. There was a commitment to end cotton export subsidies by 2006. There was a commitment to grant duty-free and quota-free access to least developed countries' cotton from the date of implementation—progress, yes, but market access had never been the key concern over cotton. The real issue on cotton remains the $4 billion a year in trade-distorting domestic subsidies received by American producers that deny a level playing field to west African producers. On this there was agreement to discussions with the most affected countries, but sadly as yet no commitment to action.

Fourthly, on aid for trade, which will help poorer countries to build the capacity that they need to trade successfully, the week saw new commitments and a new Geneva-based taskforce set up to maintain momentum.

Immediately before the conference Japan committed to US$10 billion in aid for trade over the years to 2010; in Hong Kong the Americans committed to $4 billion by 2010, and European member states committed to new money to go alongside that already pledged by the Commission. The various announcements take us well beyond Gleneagles, replacing vague aspirations with specific commitments and specific dates.

Fifthly, solid progress was made on trade facilitation. To give just one example of how important this area is and the sort of bureaucracy that it will tackle, in India an exporter needs 29 documents for clearance, in quadruplicate, with 257 signatures along the way. Progress in trade facilitation is important, although it is fair to say that progress was virtually guaranteed before we went to Hong Kong, so it cannot be described as an outstanding outcome from the conference.

Finally, and crucially, we have agreed a road map for conclusion of the round. Reaching a deal on an agreed way forward is an important, if modest, achievement for the WTO and the multilateral trading system that it encapsulates. After failed ministerial meetings in Seattle and Cancun the credibility of the WTO and the prospect of concluding the round next year depended on such a deal. So how does this outcome from Hong Kong measure up against our objectives? Overall, the outcome is disappointing. While it was good that talks did not break down, it is fair to say that we wanted much more progress than we achieved.

An agreement of a development package covering aid for trade, cotton and duty-free and quota-free access for LDCs is to be welcomed. But this is no substitute for fairer trade rules, which will bring the majority of gains for this round, where there was no breakthrough. We welcome the decision to phase out export subsidies progressively. This is an important step forward. We will continue to press to ensure that they are phased out as quickly as possible.

I said in my opening remarks at the ministerial conference in Hong Kong that we still faced a mountain to climb and that we needed to use the week of talks to get beyond base camp. The conference did do that—WTO director general Pascal Lamy has judged that we are now more than halfway to the final deal. And it has set out a potential route to the top—agreement of the final architecture of a deal in agriculture and industrial goods by the end of April 2006, and the substantive conclusion of the round by the end of next year.

We should not underestimate the challenge that this poses. Talks have moved slowly over the past four years and some of the trickiest terrain still lies ahead, but we remain passionately committed to a successful round. The Doha development round has the potential to lift hundreds of millions of the world's poorest out of poverty for good, and entrench prosperity and security across the world—a huge prize that we will continue to pursue unrelentingly. I believe that we have the support of the whole House in this endeavour.

Mr. Alan Duncan (Rutland and Melton) (Con): I thank the Secretary of State for giving me a copy of his statement in advance. It is four years since we last faced each other across the Dispatch Box as deputies in our trade and industry teams, and I am happy to resume our friendly battle of the Alans.

To be successful, the WTO talks in Hong Kong needed to advance the cause of free and fair trade. Agreement was needed to reduce global tariffs, to give poorer countries more open access to our markets, and to remove trade-distorting subsidies, especially for EU exports. It is in everyone's interest that that should happen, and we risk failing in our obligations to the developing world if it does not do so. The outcome of the talks has been cloaked in the language of disappointment and failure. Looking back at them, they were not as good as we had hoped, but they were not all bad. In fact, we should give credit to many people who have striven to make progress in what, inevitably, is a laborious and cumbersome undertaking. In addition to the attendees listed by the Secretary of State, my hon. Friend the Member for Sutton Coldfield (Mr. Mitchell) has just returned from the talks.

John Bercow (Buckingham) (Con): So have I.

Mr. Duncan: And my hon. Friend the Member for Buckingham (John Bercow).

There were some undeniable achievements, such as the accession to the WTO of Saudi Arabia and Tonga, and the very fact that, unlike Cancun, the talks reached agreement and did not totally break down. The decisions that were made, however, were not quite as certain as the repeal of the corn laws. Was it not a pity that the Hong Kong talks were under way at the same time as the budget negotiations in Brussels, given that the EU position on CAP reform was a crucial ingredient for success in Hong Kong? The Secretary of State, indeed, has just called it the "motor of the round". Was it therefore not ill-advised to hold Hong Kong concurrently with Brussels? With sensible planning, it would have been better to hold Brussels followed by Hong Kong, so that a pre-determined EU position could have played constructively into progress in Hong Kong. If we had used our agenda-setting powers under our EU presidency, and the talks had been consecutive, might we not have had some prospect of securing the removal of EU subsidies by 2010, instead of 2013, as

eventually agreed? Does he not recall that Labour's election manifesto intended to meet a 2010 deadline? Far from Europe making that happen, as has been claimed for Hong Kong, anyone can see that Europe stopped it happening better, and must shoulder much of the blame for the Hong Kong talks not achieving more.

Any sensible person will welcome the fact that 97 per cent. of product lines in developing countries will have free access to European markets, but how was that figure reached and calculated? Of course, 97 per cent. feels tantalisingly close to the full Monty, but can the Secretary of State tell us exactly what makes up the 3 per cent. that is omitted? He has just said that the 3 per cent. might contain many of the goods that developing countries most want to trade. Might it not in fact cover items such as textiles and so on, thereby penalising developing countries quite severely? While one accepts that progress in the agricultural sector was stymied by everything that was going on, or perhaps not going on, in Brussels, surely there was no excuse for failing to make progress in the service sector? What agenda will the Secretary of State now outline for future progress in liberalising the international market in services?

On aid for trade, how much new money has been pledged by the EU as a whole, and how much by the UK itself over and above the commitments outlined in the pre-Budget report a fortnight ago? We are told that world trade talks are like a sausage. It is sensible not to look too closely at how they are made—it is what we end up with that matters. The great expectations expressed by the Government before our May elections have not exactly been delivered. Things have inched forward, but at least they have moved in the right direction.

Where do we go next? If the USA is to participate fully in the next stage, the modalities must be agreed next year to allow them to come into effect by mid-2007. What plans does the Secretary of State have to renew momentum in order to get the details hammered out as quickly as possible to convert what is only an outline agreement from Hong Kong into a fully implemented scheme? Will he reconfirm his confidence in the WTO as the best global vehicle for advancing the cause of free and fair trade?

We should all be grateful for the progress that has been made, and we should not be churlish about it being less than we might have hoped for. We are but one of 150 countries, and global agreements are never easy. We must see that what was agreed in Hong Kong is fully implemented, that the WTO continues to work with the constructive participation of all its members and that momentum is not lost. We must all continue to strive for a global economic model that increases prosperity, tackles poverty and builds harmony and co-operation between the nations of the world.

Alan Johnson: I welcome the hon. Member for Rutland and Melton (Mr. Duncan) to his new position. It is a great pleasure to be reunited with him after four miserable years apart.—*[Laughter.]* Perhaps I should say four disappointing years apart.

I mentioned the hon. Members who were in Hong Kong as part of the official delegation, and the hon. Members for Sutton Coldfield (Mr. Mitchell) and for Buckingham (John Bercow), in addition to other hon. Members, were also present in various capacities. There was huge interest in the Hong Kong conference.

On the timing of the discussions, the hon. Member for Rutland and Melton asked whether the outcome would have been different if we had managed to choreograph the Brussels conference before the Hong Kong conference. I do not think that that was possible—the date for the Hong Kong conference was set in stone, because it is not easy to rearrange accommodation for 6,000 delegates.

On the budget discussions in Brussels, it is almost par for the course that presidencies do not start moving until they approach their end. I do not know whether the conferences could have been choreographed differently, but I am sure that that would not have made any difference to the outcome.

The huge reluctance of member states, including France, to agree the end of export subsidies was about protecting the CAP, and I ask hon. Members to recognise that the big issue in relation to those talks and the CAP has not been tackled yet. Market access is the big issue, and it is responsible for 90 per cent. of the money made in terms of the three pillars in agriculture. To get a meaningful deal on not only agriculture but industry—services are a slightly different matter—next year's discussion will be very interesting, because given the mandate of the negotiators, Commissioners Mandelson and Fischer Boel, it will be very difficult to achieve a meaningful outcome to the talks without interfering with the CAP, which is where the galvanising effect of Hong Kong is significant. Watch this space and see what happens early next year.

I agree with the hon. Gentleman about tariff-free and quota-free access for the least developed countries. I cannot say exactly what tariff lines are included in the outcome, because the argument concerned the percentage—once one has agreed the percentage, one then decides the tariff lines. The US would not accept anything higher than 95 per cent., but the developing countries wanted 99.8 per cent. immediately, with the other bit being closed over a period of time. A compromise was reached at 97 per cent., which is why all 150 member states signed up to the statement and why the developing countries were in the end happy to make progress. However, it is important to close the other 3 per cent., because, as I have said, that 3 per cent. is likely to include the very tariff lines from which poorer countries can benefit by exporting into developed markets. However, the issue concerns not only the United States, but Japan and a few others.

On aid for trade, the UK will provide new money. We think that the EU will provide new money, but there is a process to make sure that the commitment is genuine. Many questions were asked about the substance of Japan's offer, and a process is taking place to make sure that that contribution is genuine.

How do we go forward, given that, to use the hon. Gentleman's comparison, the WTO is rather like a sausage—Bismarck once remarked that laws are like sausages? The process is difficult and tortuous, but the timeline set out in the statement agreed on Sunday night is that the modalities—in other words, the formulae—will be in place by April 2006. By July 2006, we will have completed the schedules—the items to which the formulae will be applied. Given the American fast-track system, which involves the US Trade Promotion Authority, America can put the package before Congress and the Senate on a take-it-or-leave-it basis

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until summer 2007. After that date, the process will become tortuous, which could mean that the US finds it difficult to deliver on an ambitious deal. The momentum exists to get the process moving satisfactorily: the director general of the WTO and the European Commission are key players, but heads of state probably have a role to play in galvanising the discussions.

Finally, I confirm our absolute confidence in the WTO. If we were to move from multilateral discussions and agreements back to bilateral agreements, the poor would be the losers. Although some voices, some of which belong to professional sceptics, say that no deal would be a cause for celebration, I think that no deal would bring into question the future of multilateral negotiations, which would be bad for developed countries and worse for developing countries.

Norman Lamb (North Norfolk) (LD): I thank the Secretary of State for providing an advance copy of the statement and note his sense of disappointment with the outcome of the Hong Kong conference. Does he share the view of Oxfam and others that on the whole little has been achieved for developing countries? Does that not demonstrate a collective failure by the rich developed world to end the hypocrisy of, on the one hand, calling for free and fair trade, and on the other hand maintaining protection of their own economies?

May I remind the Secretary of State of the G8 commitment to make a success of Hong Kong and, in particular, to

"reduce trade distorting domestic subsidies and eliminate all forms of export subsidies by a credible end date."?

Does he agree that the commitment to end export subsidies by 2013 represents no real progress, given what is already happening within the EU in particular, and avoids the wider issue of the trade-distorting effects of domestic subsidies? Overall, does he share the concern that a grand gesture in the G8 followed by an abject failure to deliver simply increases everyone's cynicism about whether anything can ever be achieved?

Following on from the questions about CAP reform by the hon. Member for Rutland and Melton (Mr. Duncan), the timetable for CAP reform within the EU fatally compromises any prospect of a breakthrough for developing countries in the Doha round, given that the date for re-examining the EU budget—2010—is after the date for the fast-track process in the States, to which the Secretary of State has referred. Does the Secretary of State have any plans that can genuinely re-establish the momentum of the Doha round, given the apparent intransigence of France and other EU countries and the sense of paralysis in Europe on any prospects of reforming the CAP? Does he share the view that that has been starkly demonstrated by the Prime Minister's total failure to secure a real breakthrough during the British presidency?

On the development of the EU's negotiating stance, will the Secretary of State respond to concerns about the secrecy of the process? The article 133 committee meets in secret. Those who are blocking progress can hide behind that secrecy, and no one ever knows who is the real block.

With regard to the United States, the Secretary of State seems to share the sense of frustration that no real progress has been made on a timetable for ending the outrage of US cotton farmers receiving more funding than the entire GDP of the four west African countries most affected—Benin, Burkina Faso, Chad and Mali. What can be done to get the US to move on that?

On market access for developing countries, where some very limited progress has been made, does the Secretary of State agree that that access on its own is not enough? Vital assistance is also needed to overcome gaps in infrastructure, boost product quality and improve connections to international supply chains. He referred to the Geneva taskforce. What is the timetable for that meeting? Does he agree that the exemptions negotiated by the US and Japan substantially diminish the impact of the market opening agreement?

Does the Secretary of State share the concern of many that the continued failure to reach agreement and a significant breakthrough for developing countries ultimately puts at risk the multilateral process through the WTO? I agree that a drift away from that to bilateral and regional deals would be very damaging, particularly to developing countries, but if we cannot secure agreement that brings a genuine breakthrough for developing countries, there is a real risk to that multilateral process.

Does the Secretary of State have any real confidence that the road map will achieve the progress that we need, given the failure to deliver on other significant road maps? What progress can he secure to ensure that during 2006 a deal is reached in time for the fast-track procedure to work in the United States?

Alan Johnson: I dealt with many of those points in response to Conservative Members, but I shall pick out a few.

I agree with Oxfam that very little has been achieved. We have always said that—we are not trying to suggest that this is a great celebration of a huge victory. "Low expectations barely exceeded" would be a good way to put it. However, there has been progress. Had we not made the progress that I set out in six points, the conference would have been an abject failure, but it could not properly be described as such. The hon. Gentleman mentioned hypocrisy. We made that point ourselves in the DTI White Paper last July.

On export subsidies, I disagree with the hon. Gentleman. Real progress has been made. The UK had set out a position—it was part of our election manifesto—on getting rid of export subsidies by 2010. Not many other member states were 2010-ers—they included Sweden and, I believe, Denmark. A great deal of concern was expressed about export subsidies. Germany, for instance, understood the issues but felt that its farmers would need much longer before such subsidies could go. Brazil and India did not want the abstract formula that was in the original text—subsidies to go after the finalisation of the round plus five years. Whereas we want Doha to finish at the end of 2006, the experience of the Uruguay round suggests that these things could go on for ever. A formula saying that export subsidies would go five years after the end of the round could have meant 2015 or 2020, so India and Brazil wanted a fixed, certain date. In the end, the fixed

date of 2013, with the progressive elimination of those subsidies up until then, and with the parallel elimination of food aid and state trading enterprises, was an important achievement.

On the timetable for CAP reform, the writing is on the wall for the fixation with agriculture. Farmers in this country have adapted and changed in line with the 21st-century knowledge economy. Many other countries have been through a painful process—New Zealand in 1985, and Australia—but they would never go back to the old days. We need a combination of the review in 2008–09, agreed as part of the budget discussions in Brussels, and the elimination of export subsidies. As I said in response to the hon. Member for Rutland and Melton (Mr. Duncan), the real issue in these negotiations is how we sort out market access in the EU. Once that is achieved it will ensure that we say farewell to the ridiculous situation whereby the EU spends 40 per cent. of it budget on 2 per cent. of its population.

The article 133 committee is talked about as though it is some kind of secret society, but it is merely the committee of EU officials that meets when the Council of Ministers is not meeting. The secrecy to which it is subject is no more than one would have in any Government and civil service meeting. The poor souls who slog through every day on the 133 committee—the Council of Ministers met every other day; the 133 committee met every day for hours—should be congratulated on their contribution, not treated with suspicion.

Ann McKechin (Glasgow, North) (Lab): As my right hon. Friend will be aware, the hon. Member for Buckingham (John Bercow) and I attended the parliamentary conference in Hong Kong last week. I am sure that he shares my concern that many of the delegates to the parliamentary conference perceived last week as being a tug of war between the EU and the USA. May I urge him to follow up his suggestion that we need leadership at the very top from the world's political leaders in 2006 if we are to achieve a credible development agenda at the WTO talks?

Alan Johnson: I add my hon. Friend to the list of people who made a genuine contribution. It is not the kind of conference that one goes to in order to have fun.—*[Interruption.]* Well, I did get this suit, but never mind that.

It is fair to say that the big beasts of the US and the EU needed to make progress on domestic support in relation to market access to the EU. The EU made a good argument to the effect that having agreed to eliminate export subsidies a year ago, although no date was attached, having agreed to duty-free and quota-free access to the EU for least-developed countries, and having put forward a serious offer on 28 October—it was serious, unlike the offer of 10 October—it was now time, in a proper negotiation, for some other countries, particularly larger developing countries, to start moving on industry so that a proper negotiation across the three elements of agriculture, industry and services could proceed.

However, I agree that we have to break the logjam. We have to ensure that when people sit down and make conditional offers they turn over their cards at the same time, because the stage of holding cards close to the chest is well past. Heads of Government have already been involved in that, but they may have a greater role to play over the coming months.

John Bercow (Buckingham) (Con): The constructive efforts by the Secretary of State and his right hon. and hon. Friends deserved a better reward in Hong Kong than they got. Given that the failure to achieve a satisfactory deal is a frustrating inconvenience for the rich north, but literally a death sentence for all too many people in the poor south, and that western agricultural protectionism is deliberately making the poor poorer, does the Secretary of State accept that there is a powerful case not only for bilateral or multilateral initiatives but for unilateral initiatives by the European Union and the United States to end trade discrimination against developing countries in dairy products, textiles and cotton in order to give the most destitute people on the planet the chance to compete and grow?

Alan Johnson: I agree. That is what "Everything but Arms" was all about. However, we must accept that this is a huge political issue in many of those countries. There are problems in terms of their ability to reach a position where they can sell such deals, and there is a set of negotiations that requires 150 countries to agree with each one having a veto.

I agree with the hon. Gentleman about the sensitivity of reaching an agreement whereby we just eliminate those subsidies in the developed world. I understand the necessity to get to that point, but I accept that doing so in democracies—some of the countries involved are not democracies, but most are—will take a little longer. Huge political interest has been shown in this issue, and organisations such as the Trade Justice Movement and Make Poverty History need to keep the pressure on, because politicians now hold the elimination of subsidies as the major ambition, not just in terms of tackling world poverty but in terms of dealing with global security issues.

Tom Levitt (High Peak) (Lab): The whole House will be grateful to my right hon. Friend and the delegation for their efforts in the fight for trade justice last week. Clearly, the WTO is a large monster that is proving difficult to control—as much King Kong as Hong Kong. In discussions last week, was progress made on promoting trade between developing countries and less developed countries, or was it all related to the relationship between the more developed and less developed countries?

Alan Johnson: Most of the discussion was about the relationship between least developed countries and developed countries. South-south trade is a very important issue, but it did not really get on to the agenda last week. Given the problems that needed to be resolved over five or six days, it is probably understandable that it did not. My hon. Friend is right, however, that the issue is an important part of the totality of this trade round.

Mr. Robert Walter (North Dorset) (Con): Ministers are prone to adopt the rhetoric of the Trade Justice Movement and Make Poverty History. There must

[Mr. Robert Walter]

therefore be some disappointment, given the strong position of the United Kingdom in holding the presidency of the European Union, that more could not have been achieved in Hong Kong or in Brussels last week. We have a commitment on 5 per cent. of farm support in terms of export subsidies, but what about the other 95 per cent. of support to farmers in the United States and Europe? On tariff barriers, can the Secretary of State be more specific on what will be included in the 3 per cent?

Alan Johnson: Our policy is to go for 100 per cent., so we are not just interested in what the 3 per cent. should include. We are pretty sure about what Japan and the United States would include in that 3 per cent. box—cotton from Bangladesh springs to mind, for example, and other imports from Cambodia. In fact, the United States originally put forward a proposal whereby countries would be specified as not being able to sell their products into its markets. Eventually, thankfully, that was dropped. In terms of adopting the language of the Trade Justice Movement, that is done across the House because what that movement is saying is true. This is a crucial issue for developed and developing countries. What we do about the rest of those tariffs, which was the thrust of the hon. Gentleman's question, is to return to the fray to get a successful, ambitious outcome by the end of next year. Only then, when we reach the final part, can we judge whether the whole round has been a success or failure. We have taken a small step forward in Hong Kong, but there is still a long way to go.

Jeremy Corbyn (Islington, North) (Lab): Does the Secretary of State accept that many people are very sad that food dumping policies will now continue for several years more, with the attendant problems for agriculture in the poorest countries in the world? Will he assure the House that in the discussions before the end of next year, no pressure will be put on the poorest countries to force them to lift import restrictions on manufactured goods from the western world or to privatise public services, which seems to be part of the agenda behind the NAMA—non-agricultural market access—proposals originally put forward?

Alan Johnson: I agree with the thrust of my hon. Friend's question. In terms of this round, there should be no question of the least developed countries doing anything. Countries such as Singapore, however, which is listed as a developing country, are perhaps not in the same position as Sierra Leone, so certain elements must be considered. Our policy of no forced liberalisation remains, however, and in terms of the issues around services, even though the UK held the presidency of the European Union, we opposed the introduction of benchmarking in services. That has been replaced by plurilateral discussions, which do not interfere with developing countries' ability to say no on a particular service—they decide which services to open up under what is called the request and offer principle.

Peter Luff (Mid-Worcestershire) (Con): I am sure that the whole House is grateful to the Secretary of State for his characteristically honest and thoughtful statement. Does he agree, however, that if we are to achieve a more successful outcome to the round during the coming months, the attitudes and intentions of the more developed developing nations are crucial? In that context, will he comment on the remarks by Jagdish Bhagwati in the *Financial Times* today:

> "Indian industry has come of age and has moved, thanks to its success in information technology, from a defeatist embrace of protectionism to a 'can do' attitude. Manmohan Singh, the Indian prime minister, and Kamal Nath, his commerce and industry minister, both see protectionism as a relic of the past."?

Alan Johnson: I think that there is a lot in that. Kamal Nath is visionary, in many respects, in terms of where he wants to take the Indian economy. Nevertheless, India is a democracy. In the summer, we had the pleasure of moving from the EU summit in China straight over to India. We were reminded that things could be done in China, in terms of opening up markets, that could not be done in India because of the huge consequences for constituents. India, in particular, will be very disappointed if we do not get a good agreement on industry and services, because its focus is on that rather than on agriculture.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): I welcome my right hon. Friend's statement in the sense of sharing all the disappointments that he has expressed but also sharing his determination to see as much progress made in the final stages of the trade round as is now possible. That disappointment will be shared by many thousands of our constituents and Members on both sides of the House who are part of the non-governmental organisations and faith groups in the Trade Justice Movement. What is his advice as to how they can best apply their undoubtedly effective campaigning energies in those final stages? As well as keeping us on track, are there other things that they can do?

Alan Johnson: We meet the NGOs regularly, and the major message is to keep up the pressure and perhaps take French nationality.

Mr. David Heathcoat-Amory (Wells) (Con): Is it not an eloquent fact that although there are eight Ministers in the DTI, only one is responsible for trade, and he is shared with the Foreign Office? Will the Secretary of State ensure that the entire subject of trade liberalisation on behalf of poor countries is given more weight, influence and prominence, both within the British Government and at future talks, rather than the whole thing being subcontracted to the European Commission, which has done a very bad job on behalf of British interests at the recent talks?

Alan Johnson: I do not agree with the right hon. Gentleman's final comment about the Commission. We have our debates about Europe, and the Conservative party has more internal debates, but I thought that the issue of a single market generally found approval across the political spectrum. If we consider what is happening around the world, negotiating as a block is becoming

de rigueur. We found out in Hong Kong that the G20 has now teamed up with the G90 to be the G110. I cannot wait for the day when we have the G150. Such trading blocks are quite common. I think that Commissioners Mandelson and Fischer Boel did a good job on behalf of the European Union last week, recognising that each of the member states, if we were not negotiating together, would still be able to block the whole deal because of the way that the WTO operates. Bringing them along together is therefore right.

I do not think that an equation can be made with the number of Trade Ministers in the Government. We have an excellent Minister for Trade who does the job extremely effectively. Other DTI Ministers also have an involvement in trade, and I think that we have the balance right. Certainly, one cannot judge the success of a policy in terms of how many Ministers are pursuing it.

Dr. Vincent Cable (Twickenham) (LD): Is not one of the WTO's greatest strengths its provision of the rule of law to stop discriminatory behaviour, and to stop the rich from bullying the poor? What steps are being taken to strengthen the dispute settlement procedure, and to halt the slide into bilateral and unilateral action?

Alan Johnson: The matter was discussed briefly in Hong Kong in the context of other focus rules. There is much work still to be done, but member states recognise as a major attribute of the WTO the fact that if something happens, there is a rules-based system to deal with it. When we were in Hong Kong, the Polish representatives told us about a problem that they were having with Russia, which is not a member of the WTO. That problem could have been resolved if both countries had been members.

Such problems are important, and they will be sorted out by means of the rules. We made a little progress in Hong Kong—not very much, but I do not think that the round will stand or fall on that basis. I think that we shall find a solution.

Miss Julie Kirkbride (Bromsgrove) (Con): May I take this opportunity to wish the right hon. Gentleman a happy and relaxing Christmas with his young family? I wonder whether, when he has time to reflect, he will regret sending a departmental Christmas card to his erstwhile right hon. Friend Peter Mandelson. Is it not a fact that Commissioner Mandelson is now the most effective exponent of the interests of French farmers, and is it not a fact that the deal that the EU put on the table would have cut agriculture subsidies by just 1 per cent. in real terms? Does it not now appear that until Commissioner Mandelson is history, the aspirations of the Make Poverty History campaigners are but a distant dream?

Alan Johnson: First, I do not agree with the hon. Lady about Peter Mandelson.

Peter Luff: Keep a straight face.

Alan Johnson: I can say with a straight face that he did an excellent job last week. Secondly, I do not believe that I sent him a Christmas card.—*[Laughter.]*

Mr. Peter Bone (Wellingborough) (Con): Was any progress at all made on north-north trade?

Alan Johnson: No, because that was not the focus of the discussions, but north-north trade is very important. There was a significant development in Brussels a couple of months ago, when we opened a dialogue with the United States Government about EU-US trade. The hon. Gentleman is right: there are a number of barriers. Let me add that it would be good if we opened up trade in services within the EU as well as across the world.

Mr. Nigel Evans (Ribble Valley) (Con): While the conference may not be termed an abject failure, ultimately it represents limited failure. During the general election a number of us met representatives of trade justice organisations, and a number of us have been to Africa and seen at first hand the impact that blockages of progress are having daily on hundreds of millions of people in the poorest parts of the world. The Secretary of State has been honest today in naming names when discussing the guilty countries. What more can be done in the European Union—although we shall lose the presidency at the end of the year—to give us a more positive role and the opportunity to take more positive action, and to provide a more united front enabling us to assist the poorest people in the world?

Alan Johnson: I will resist the temptation to endorse the suggestion of my right hon. Friend the Minister for Industry and the Regions that staying in the European People's party might be helpful.

On reflection, after six months of chairing committees—the DTI has a huge number of committees dealing with telecoms, energy and so forth—I think that getting rid of the presidency cap and once more being able to express the UK view on trade, a view that unites the House, will do us a great deal of good. It will allow us to join our increasing number of allies. I believe that there is also a role for the electorate in the various countries. Representatives from New Zealand and Australia told us how difficult it was to face up to the electorate when it came to changing farm subsidies in their countries.

Just before we went to Hong Kong, we saw the depressing results of a poll to find out how individuals felt in various countries around the world. They did not give these issues the prominence that might have been expected by the Trade Justice Movement and Make Poverty History. There is a great deal of work to be done to get public opinion on our side. When we have done so, we can change the views of member states.

Mr. Philip Hollobone (Kettering) (Con): Despite Britain's best efforts, were we not badly let down by our EU counterparts? Does the Secretary of State agree with the Make Poverty History campaign that although EU decision makers have been quick to echo the words of trade justice campaigners, they have not changed their policies in practice? Is not Britain being let down by a combination of pressure from overfed French farmers and ineffective leadership from the EU's Trade Commissioner?

Alan Johnson: I do not agree. I certainly feel that some member states were making life difficult and will need to have a complete rethink about their approach if we are to reach a successful conclusion, but I am absolutely

[Alan Johnson]

sure that all member states want a successful round and none wants to be responsible for its failure. There is political pressure in that respect.

As for Commissioner Mandelson and Commissioner Fischer Boel, they did sterling work on behalf of the EU last week. They were in a negotiation. It was not an "Anne of Green Gables" world in which everyone just says nice things about each other; they had to negotiate a settlement that had the agreement of all their 25 member states, and would then have the agreement of 150 WTO countries. That was a very difficult task. I think that they performed it wonderfully, and I do not think it helps anyone to personalise the issue and apply it to one or two individuals.

Incidentally, I should be surprised if members of the hon. Gentleman's party who were in Hong Kong felt any differently about the work put in by Commissioners to secure a satisfactory outcome.

Fireworks (Amendment)

1.26 pm

Mr. David Amess (Southend, West) (Con): I beg to move,

That leave be given to bring in a bill to amend the Fireworks Act 2003; and for connected purposes.

At this time of good will, I do not wish to be seen as some sort of party-pooper; nor do I wish the House to think that I bear deep resentment towards Guy Fawkes. I think it right for the voice of animals to be heard at this time, however.

Let me begin by acknowledging the efforts of many Members of Parliament to establish fireworks Bills and regulations in law. I especially congratulate Bill Tynan, who fought tirelessly for a year to ensure that legislation reached the statute book. It was long overdue, and in hindsight I think that it may not have gone quite far enough, but it has given the House a foundation on which to work. To be even-handed, I also praise the British Fireworks Association for working closely with Bill Tynan and the Government. I know that it has been doing its best to comply with the Fireworks Act since 2003.

Regulations produced in 2004 set the maximum noise level from fireworks that can be bought over the counter at 120 dB. As we are made aware only too often, the bangs seem to be getting louder and louder. The RSPCA's figures show that the new regulations have, sadly, made no difference to the increasing number of calls that it receives about the distress suffered by animals as a result of fireworks. In fact, the society has reported a shocking 82 per cent. increase in the number of calls that it received between Friday 4 November and Sunday 6 November.

A child should never be exposed to any noise louder than 120 dB, but the thinking behind the current legislation seems to be that that is an adequate level. Animals' noise threshold is much lower than that of humans. I am the owner of a dog called Michael who holds the title of laziest dog not just in the country but in the world, but as he lay there listening to fireworks this year he practically jumped out of his skin because the noises were so loud. Dogs can pick up frequencies that the human ear cannot.

Research conducted by the excellent RSPCA organisation shows that the distress suffered by thousands of animals up and down the country would be dramatically reduced if the fireworks available to the public for private displays were no louder than 97 dB. The Minister may be pondering how the figure of 97 dB was arrived at. Animals get used to normal household and everyday noises, such as doors slamming, the washing machine and the television being on, and apparently 97 dB covers those activities and more.

The RSPCA told me about a case concerning Claire Patterson and her dog, Mabel, from Newquay. On 5 November this year, Claire was walking her two Jack Russells, Mabel and Travis, along the beach during the day, when fireworks unexpectedly went off. Both dogs bolted from the noise and, while Claire managed to catch Travis, Mabel ran all the way into the town centre. She was hit by cars and subsequently died. That is not

an isolated or exaggerated case. Another incident reported to the RSPCA was that of a horse terrified by fireworks set off this year near a field where it was tethered: it managed to get free and was running dangerously loose in the local high street.

The results of the RSPCA's annual veterinary survey, to which a total of 190 vets responded, are worrying. There were 34 cases of animals injured by fireworks and 3,639 animals treated for stress—in the majority of cases, by sedatives. The symptoms that the animals displayed included vocalisation, hyperventilation, destructive behaviour, loss of appetite, licking or panting, shaking, hiding, whimpering, urination and self-harm. I suppose that Members of Parliament might occasionally display them—*[Interruption.]* Not only is it distressing for the animal, it is equally distressing for the owner, who has no power to remove the cause of the fear.

Dogs are most affected: 88 per cent. of all reported cases involved dogs; 10 per cent. involved cats; and horses and other small mammals made up the final 2 per cent. If 3,639 animals were treated for stress by the 190 vets who responded to the RSPCA survey, just how many cases were there in the UK as a whole? That is very worrying indeed. Only five of the veterinary surgeries surveyed—3 per cent.—reported a decrease in the cases they had seen, and 97 per cent. of veterinary surgeries reported that the number of cases had either increased or stayed the same. It is clear from those figures that the fireworks regulations are not working exactly as Bill Tynan or, indeed, the Minister, would have wanted.

Sadly, the trauma that fireworks cause is not confined to just one weekend a year. Even though regulations restrict the times of year and time of night at which fireworks may be let off, they are, in reality, extremely difficult to enforce. There is nothing to stop a person stockpiling fireworks in November in order to use them throughout the year. About 51 per cent. of the vets who responded to the RSPCA survey reported their first cases in October. It is unrealistic to think that the police, with the enormous amount of work that they have to do, can check every complaint that the general public makes.

In addition, although the curfew is somewhat helpful to domestic pet owners, who can shut in their animals, it does not recognise the plight of farmed animals or wildlife. It is difficult to explain to a distressed horse, for example, that a firework being let off before midnight is any less terrifying than one being let off after midnight.

Let me make it clear, in conclusion, that I do not want to spoil hon. Members' enjoyment of fireworks—far from it. Public firework displays organised by local authorities and administered by experienced pyrotechnicians are perfectly adequate events for people to enjoy. They are more impressive, considerably safer and are advertised well so that people know when to make arrangements for their animals. The country will fully expect a spectacular extravaganza for the opening and ending ceremonies at the London Olympics in 2012. If the Southend pier is repaired by that time, I hope that fireworks will be displayed on it. My proposed Bill has no intention of thwarting the celebrations of this fantastic achievement for British sport. It will be in place purely to prevent the public from buying loud fireworks.

The Bill seeks to prevent the sale of fireworks over 97 dB, but popular fireworks such as Roman candles, rockets and fountains will still be on sale. They are often much more visually impressive than the loud rockets and do not necessitate curfews or other limitations. The RSPCA rejects the claim that the 120 dB limit prevents even the noisiest fireworks on the market from being manufactured. An independent study showed that no firework tested even reached 120 dB, indicating that the fireworks that cause distress to animals now are less than 120 dB.

The fireworks industry has claimed that it is practically impossible to produce fireworks that do not exceed specific noise limits. However, some firework manufacturers have proven them wrong. Clearly defined construction specifications will reduce noise levels, and one of the easiest ways to do that would be to make the firework itself smaller. That would not affect the visual display in any way, and would have the benefit of improving the lives of thousands of animals, as well as those of their owners, in this country.

I commend the Bill to the House.

Question put and agreed to.

Bill ordered to be brought in by Mr. David Amess, Norman Baker, James Brokenshire, Mr. Roger Gale, Dr. Brian Iddon, Lynne Jones, Shona McIsaac, Rob Marris, Mr. Eric Martlew, Bob Russell, Joan Walley and Miss Ann Widdecombe.

Fireworks (Amendment)

Mr. David Amess accordingly presented a Bill to amend the Fireworks Act 2003; and for connected purposes: And the same was read the First time and ordered to be read a Second time on Friday 10 March, and to be printed [Bill 106].

Christmas Adjournment

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Alan Campbell.]*

1.37 pm

Harry Cohen (Leyton and Wanstead) (Lab): First, I wish you, Madam Deputy Speaker, Mr. Speaker and all his team a merry Christmas.

I must say that I am disappointed that the House is adjourning without a proper debate on Iraq. Last month, the UN Security Council extended the mandate for US and UK troops to continue in Iraq for another year. It had been due to expire at the end of this year, after the recent 15 December parliamentary elections. Those have been held and we have been told that they were a success. At least one of the official reasons for the continued military presence has been changed.

There has been no debate in the House of that decision or of the UK position on it either beforehand or afterwards. Barely any proper debate has been allowed in the country's media about the central policy question of whether the troops should stay or go. The BBC tells me that it has "reported on Iraq enough", but reporting events and atrocities is not the same as facilitating policy discussion on such an important issue.

The Security Council extended its own mandate on the basis of a letter by the Iraqi President Jalal Talabani, saying that the Iraqi armed forces should be ready gradually to begin taking over from coalition forces by the end of 2006. There is no rush, then, and the foreign presence is envisaged to go on and on. The non-occupying powers on the Security Council—France, Germany and Russia—have other concerns and interests to tend and saw no diplomatic sense in confronting the US and the UK on the matter: the allies can stew in the mess of their own making. The concession that they satisfied themselves with was that the mandate should be reviewed in June. The decision that the troops should stay—which I oppose—means that the atrocities, the killing and the bitter conflict, which are preventing Iraq from settling down and developing, will continue for many more years.

Bob Spink (Castle Point) (Con): The hon. Gentleman talks about Iraq in general, but does he accept that there are three regions in Iraq, and that the northern region under President Barzani—the Kurdish region—has shown great advances economically, politically, in human rights and in social development? At least it is safe there, and that could provide a model for the other two areas of Iraq. Will the hon. Gentleman join me in hoping that those will proceed in the same way?

Harry Cohen *rose*—

Madam Deputy Speaker (Sylvia Heal): Order. Before the hon. Gentleman replies, may I remind Members that there is a 15-minute time limit on all speeches? I apologise for the fact that I forgot to do so earlier.

Harry Cohen: I acknowledge the progress in the north, but the people there did not have the same sanctions as the rest of the country, because they had an exclusion zone. I am not in favour of Iraq being broken up, and I shall come back to that point later.

The coalition military presence fuels the insurgency, which is viewed by many in Iraq as a war of national liberation to end foreign occupation. The activities of the overseas forces—such as what happened in Abu Ghraib, torture, the use of white phosphorous, extraordinary rendition, and even destroying police stations with remote detonators to free soldiers dressed as Arabs—alienate the Iraqi people, and are recruiting sergeants for the insurgents.

I want to share with the House some extracts from the brilliant Glen Rangwala's November paper "What would disengagement mean?", because it puts the argument extremely well:

"The reduction in Coalition troop numbers to significantly lower levels than at present"—

that is being mooted at the moment—

"would reduce the . . . casualties of Coalition troops simply by virtue of there being fewer Coalition personnel in the country to attack. The Coalition draw-down plan is not conditional upon an abatement in the overall level of violence, despite their occasional public claims to this effect: indeed, the reduction in troop numbers over recent months has occurred alongside a heightening of the insurgency, with a level of attacks that has been greater than at almost any point since the invasion occurred: 92 attacks occurred on average per day in early November 2005, compared with 52 per day in June 2004 or 70 per day in May 2005.

One possibility is that the reduction of Coalition troop numbers will take away the primary reason for the insurgency. That is, if US troops were not so visible on Iraq streets and roads, the Iraqi population—particularly those who have actively supported the insurgency in the past—will no longer consider themselves as living under occupation, and thus be less hostile to the Iraqi government and more readily drawn exclusively into the peaceful political process . . . This, at least, is what the optimists within the Coalition have been arguing during most of 2005."

Dr. Julian Lewis (New Forest, East) (Con): I am aware of the work of Dr. Rangwala, who did a splendid job when he exposed the dodgy dossier, but I find the logic of that quotation hard to follow. If the number of troops is reduced, the number of attacks on them will not necessarily diminish, nor will the number of casualties necessarily fall because there are fewer troops on the streets. The number of attacks would be just as likely to increase, because a sign of weakness would have been shown, so the number of casualties could rise.

Harry Cohen: Indeed; the Russians discovered that in Afghanistan. By the logic of that argument, the hon. Gentleman wants more and more troops, because if we start to take any troops away, that is "weakness".

I think that Dr. Rangwala's argument is well made. Let me continue with it:

"However, it is more likely that a reduction in the overall level of political violence, committed either by the military forces aligned with the Iraqi government or by the insurgents, would depend on the extent to which the Iraqi state and the political process had become—and were perceived to have become—the possession of all sectors of the Iraqi people rather than that of a foreign power or segment of the Iraqi population."

That is the key to any solution.

Here is a good factual passage in the text of the paper:

"The Coalition retains both direct and indirect control over Iraq's armed forces at present. Through the structure of the Multinational Force Iraq (MNF-I), the overall command of all military forces in Iraq is delegated to a US commander, at present Gen. George W. Casey . . .

The commander of MNF-I also acts as the senior security advisor to the Iraqi prime minister. The Coalition also provides a number of advisors to each Iraqi ministry, including the ministries of defence and the interior. These advisors are in effect making policy still on behalf of their Iraqi counterparts, particularly given the limited expertise available to the Iraqi ministries after the processes of de-Ba'thification . . .

In addition, the US and UK have large training teams embedded within nascent Iraqi forces, whose overt task is to educate, advise and monitor those forces, but whose actual role is better characterised as being that of commanding Iraqi units. The Coalition military retains the only operational communications network within Iraq, and thus acts as the liaison mechanism for Iraqi units with each other and with the operating bases."

In reality, the coalition is in total control of the Iraqi forces, and there is very little movement away from that.

This is my last quotation from Dr. Rangwala:

"One argument for retaining the engagement of Coalition training facilities for Iraq's armed forces has been that Iraqi personnel need to be re-trained so that they no longer act as a repressive agent within Iraqi society as they did under the *ancien régime*, but instead observe human rights and humanitarian law in their practice. A similar argument is made about the re-training of Iraq's police force. This argument presupposes that Coalition training is enhancing the good practice of Iraq's military and police forces. Given the actions of Iraqi armed forces in Tal Afar in September 2005, in which there was the widespread killing of civilians, and other recent military operations, this is far from clear. Coalition personnel have been complicit in many of the human rights abuses committed in post-invasion Iraq, from the torture practiced at Abu Ghrayb and routinely conducted during interrogation, to the use of napalm-like MK77 firebombs and white phosphorus, to the mass arrests of individuals kept without due process of law. The argument that Coalition training inculcates human rights-observant practice in Iraqi officials rings hollow when compared with the scale of the human rights abuses in modern Iraq."

Dr. Rangwala goes on to say that the coalition policy has already bolstered rather than demobilised party militias, and that there is unlikely to be any growth in militia power, because instead of adopting the policy of developing a unified non-sectarian armed force for Iraq, we have helped Iraqi forces become more sectarian. I recommend Dr. Rangwala's paper. The rest of it is as scathing as the passages that I have quoted.

What we are seeing is not portents of progress or peace, and the coalition alliance is overwhelmingly to blame for that. It wants to pretend that it is phasing down its occupation and handing over authority, whereas it is doing no such thing. It remains overwhelmingly the determinant of all major policy and involvement in the killing fields.

Of course, like other Members, I welcome the recent elections in Iraq, and the Sunni population's participation in them. A proper Iraqi coalition government must now be formed, and the sectarianism curtailed, not exacerbated. Real authority must be handed over to such a government, but the portents for that are not strong. All the major Shi'a and Sunni elected parties had two central policy platforms: the unity of Iraq—maintaining its sovereignty and its not being broken up—and the withdrawal of foreign troops. Democracy is not just about voting; it is about implementing what the people voted for.

I realise that I have already read a lot of quotes into the *Hansard* record, but I want also to quote some key points from an article in last Sunday's edition of *The Sunday Times* by Hala Jaber, the journalist who recently re-entered Falluja. As the House knows, Falluja was subject to a massive assault by US forces, which we were assisting, in November 2004. She said:

"When I finally reached the city, I was reminded of a remark by a US officer in Vietnam who claimed he had to destroy a village to save it. Falluja has indeed been destroyed. But I found nobody there who thinks it has been saved."

She goes on to refer to that Operation, Phantom Fury, and points out that

"the insurgency continued elsewhere. Yet what I found in Falluja last week was even more dispiriting. It is not only that promises to reconstruct the city and restore normality have manifestly been broken. The bitter truth is that the actions of US and Iraqi forces have reignited the insurgency. Anger, hate and mistrust of America are deeper than ever."

Dr. Julian Lewis: I thank the hon. Gentleman for being so generous in giving way again, especially as he is not now getting injury time. Was it not also reported at the weekend that al-Zarqawi himself was in Falluja at that time, and that he was arrested but not recognised and inadvertently released? Does the hon. Gentleman agree that if that mistake had not been made, the assault on Falluja might well have had a profound effect on the insurgency?

Harry Cohen: The assault on Falluja would still not have been worth it, even in those circumstances, because masses of innocent people were slaughtered in the attack.

Hala Jaber continues:

"City officials warned that hardships and detentions were intensifying hostility to the Americans. The Falluja-based Study Centre for Human Rights and Democracy has claimed that 4,000 to 6,000 people were killed during Phantom Fury, most of them civilians.

Stoking the anger has been the slow pace of compensation payments, despite the allocation of $490 million by Iraq's interim government last year . . . 36,000 homes and 8,400 shops were destroyed in the US onslaught. Sixty nurseries and schools and 65 mosques and other religious establishments were wrecked. Falluja's mayor, Dhari abdel Hadi al-Irssan, claims that only 20 per cent. of the compensation promised has reached the city . . . Only 170,000 people, half the original population have returned. They live in difficult conditions with 4,200 American Marines and 5,000 Iraqi troops enforcing a curfew from 11 pm to 6 am."

She continues:

"With so many institutions damaged, those that remain are under intolerable pressure. School buildings are being used by three or four schools holding classes in shifts. Electricity and water are severely limited . . . A dire petrol shortage compounds the frustration . . . Yet even these deprivations pale by comparison with the fatalities Falluja families claim to have suffered at the hands of occupying forces. Witnesses spoke of American Marines dumping bodies in the Euphrates just after the offensive and of mass graves where hundreds are allegedly buried . . . It was made clear to me that most of Falluja's residents are alienated from authority. My conversations repeatedly revolved around stories of the dead and allegations of new killings by pro-government forces. Last month the Pentagon confirmed it had used white phosphorus, a chemical that bursts into flames on contact with the

[Harry Cohen]

air, causing horrible injuries. 'There is now hatred and anger against the government and the forces representing this government,' the mayor said."

That shows that for the bludgeoning coalition forces, the Iraq war is not a war of hearts and minds. We need to change our policy. If the troops are going to stay, a policy that I resent and oppose, we should try to make the winning of hearts and minds much more important than the violence that the coalition forces—including their private contractors, who often also operate militarily—are very much a part of.

I am glad to have had the opportunity to put these matters on the record. I wish that we could have had a proper debate on Iraq, and perhaps even a vote, before we continue with this killing policy. I conclude by wishing a merry Christmas and a happy new year to all those who have suffered so abysmally in Iraq.

1.55 pm

Mr. David Heath (Somerton and Frome) (LD): It is a great delight to see so many right hon. and hon. Members here and to realise that the House does not adjourn until this evening. This is a splendid opportunity to raise constituency issues, and the one that I have raised in the past eight years in debates such as this has been Frome Victoria hospital. I am very happy to say that I do not need to raise it this year because we are now to get the new Frome Victoria hospital. That said, we are still somewhat worried that the Government's messing about with the health authorities might put the new hospital at risk, but our plan to deal with that is to get the foundations built as soon as possible, in the hope that even a change in NHS structure will not leave a new hospital in Frome half built. We look forward to its opening.

We had an excellent debate yesterday on police restructuring—a debate that was wrung out of the Government by continuing pressure from the Opposition. It was clear that without such pressure we would not be able to make the points that many of us felt we ought to make on our constituents' behalf, and with that in mind I want briefly to address the issues as they affect my constituency. I wholly reject the concept of a regional police force that stretches from the Scilly Isles to the north of Gloucestershire and to the east of Swindon—a region the same size as Belgium, which appears to be the international measurement for these things. To put the issue in context, the north of Gloucestershire is nearer to Scotland than it is to the tip of Cornwall.

I have always been against regionalisation of the police—a policy that has been knocking around the Home Office for a very long time, and which has been rejected by some others in the Chamber in previous incarnations. Regional police forces have always been a Home Office aspiration, but there are four problems in that regard, the first of which is the loss of the desperately important sense of community policing. So far as I am concerned, the tradition of the police being of, with and for the community that they serve is essential, and as soon as we lose that we lose something precious in how our police operate. That is quite apart from the fact that people, particularly in rural areas, will feel increasingly remote from the police who serve them. Nothing will persuade people in rural Somerset that they will even get the same level of service as they currently receive—and we get enough complaints as it is that Bristol, understandably, absorbs a great deal of Avon and Somerset police's resources.

The second problem is that I have heard not a single argument in favour of the efficacy of the new proposal compared with other ways of achieving the same ends. I have argued for a long time that the changes in patterns of crime need a response. International and national crime cannot easily be faced with the traditional police forces, which is one reason why I was so strongly supportive of the concept of the Serious Organised Crime Agency and, indeed, why I argued that it should have a wider role and greater resources than it has. The obverse is that local police forces and chief constables are left to deal with what they should be most concerned with: local crime and keeping the peace in our towns and villages, which is often forgotten. Even within the constraints on existing forces, an awful lot can be done in sharing resources and co-operating that has not yet been done.

Thirdly, the transitional cost of reorganisation is massive. Hon. Members may wonder why Avon and Somerset police retain that name long after the demise of the county of Avon. The answer is simple: when I was chairman of the Avon and Somerset police authority, I refused point blank to change, at enormous cost, every cap badge and every decal on every police car in the force when that money could be spent on providing more police. Those would have been lost costs—they would be gone for ever—and the priority of the local community is having more police.

The fourth point is that the Government offices for the regions bear no relationship to the patterns of crime. Dorset does not get its criminal activity from Bristol or from Plymouth; it gets it from Portsmouth or Southampton, or from the south. Dorset relates to Hampshire rather than to either the far south-west or Somerset and Gloucestershire.

Mark Pritchard (The Wrekin) (Con): Will the hon. Gentleman clear up some of the confusion that has arisen over the past few weeks? The Liberal Democrats say that they oppose the regionalisation of the police forces, yet for many years they have been proposing regional government. Is he speaking from the orange book or the yellow book today?

Mr. Heath: I wish, first, that the hon. Gentleman had been listening to what I was saying and, secondly, that he had not tried to inject what he obviously thought was a clever point into a serious issue about policing in the south-west. We have always said that, given that there is a regional tier of government in this country, it should have democratic control and accountability. I do not think that that is an unreasonable request. Clearly, the police boundaries do not follow those regional boundaries, which were set up by a Government who, I believe, the hon. Gentleman supported.

I find it incredible that the Government, through crass mismanagement of the service, have produced the first strike by officials of magistrates courts in over 800 years. We should be seriously concerned about that. These are not people who are prone to industrial action and they

are not prepared to take such action without a great deal of soul-searching; they are very loyal servants of the Crown. Yet all over the country today they are taking industrial action due to insensitivity on the part of the Government, a lack of understanding of the role of court officials and a readiness to make promises prior to a reorganisation that were not kept later.

We also saw today the publication of the report by the Law Commission into the offence of murder. Without going into detail on this very complex subject, I am deeply disappointed that some commentators, even before reading the report, have chosen to entertain a knee-jerk reaction to one of the most difficult and complex areas of law. We all agree that the crime of murder is uniquely repugnant and has to be dealt with exceptionally.

Equally, I hope that we all agree that there is a vast range of circumstances—this is recognised in many jurisdictions—in which murder and the taking of a life unlawfully can take place. All 51 American jurisdictions recognise the differentiation and, in a common law country such as ours, it is right and proper that we at least see what the Law Commission has to say and whether there is merit in its proposals.

The hon. Member for Leyton and Wanstead (Harry Cohen) was absolutely right: it is extraordinary that we have not had a debate on Iraq in Government time —I have made this point repeatedly at business questions—and it is now well over a year since we last debated Iraq. I was against the war from the start and have not resiled for one moment from the position I took then, as I believe that later events have proved me right. However, given the circumstances and the complex political decisions that need to be taken, surely this House ought to be debating a British Army in the field and a political situation that has the capacity not only to destabilise an entire region but to create the circumstances in which we can expect an enhanced level of terrorism in our country. Those are serious issues and the hon. Gentleman was absolutely right to bring them up.

Neither do I apologise for bringing up again the issue of extraordinary rendition, which has been brushed aside by the Prime Minister and his colleagues as if it were something only an obsessive would worry about. It is not. In this country, we have a right to be told if our airspace and airports have been used for reasons that are, in the eyes of the law and of many people, wholly improper. If there is nothing to hide, let us have a clear indication of that. I have to say that every response from the Prime Minister and others increases the suspicion that there is, and has been, something happening that we would not condone.

The Government should think carefully about this issue over the Christmas recess, come back and make a clean breast of what has been happening and not try to pretend, as the Prime Minister did at his last Question Time, that it was absurd that we should know why American Government flights should be landing at British airports. It is not absurd. It is required knowledge when foreign Government planes, whether from our dearest friends or our bitterest enemies, are using our airspace and landing at our airports. I do not think it unreasonable to be asking those questions.

During our corresponding debate last year not one Member could have foreseen the terrible events of the tsunami on Boxing day. I hope, of course, that we will have a peaceful and prosperous new year without any such events, but I hope also that we have learned from that experience—and, indeed, from those of Pakistan and India—and that we develop the international will to have robust contingency plans in place so that we know where the resources are to deal with emergencies of this kind. Such emergencies will recur; we know that. Disasters happen and, during a period of climate change, it is almost certain that we will have more of them. We must be ready for them and be ready to act appropriately.

Adam Afriyie (Windsor) (Con): There are many issues on which the Liberal Democrat parliamentary party and the Conservative party are united, such as the environment and, more latterly, Iraq, where we both want our troops out as soon as possible and democracy to be working smoothly. Might I encourage the hon. Gentleman and his party to join us where they support us and where we agree?

Mr. Heath: I always welcome support from the Conservative Benches when it is forthcoming. Sometimes, over the last few years when we have been opposing the Government, it has been forthcoming; sometimes, the Conservative party has decided that it prefers to support the Government. That has been one of the tragedies of the lack of real opposition from the Conservatives during that period. However, I think that he has a point. His colleagues in the European Parliament are deeply concerned at being asked to sit with Ms. Mussolini, Mr. Le Pen and the others in that ragbag. I would not be so crass as to ask them to join the Liberal Democrats, but they might like to submit entry application forms to the Alliance of Liberals and Democrats for Europe group in the European Parliament. It would be a shame for the Conservatives to lose all their chairmanships and influence in that Parliament, even though that is what they seem determined to do by joining the wackos on the extremes and thus making themselves a fringe element. Until the Conservative party understands the basics about how to make opposition count, I am afraid that it will hold little attraction for Liberal Democrats.

David Taylor (North-West Leicestershire) (Lab/Co-op): The hon. Gentleman is an acknowledged expert on human rights, so does he agree that to urge Conservative MEPs to join the Liberal Democrats in the European Parliament would infringe their human rights on the grounds that it is a cruel and unnatural punishment?

Mr. Heath: Some would say that simply being in the European Parliament was cruel and unnatural, but I am not one of them. I am sure that MEPs do a lot of excellent work.

That is probably an appropriate point at which to end my comments, as I do not want to exceed the 15-minute limit that would have been my lot if I had been speaking from the Back Benches. However, I take this opportunity to wish you, Madam Deputy Speaker, and Mr. Speaker a very happy Christmas, and I extend the same good wishes to all hon. Members who will take part in this very important debate.

2.11 pm

Mr. Michael Wills (North Swindon) (Lab): I want to turn the thoughts of hon. Members to those who are less fortunate than ourselves at this Christmas season. This Government have done more than any previous Government to tackle poverty and deprivation, and the social exclusion unit's pioneering work has transformed the way that those problems are tackled.

Nearly 2 million pensioners and 750,000 children have been lifted out of poverty, and there are 2 million more people in work. Using the new definition of social exclusion, which deals with people suffering multiple disadvantages, there are more than 1 million fewer socially excluded adults. That is a proud record, but everyone recognises that there is much more to do. I want to use this opportunity to ask Ministers to consider the position of my constituency in Swindon as the Government move forward with tackling social exclusion.

Targeting resources where they can be most effective in tackling such complex issues is, inevitably, difficult, and requires different instruments. Programmes for individuals, both universal and targeted, play a central role. For example, tax and pension credits, significant increases in child benefit and the state pension, as well as the winter fuel payments, have all played an important part in tackling disadvantage under this Government. So too have programmes aimed at groups.

Adam Afriyie: Like many hon. Members, I recognise the motivation behind the benefits system and the complex regime of tax credits and means-tested benefits. However, does the hon. Gentleman accept that vulnerable and elderly people feel pressurised and stressed by the need to work out how the system works before they can make a claim?

Mr. Wills: I am interested in what the hon. Gentleman says, but it is obvious that he has not talked to many of the people who operate the system. Had he done so, he would have been aware of the simplicities that we have introduced to make it easy to understand. The aim has been to facilitate processing for people who need help. Moreover, the hon. Gentleman does not seem to understand the stress and distress caused by 18 years of Conservative government, when vulnerable and disadvantaged people had no such help available. I suggest that he contact those of his constituents who benefit from tax credits before he makes another intervention along the same lines.

The Government have also introduced programmes aimed at groups of people who are at risk of exclusion, such as disabled children and drug misusers. Rightly, a lot of investment has gone into the most deprived local authorities. Although that focus is understandable, there is a risk that smaller communities that are in need can be missed by such targeting, especially if they are located within more prosperous areas. I welcome the Government's recognition of that risk, and the announcement that the focus will move from the most disadvantaged local authority districts to 903 individual wards, to ensure that effort is more effectively targeted. That must be a good thing, and it will help target deprivation in Swindon that otherwise might be missed by Government programmes because it is diffused throughout a relatively prosperous town.

Moreover, that problem is not confined to Swindon. Using the new geographic unit of super-output areas devised by the Office for National Statistics—at their lower layer, the areas are smaller than wards—I have drawn on the excellent work done by Adam Mellows-Facer and the House of Commons Library in mapping deprivation, for which I am much indebted. From those data, it appears that half of the most income-deprived people do not live in the 20 per cent. most deprived areas.

In the index of multiple deprivation compiled by the Office of the Deputy Prime Minister, the Swindon local authority is ranked at 171 out of 354—more or less in the middle. However, 11 of Swindon's 119 super-output areas are in the least deprived 10 per cent. of SOAs in England, and seven of its SOAs are in the most deprived 10 per cent. of such areas in England.

Variations and complexities exist even within those areas. The SOA that covers part of the Gorse Hill and Pinehurst wards falls within the 10 per cent. most deprived areas on the overall index of multiple deprivation. It does better than that on employment deprivation, falling within the 16 per cent. most deprived areas, but it does significantly worse on education deprivation, falling within the 2 per cent. most deprived areas. That poses particular problems for front-line professionals.

Headlands secondary school serves Pinehurst ward and has gone through great turmoil in recent years. It now has new leadership, and the new head, Jan Shadick, and her team are working extremely hard with governors and parents to turn the situation around and make progress. I hope that Ministers will join me in commending all their efforts and achievements, but they know that there is a lot more still to do and they need more support.

It is not just a question of money, although that always helps. Bold and imaginative action is also needed to tackle the root causes of disadvantage. Much has already come into Swindon and the areas that I have mentioned as a result of Government action. For example, the communities now have a successful Sure Start scheme, and I pay tribute to Liz Evans and her team and all the parents of Pinehurst and Penhill who are doing such good work.

However, there is still a lot to do. Jan Shadick, for example, talks eloquently of the need to break the cycle of cultural deprivation. She wrote to me recently and her letter is worth quoting, as it illustrates problems that can lie among some of this country's most advantaged communities. She wrote:

"This cycle of cultural deprivation has built up over the years and desperately needs to be broken. The fact that many of the schools in the area have been in special measures in recent years and the fact that the population remains predominantly stagnant has meant that the opportunities to break it have been missed and it has spread into another generation.

Low aspirations dominate the area. There is work in Swindon and people will find jobs. They will have money coming into the family. Children therefore have the mentality that they don't need qualifications as they will get a job. They are right but these jobs are not well paid and there is no aspiring to managerial positions and positions of responsibility.

This process has occurred over a number of years and the mentality is passed from generation to generation. Parents are therefore not aspiring for their children. They often lack basic

skills such as literacy and numeracy as well as the social skills required to take full responsibility in the world. This deprivation is passed on to their children and there is low value placed on education.

The high teenage pregnancy rate in the area ensures that this cycle of deprivation continues and can present insecure family structures. Many of our children lack positive role models in the home.

With all of this there is a fear of education from parents. A fear that they are inadequate to support their children, a fear that the school will judge them and a fear that their children will grow up to want more, will change and move away. This fear is stronger with secondary schools which are larger and perhaps seen as less welcoming and results in an unwillingness to engage and an unwillingness to help their children as they feel inadequate."

I hope that this Government continue to take heed of the needs of Headlands school and the community that it serves—and of the needs of all the other similar schools and communities that are surrounded by relatively prosperous areas. From my perspective in North Swindon, if the Government do not help them, it does not look as though anyone else will.

Conservative-run Swindon borough council has received huge help from central Government in recent years. Funding has increased by 30 per cent. since 2001, and officials from the Office of the Deputy Prime Minister have been seconded to sort out the acute managerial problems that the council could not sort out on its own. Yet the council seems oblivious to problems of deprivation and exclusion right in the middle of our town. Cuts are made by the council that tend to fall most heavily on the most vulnerable. Last time round, it butchered the Berkshire advice service, which served the most disadvantaged people in Swindon. This summer, it grandiosely launched a vision for Swindon in 2010 with 50 promises—50 of them. It is a shame that not a single one mentioned tackling poverty or deprivation or disadvantage, but that is modern Conservatism.

The ceaseless efforts of councillors to help their communities in the most disadvantaged wards in my constituency—Pinehurst and Penhill—are routinely ignored by the council. Those communities desperately need support in tackling deep-seated problems, and it would be a tragedy if, just because they are in a relatively prosperous town, they were to be overlooked in the wonderful measures that the Government have taken to tackle social exclusion. As islands of disadvantage in a sea of prosperity, they are always in danger of being overlooked. I hope Ministers will be able to reassure me and the people of Swindon that those communities will continue to be remembered.

2.21 pm

David Maclean (Penrith and The Border) (Con): I am grateful to catch your eye, Madam Deputy Speaker, and to speak in the Christmas Adjournment debate. It is the first time in many years that I have spoken in this debate—indeed, in any debate in the Chamber—and I apologise to colleagues for being a little rusty. My right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) has promised me some intensive teach-ins on how to speak in the Chamber, if I turn up on Friday mornings in future. I apologise to the Minister for rattling through a list of subjects. It is not because they are unimportant but because there are so many that I should like to touch on that, if I do not, I shall rapidly run out of time.

First, I raise the state of the Cumbrian economy, which, believe it or not, is dire. Most colleagues will think of Cumbria, if they think of Cumbria at all, as the Lake district—that beautiful stretch of mountains and lakes—but our economy is dying. From official Government statistics, we find that between 19[illegible] and 2002 the Cumbrian economy grew by only 13[illegible] per cent. The region of the north-west, including Liverpool, Manchester and areas that once were terribly depressed, grew by 38 per cent. The national economy grew by 44 per cent. When indexed against the gross value added per head, the Cumbrian gross domestic product in 1995 was 92 per cent., but in 2002 it had fallen to 74 per cent.

Today I am not going to attack the Government for letting that happen; there will be ample time in the next few years to do that. Today I want to make the point that an economy that has in the past few years shrunk from 92 per cent. to 74 per cent. is in a dire state. And that is on the latest statistics, to 2002. We believe that when the 2003 statistics are released, the Cumbrian economy will have shrunk to 71 per cent. of GDP, and Cumbria will qualify for objective 1 funding. I make a strong plea to the Minister to pass that fact on to his colleagues at the Department of Trade and Industry. We must have objective 1 funding in Cumbria.

The Cumbrian economy is in a worse state than Liverpool was when Liverpool was in its pits. It is in a worse state than Cornwall was when it qualified for objective 1 funding. It is in a worse state than those parts of Scotland that got funding. Yet not many people realise that that is so, because we still have the wonderful image of the Lake district, which seems such a nice, pleasant, wealthy place. I am afraid that it is not.

We are calling on the Government to seek objective 1 funding urgently for Cumbria. These issues must be addressed by a considerable package of UK and European funds, which must be dedicated to the whole of the NUTS 2 area of Cumbria, to be managed and delivered locally. The funds should come from the EU's regional competitiveness and employment fund, which is the new objective 2 of the structural funds. The funds should come with a derogation allowing a certain broadening of scope to target them at a wide range of activities in accordance with the structural needs of the county. We ask, too, that the funds be accompanied by assisted area designation under the regional aid guidelines as an article 87.3(c) area to enable higher investment in companies. I am sorry if that latter part sounded boring and technical; it is, but we are nevertheless losing industries hand over fist and do not have many new high-tech industries. We desperately need smaller, added-value companies in our county.

This is not a plea about the state of farming, which is also in decline, but in decline around most of the country. It is a plea for industry and our economy. We cannot continue at the present rate. If the Government's plans to run down and close Sellafield were to be enacted tomorrow, as opposed to over eight years, another 15 per cent. would be taken out of the Cumbrian economy. I hope that a time will come in the near future when I shall be able to address the issues of the nuclear industry. Let me say simply that I hope I shall be able to congratulate the Government not on running down the nuclear industry and Sellafield but on restarting it. We need the technology at Sellafield, and we need it in Cumbria. I hasten to add that I think we need it producing our power in the rest of the country, too.

[David Maclean]

That leads me to my next point, which is on wind farms. Energy prices have more than doubled in the past few months. On Friday, I visited a small factory in my constituency which makes polythene bags and a range of products from plastic. Its electricity bill has gone up more than 100 per cent. since May. The Government keep saying, and rightly, that our electricity prices have historically been the lowest in Europe. That was the case, but since May and June it is the case no more. The whole of that firm's last year's profit margin has been wiped out by this year's increase in electricity prices.

Because of that increase in electricity prices, the Government insist on maintaining the carbon tax and the renewables obligation. That obligation has long passed its sell-by date. It has resulted in Cumbria's being afflicted by hundreds and hundreds of applications for giant wind farms in the wrong place, which would despoil what is left of our economy, bring no new jobs and contribute only a fraction of the electricity that this country so badly needs. My next plea to the Government is that if they wish to pursue a wind farm policy, they should consider big ones offshore. They should not try to dump wind farms on the Lake district and other areas of outstanding natural beauty. They do not contribute to our electricity needs, and they are destroying our countryside.

Mr. Nigel Evans (Ribble Valley) (Con): My right hon. Friend may be aware that I am president of the Country Guardians, which is opposed to the ill placing of wind turbines. Does he know that 21 wind farms are currently under construction, a further 68 have been given consent and 160 are under planning consideration? People have had enough of these unsightly, inefficient wind farms blighting our countryside, and it is about time that we had a proper energy policy.

David Maclean: My hon. Friend makes his point in his own way, and admirably well. I applaud what he has said. Wind farms are blighting our countryside. Many of the applications are a mass try-on: companies apply for wind farms en masse, knowing that they will lose some, but hoping to gain most of them, which they can then sell on for someone else to build. The Government must look urgently at the whole policy of wind farms on land.

I want to speak, too, about community hospitals. I suspect that the Conservative pairing Whip did not entirely believe me when I said last week that I should like a day off to help lead a protest march through Penrith to save our community hospitals, which are up for closure. I have been able to produce the evidence, and what surprised most people in Cumbria was that 2,000 others from around the county turned out on a protest march, something those people have never done before—indeed, do not quite know how to do. Those people came from all parts of north Cumbria and from all walks of life. In fact, as the admirable Fred Wilson, the photographer from the Penrith *Herald* said, the last time that 2,000 people marched through Penrith was in 1745, and they did not get as warm a welcome from the local population as the Scot leading them this time. Three cheers for Bonnie Prince David.—*[Laughter.]*

The strategic health authority's plans to close four community hospitals in my constituency, plus two in the neighbouring constituencies of Labour MPs, are not properly thought out. They are based on back-of-the-fag-packet calculations. In place of the service offered by the community hospitals, the health authority has scrabbled together an idea for a 24/7 travelling district nurse, backed up by enhanced GP services. I am happy to say that if the professionals in the health service—doctors, nurses and others—had come together, asked how they could improve rural health and, over two years or 18 months, produced a plan involving travelling district nurses 24 hours a day and enhanced GP services, and if they had consulted on that and properly costed it, and if it would deliver more benefits, I could not resist it. But this plan has not come about in that way. It has been devised because the SHA way down in Preston has said, "You're in deficit. Cut your budget." When asked for a steer on what should be cut, the SHA apparently said, "We don't have community hospitals in Preston. Get rid of your community hospitals."

So a plan that will supposedly save £15 million overall is targeting our community hospitals to save £2.4 million. That will be devastating to our rural areas and it will be bad for the acute hospital in Carlisle, because it will lead to bed blocking on a massive scale. That is the nonsense of Government accounting. If the NHS gets away with this scheme, it will save £2.4 million. We will then have to build 120 nursing home places to take the people who are not capable of going straight home from the acute hospital.

The community hospital beds are not a luxury. No Government would have kept those hospitals open if they were unnecessary. We have them because there is nowhere to put people who have been discharged from the acute hospital but are not fit to go home. They need a week or 10 days of intermediate care. But if the health service saves on its budget, the cost of building 120 nursing home places outweighs it. Those mostly elderly people will be shoved into those places and, probably, stay there for evermore. When an elderly person goes into a community hospital for intermediate care, they are there for a week or 10 days and then they come out, but once they get a place in a nursing home—at enormous extra cost—they will be there for the rest of their life. The health service may save £2.4 million, but the county council and the social services budget will increase by at least £4 million. But that is a different budget head, so no one cares.

I hope that the Minister will tell the Secretary of State for Health, in the words we used at the rally, "If you persist with this, you have seen nothing yet." If 2,000 Cumbrians can be stirred up to join a protest march to save our community hospitals, I can tell the Government that they will see protests on a massive scale throughout north Cumbria. People will protest as they have never protested before, because we will not tolerate the closure of those essential services. There are other ways to save money in the health service. Indeed, there are other ways to use those hospitals more efficiently, but the scheme, cobbled together in a desperate attempt to save some money on a budget and targeting rural areas in the hope that rural people are so quiescent that they would not squeal, is wrong and doomed to failure.

My penultimate point is about the state of agriculture in my constituency and, indeed, in the whole of Cumbria, in the particular area of hill farming. I am concerned that the three-tier payment system discriminates against hill farmers in Cumbria. I know that in some parts of the country, such as the Peak district, hill farmers benefit more from the new single payment system. But because of the way in which the three tiers have been designed, hill farmers are suffering. I am not suggesting any more money overall for farmers, but I am suggesting that the Government revisit the three tiers and consider a possible rebalancing between them.

I urge the Government to explore urgently the recent National Trust report. It contains detailed research and suggests some ideas for rebalancing the three tiers to give different support levels to farmers. The concern that we have in the hills is that farmers will stop farming. To put it simply, if a farmer is to get a single farm payment for not farming animals, why on earth should a hill farmer go out at all hours of the day and night, in all weathers and all year round, to look after some yows on the hillside? It is not worth doing, especially if the payments are only £2,000 or £3,000 a year. The National Trust is concerned, as am I, that farming will cease in large parts of the Lake district, and then all the other parts of the landscape that we value—the walls, the fields and the hedgerows—will change fundamentally. That is the National Trust's fear, and I think it is justified. I urge the Government to consider the report carefully.

My final point is that the heart is being torn out of my county now. The administrative heart of Cumbria is going. Already, our fire service control has been moved out of the county to a regional centre at Warrington. The ambulance service told me this week that it will amalgamate with another in the political region. If the ambulance service in Cumbria were to amalgamate sensibly with a neighbour, it would be Northumberland, but that is not allowed because it is across the political border. We had an excellent debate on policing yesterday and I agree with much of what the hon. Member for Somerton and Frome (Mr. Heath) said about it. His words apply equally to Cumbria. There is no need or justification for the Cumbrian force to be amalgamated with Lancashire or Liverpool or into a regional structure. If the Cumbrian police should amalgamate with any other police force, again it should probably be Northumberland. But of course that is ruled out, because it is in the wrong political region. The excuse that every force in the country needs to be up to the same level of anti-terrorist expertise as the Met is barking and incorrect.

We are losing our fire service, our ambulance service and our police service. The Border regiment was extinguished last week, and the Government decided not even to keep its name in the new Lancashire county regiment. Part after part of my county is being stripped out. In a few years' time, why should business come to Cumbria when it has no headquarters of police, fire or ambulance, no learning and skills councils, and no regiment? My message to the Minister is, please give us the regional funding that we need, stop the nonsense of closing our hospitals, and do not tear the heart out of my county.

2.37 pm

Ms Diana R. Johnson (Kingston upon Hull, North) (Lab): I wish to address two issues—crime and antisocial behaviour in my constituency and the consultation process on building schools for the future that will take place after Christmas in Hull. The policing of crime and antisocial behaviour is a key issue for all Members of Parliament. The police force that covers Hull is Humberside, which has recently had a somewhat chequered history, including an unfortunate involvement in the Soham inquiry, a chief constable who got into difficulties with the then Home Secretary and a poor result in the police performance assessment that was published recently.

I therefore come to the debate on police restructuring with an open mind. At the moment, Humberside police force is not necessarily serving my constituents as well as it could. We had an interesting debate on the issue yesterday, but it was unfortunate that we had no speakers from Yorkshire on what should happen in that county. Hon. Members will know that Yorkshire has four police forces at the moment—Humberside, West Yorkshire, South Yorkshire and North Yorkshire.

As I said at the outset, crime and antisocial behaviour are key issues for almost every constituent in the country, and I am proud that measures to deal with them have been high on the Government's agenda. Police numbers have increased; there are 14,000 new police officers on the streets. A range of antisocial behaviour measures has been brought in and the use of closed circuit television has been expanded.

The attempt to modernise the police force is a key factor. We are looking at the jobs that we ask police officers to perform to see whether some of them can be undertaken by civilians or police staff, which is right and proper. We are considering more practical measures, such as the use of non-emergency telephone numbers so that the public can contact the police without using 999.

For a short period, I was a member of the Metropolitan Police Authority and I was keen on the work being done by the Mayor of London, Ken Livingstone, to devolve to neighbourhoods through local policing teams. He did well in that and I wish him every success in the future. Police community support officers played an enormous part in providing that neighbourhood policing. As a member of the MPA, I learned to pay heed to what the then Metropolitan Police Commissioner was saying about the threat of terrorism not only in the City of London, but nationally. That is of particular importance to me now, as the port of Hull and the Humber estuary could be major targets for terrorism.

Against that background, having regard to what Sir John Stevens said about terrorism and to what was said in the debate yesterday about level 2 crime, I am keen that we ensure that our police force is fit for purpose. Yesterday, I listened carefully to the comments about the report "Closing the Gap", produced by Her Majesty's inspectorate of constabulary. Humberside police force is made up of just over 2,000 officers and about 1,000 staff, so it fits the criteria in the report for the optimum size—4,000 officers and above—to meet area policing needs. I am persuaded that Humberside's current operational level does not give the force the capacity to deal with major incidents and the cross-regional crime that comes

[Ms Diana R. Johnson]

into Yorkshire. If it came to pass that the port and the Humber estuary were a target for terrorist activity, we would not have the resilience we need. As all Members are aware, abstractions from our local policing teams are far too frequent, so I am persuaded that we should change the structure in Yorkshire.

Two options are being discussed: a south Yorkshire and Humberside force of about 5,500 officers, or a regional Yorkshire force of about 12,000. On 16 December, a letter was signed by the chair of Humberside police authority and the chief constable, expressing the view that their preferred option was a regional Yorkshire force, although I stress that they were not asking for a voluntary merger. There will be four months of consultation on the preferred structure, which is right and proper.

It is important to the people of Hull, North that they have the local neighbourhood policing that they deserve. Police community support officers are effective in London, but I am sad to say that our previous chief constable in Humberside did not like the idea of PCSOs and we were the last police force to introduce them. There are only 22. Our new chief constable, Tim Hollis, believes that PCSOs have an important role to play in policing Hull and the general Humberside area and is moving towards the employment of 285 of them by March 2007. I am sure that everybody in Hull will welcome that. The Government have made available £340 million to increase the use of PCSOs across the whole country, and the target is about 24,000 in the near future.

Community wardens have been amazingly successful in Hull. The scheme is run by a community resource team at the Goodwin centre, which shows how the voluntary sector—the third sector—can get involved in providing services that really meet the needs of our communities. Our wardens have won awards and they train wardens throughout the region. I am proud that they are based in Hull.

Neighbourhood watch and victim support schemes also have an important part to play in ensuring that our streets and areas are safe. The whole police family has a key role—be it uniformed officers, PCSOs, community wardens or victim support and neighbourhood watch groups. The Home Secretary gave reassurances yesterday about the localised nature of policing, keeping the basic command unit strong and accountable to the local community. That is the right way to go, while recognising the need for a more strategic role—if there is a Yorkshire-wide police force—to deal with level 2 crime.

Of course, restructuring will be difficult. We have to acknowledge that, but I am convinced that Humberside, which has not done terribly well in the past, will benefit from the advantages of working with other police forces in Yorkshire. There will be savings from ending the duplication of human resources and payroll departments and headquarters. I look forward to seeing the nitty-gritty of what those savings will mean. A regional force would give staff more opportunities to develop specialisms, so that their careers can advance without their needing to move to other police forces.

I want to say a few words about centres of excellence. When I was member of the MPA, I was very impressed by Operation Sapphire, which was an attempt to concentrate resources and effort to deal with sexual assault and rape. Money was put in, on a partnership basis, to build and develop havens for victims, where they could be interviewed by the police and receive medical treatment and counselling. It was not like going to a police station, which can be a difficult experience for a victim of sexual assault.

There are two havens in London. The Humberside force has looked into setting up a haven, but has neither the specialism nor the money to do so. With a regional police force, we might be able to develop centres of excellence and set up havens in Yorkshire. I would very much welcome that.

In the debate yesterday, many people talked about the accountability of police forces, especially strategic police forces. I hope that the Home Secretary and the Minister for Policing, Security and Community Safety will ensure that the voices of people who are not often heard on policing issues, especially young people, get a hearing before any new structures are set up. They are the most likely to be victims of crime, yet often they do not have the chance to contribute to debates about resource allocation.

Finally, I want to talk about building schools for the future in Hull. We were lucky enough to be allocated £180 million and in January consultation will start on proposals for building new schools. Newland school for girls is the only single-sex school in Hull. It has an excellent head teacher and a good reputation. It is based at the centre of the campus of Hull university, which provides an excellent role model for young women and girls to further their education at university.

The school, which has been open for almost 100 years, is under threat of closure. One proposal is to close it at the existing site and move it to east Hull. I have received many representations about the need for single-sex schools. There must be choice in education and if parents want a single-sex school, they should have that choice. In particular, the growing ethnic minority community in Hull very much wants the school to continue. We do not need to close old buildings; we can remodel them. The school can be extended, to make it fit for purpose.

I am grateful for the opportunity to raise those two constituency issues, and I wish everybody a happy Christmas.

2.49 pm

Angela Browning (Tiverton and Honiton) (Con): I am conscious of the fact that these debates, as hon. Members who regularly attend them will know, can turn into a bit of a Christmas whinge, but I am hard-pressed to bring glad tidings of joy from the wonderful county of Devon this year, because we have so many issues that I need to bring to the Minister's attention.

I want to reflect a little on what my right hon. Friend the Member for Penrith and The Border (David Maclean) said about the large rural parts of this country, particularly of England, which seem to be ignored and overlooked by the Government. Like his constituency, the far south-west, particularly Devon and Cornwall, is a very beautiful part of the country that

is famous for its tourism, its coast and its river valleys, such as the one that I represent, but that does not mean that it is just a picture book. Real people live there. Real people have to run businesses and earn their living there. We have a younger generation growing up, and we want them to stay in Devon and feel that they have a future there, not elsewhere.

Every time I look at the way in which the Government address Devon's needs, however, I find that the rural parts of this country apparently have a different set of rules from the others. At the beginning of this year, I saw a map of what the Government regarded as the strategic road network for this country, only to find to my astonishment that anything west of Bristol—including the M5, which runs from Bristol to Exeter—was not regarded by the Government as a strategic route. In fact, there were absolutely no strategic road routes in the south-west peninsula west of Bristol at all.

My first port of call was to contact the chief executive and the chairman of the regional development agency—after all, I understood the Government's regional policy to mean that the RDA would look for the inward investment and economic regeneration of an area. When I asked what representations the RDA made to the Government in reaching the decision that there was a total wasteland west of Bristol, I was told that the RDA was not consulted at all.

All credit to the RDA. Over recent months, it has knocked on the Government's door, and I now understand—although no one has received any official notification of this—that the M5 from Bristol to Exeter is apparently now regarded as of strategic importance. However—one must be grateful for small mercies, particularly at this time of year—the rest of the road network that serves my constituency and the far south-west is totally neglected.

We were told that regional assemblies would have a strategic role in considering housing and infrastructure. Indeed, when the regional assembly sat down to consider road and rail infrastructure, it was officially told halfway through its deliberations to forget the railways because there was no money for them. It therefore dropped the railways from its agenda.

Only recently, I received a consultation document about the main rail routes in and out of the south-west. Again, I was absolutely astonished to find that, although we are to have a new town in my constituency, just east of Exeter, and that the main line from Exeter to Waterloo will go through that town and that there will be a new freight depot, supposedly bringing a lot of investment and jobs to the new town and to my constituency, freight is barely mentioned in the consultation document on the future of the railways in the south-west.

In fact, when I asked how freight could be hauled to that depot on what is a single-line track with a 1:32 gradient between Exeter St. David's station and a new station, which will be built in the new town, I was told that there was no money for rail infrastructure, that no one will be able to dual the track or do anything about the gradient and that half a load will be hauled twice a day.

Where is the planning in any of this? Where is the Government's strategic involvement? They seem to ignore the regional assemblies and RDAs that they have set up. Is not the Deputy Prime Minister's personal agenda really to divide England into bite-sized chunks, however the map is drawn. We heard from the hon. Member for Somerton and Frome (Mr. Heath) how our region—the south-west region—stretches from Swindon to Gloucester, down to the Isles of Scilly and along the coast to Bournemouth. It is an enormous area, yet the Government, having arbitrarily divided up the country, do absolutely nothing to recognise the area's needs. Likewise, as other hon. Members have also mentioned today, there is a regionalisation of our public services, particularly the police force, the ambulance service and the fire and rescue services, all of which seems to be done to fit things into a Government agenda regardless of how the services will be delivered to people on the ground.

Hon. Members who represent sparsely populated areas—there are three moors in Devon and Cornwall—know that services for people in very remote, isolated areas will go almost completely off the map. We heard about the delivery of health services. I am concerned that we will have a pan-Devon primary care trust. That is too big. I know what will happen because it now happens in just about every other area, whether in relation to public services or the delivery of grants for sports. People come along with a clipboard and a check list. If certain things on the check list are ticked, the area gets some inward investment and people get some help, but sparsely populated areas do not have the critical mass, so the things on the list are not ticked and the people get nothing at all.

I should like to tell the Minister that it really is about time that we saw what the Government trumpeted as their main ambition for this country—something that comes near to fairness and justice. I can remember that, when they first took office, almost every other speech by a Minister said that they wanted to govern with fairness and justice. There is no fairness and there is no justice for people who live in sparsely populated, rural communities because the whole system has been geared not to devolving things down to local decision making, but to taking them away from local decision making, so the services or the inward investment is not tailored to the needs of specific communities. Everything is decided from a central point, further away from the point of delivery, purely to fit an agenda that is political, arbitrary, unfair and unjust. That is how I see my constituents being treated by the Government, and they are not unique.

Since the Government took office, we have been asking, as the hon. Member for Somerton and Frome will know, for a second strategic route in and out of the south-west servicing the coastal ports from Weymouth and Poole and on to Kent. Such a route would be important for our businesses, for inward investment and especially for industries such as tourism. The Government kept kicking the plans into the long grass. They eventually said that we could not have a second strategic route, but that they would put the money into some other road. They have not produced the money for the other road. There is no money. There is no inward investment anywhere. One can look at the south-west from Bristol down and see that we are treated like second-class citizens, and I tell the Government that that will not do.

[Angela Browning]

Let us forget the political representation, whether by a Conservative or Liberal Democrat Member of Parliament. I realise that the Government do not have too many MPs in the south-west. In fact, only about one in 100 people voted for the Government in the south-west, but that is not the point. The point is that, when people govern, they should govern for a nation, not for selected parts of a nation that happen to share their own party political prejudices.

As this is surely the Labour Government's last throe, given that the Prime Minister is running out of time to make his mark as the great man of Europe or whatever—all those things that he wanted to tick off and be remembered for in the history books—let him get back to basics. Let him get back to what he said on the day that he took office. Let him at last in this Parliament deliver fairness and justice for the whole country, not just selected bits of it.

I am sorry that my speech has not brought you a great deal of light-hearted joy at this time of year, Madam Deputy Speaker, but these debates give us an opportunity, for which I am grateful, to raise issues that really matter to our constituents and communities. I hope that the Minister will take on board what I have said and make my views on behalf of my constituents known to Ministers, especially those in the Office of the Deputy Prime Minister. Despite the democratic vote in the north-east that showed clearly that people in this country do not want regionalisation, the Deputy Prime Minister is pressing on with it none the less. He does not have a mandate for it. As my right hon. Friend the Member for Penrith and The Border said of Cumbria, we will not have it in the west country. We will not have this dictatorship of a Government imposing things on us and running the west country in a way that is to the detriment of the people who live there.

May I wish everyone a very happy Christmas? I wish an especially happy Christmas to the staff and Officers of the House and thank them for the work that they do for us throughout the year, for which we are all extremely grateful.

3.1 pm

Mr. Martin Caton (Gower) (Lab): May I send my season's greetings to the people about whom the hon. Member for Tiverton and Honiton (Angela Browning) just spoke?

I would like to take the opportunity of using the last debate before Christmas to talk briefly about a matter that has been brought to my attention by members of the Swansea bay asylum seekers support group. The organisation provides support, advice and practical help to asylum seekers and refugees in my constituency of Gower and other constituencies in the Swansea area. The group does tremendous work, often in distressing circumstances, so I am glad to be able to pay tribute to its enthusiastic and hard-working volunteers.

The specific matter that has been raised with me and other hon. Members is perhaps especially appropriate to this of all seasons if we regard Christmas as a time for families and especially children, as most of us do. I want to consider the impact of section 9 of the Asylum and Immigration (Treatment of Claimants, etc.) Act 2004 on families and children, and the possible future impact of the section throughout the country.

Some hon. Members will remember that section 9 was the focus of much debate during the passage of the Bill, which received Royal Assent in July 2004. It created a new category of people called

"failed asylum-seeker with family"

and made provision for those people to lose their entitlement to financial and material support under our domestic social welfare schemes. The provision means that an adult failed asylum seeker with a dependent child or children who is regarded as having failed to take reasonable steps to leave the UK can have their entitlement to support from the state ended. That is achieved if the Secretary of State issues a certificate. Clearly, the expectation is that the measure will encourage families with children to leave the UK after their asylum claim has been decided. I am not here to argue against the Government's intention when applying and enforcing their asylum policy, but to draw attention to the consequences of the provision and its possible effects in the future.

It was argued during the passage of the Bill that became the 2004 Act that section 9 would allow children to be used as a tool to coerce families into doing what the Government wanted them to do. It was thought that the failure to view refugee children in such circumstances as children first and foremost could breach the Children Act 1989, the Human Rights Act 1998 and the UN convention on the rights of the child. Frankly, I do not have the legal knowledge or specialist expertise to assess whether that is the case or not, but there is growing evidence that section 9 is having a negative impact on children's safety and well-being in some cases, but not achieving the Government's objective.

Perhaps because of the controversial nature of section 9, it has been piloted in three areas: central and east London, Greater Manchester and West Yorkshire. It was applied to a group of 116 families from several different countries with 36 adult dependants and 219 children. In all cases, the families' appeal rights had been exhausted before December 2004.

Soon after the pilot began, Barnado's, with the support of the Refugee Children's Consortium, started an assessment by working with local authorities that were involved in the implementation pilot and some that were not. Interviews were held with local authority practitioners and the findings of the research were illuminating. Every local authority that was interviewed believed that section 9 of the 2004 Act was incompatible with the Children Act 1989 because that Act requires local authorities always to put the interests of the child first and says that unless there is likely to be physical danger, the best place for a child is with her or his family. However, section 9 requires a local authority to take away the means of supporting a child and then decide whether to take that child into care to ensure that he or she has food and shelter. No local authority staff had received any guidance from the Government on how to undertake human rights assessments. That is important because the withdrawal of support can be prevented only if there is a breach of the Human Rights Act 1998.

The research found that the approach of different local authorities varied enormously. Local authority staff who were responsible for working with families from which support had been withdrawn thought that they did not have the necessary training or experience to

balance child welfare and human rights considerations with the imperatives of immigration control. Local authorities were all worried about resource implications of section 9 and some felt that there had been a deliberate shift of resourcing from the immigration and nationality directorate to local authority budgets.

Apart from engendering a sense of dismay and uncertainty in social services departments throughout the country, what else has the experience of the pilots taught us? What happened to the 116 families involved? I do not have an absolutely up-to-date picture, but I can give a snapshot of the situation in the autumn. Some 27 families had reached stage 4 of the process, 17 of which had had their support withdrawn under section 9. A further 26 families had had their support withdrawn for reasons other than section 9. Although, the pilot began in December 2004, not one family had returned to its country of origin by the following autumn as a direct result of the implementation of section 9. On the other hand—this is the bit about section 9 that worries me most—35 families had disappeared altogether, thus losing contract with the services with which they had been working. By definition, of course, we do not know what has happened to those families, but it is clear that they have made themselves and their children acutely vulnerable and open to all sorts of exploitation. Those families represent 30 per cent. of those in the pilot.

There is good evidence that families involved in the pilot did not really understand their situation or options. Halfway through the pilot, the Refugee Council in London and Leeds and Refugee Action in Manchester sent translated letters to section 9 families involved in the pilot. The families were invited to attend advice sessions or to call telephone advice services so that it could be discovered whether they understood their position. It turned out that many families had not received letters relating to section 9 and that few of those who had received a letter understood it.

The thinking behind section 9 is clear and understandable. Why should the British taxpayer continue to support asylum seekers who have come to the end of the appeal process? I know that many of our constituents support the logic that if we take away such asylum seekers' support, they will go. However, it is hon. Members' job to look beyond that straightforward rationale and to examine the effect of the policy.

It is clear to me that the pilot demonstrates that section 9 has not achieved its objectives and that it would be extremely unlikely to do so if it were rolled out throughout the country. It has created legal and practical problems in the local authorities that have been involved in the pilot and have tried to combine the implementation of section 9 with their child welfare and human rights standards. That situation would be reflected throughout the country if the scheme were extended beyond the pilot areas. Rather than encouraging families to leave the UK, the fear of eviction or separation have driven them to disappear. They are presumably living on the margins of our society, vulnerable to abuse and exploitation. Surely that cannot be an acceptable outcome of any policy. If section 9 is rolled out throughout the country, thousands of children would be put in such a position through—whatever one thinks of their parents' decisions—absolutely no fault of their own.

The children's policies that we adopt must take precedence over our asylum objectives if and when, as in this case, they appear to conflict. The children of asylum seekers and refugees are first and foremost children. All of our policies should protect the interests of children as a matter of first principle.

I shall quote from a statement that was put out jointly by the four UK children's commissioners last Friday, which expresses a number of their concerns about the treatment of asylum-seeking children and young people. It identifies, as a particular concern, the withdrawal of welfare from asylum-seeking families and children following a final negative asylum decision and exhaustion of appeals, including the power to separate asylum-seeking children from their families. The commissioners say:

"The Commissioners call on the Government to ensure that asylum-seeking children and young people are treated as children by all those involved at every stage of the asylum process, from arrival in the UK through to removal to their country of origin, and their special needs and rights recognised."

The commissioners

"want to express their disappointment that no-one seems to be listening to what the children themselves have to say or to be considering the impact that their experiences before and since coming to this country may have had on them. The Commissioners in Northern Ireland, Scotland and Wales will also be making representations to their own Parliaments and Assemblies about the effects of current policy on children and young people in their area."

Let us listen to our children's commissioners. Let us listen to people who are working in this area, such as Barnardo's and the Refugee Council. Let us listen also to our directors for social services, and let us just dump section 9.

3.11 pm

Andrew Selous (South-West Bedfordshire) (Con): I begin by paying tribute to the campaigners for the Make Poverty History campaign and the trade justice campaign in my constituency and throughout the country. We should reflect on the success of those campaigns: people were motivated throughout the country and young people, especially, were seized by those projects. That has had a great deal to teach all of us in terms of a political campaign.

I say that with a tinge of regret, having listened to today's statement by the Secretary of State for Trade and Industry about the deliberations of the World Trade Organisation in Hong Kong last week. It is unfortunate that it was not possible for the Government to secure proper reform of the common agricultural policy earlier during their presidency. We know from parliamentary answers that the Minister for Europe did not even start to have serious negotiations with our European colleagues on the CAP before October. If we had been able to sort out the CAP and arrive at some sort of proper agreement earlier this year, there would have been a real chance for us to secure a far better outcome at the WTO meeting in Hong Kong. As a result, hundreds of millions of the world's poorest people would have received a much better outcome.

It is glib and easy to talk about poverty and the Make Poverty History campaign, but what does that mean? I was impressed recently by the work of the UN World Food Programme, based in Rome. We must remember

[Andrew Selous]

that some 6 million children die every year through malnutrition or disease. Those children are loved by their parents and are just as special to their families as are UK children to their families. I note what we have just heard about Hong Kong with a great sense of regret. Of course some progress has been reached, but it is a pity that we could not make real progress under the British presidency to secure CAP reform.

I want to reflect on what the House heard yesterday from the Prime Minister about the European budget negotiations. It is curious that only two weeks ago the Chancellor of the Exchequer came to the House, on 5 December, to set out the state of the nation's finances up to 2008. We learned yesterday from the Prime Minister that we will have some £7 billion less than the Chancellor had anticipated when he made his statement to the House. It is extraordinary that Parliament has not been consulted about such a massive change to the national budget. We have not been told which taxes will rise to pay for the £7 billion or which services will not now be funded. Apparently, not even the Chancellor was contacted to ask to give his agreement to £7 billion coming off the rebate.

The Prime Minister said yesterday that it was all about supporting the new entrants to the EU, and there is much sense in that. However, it is curious to find that Ireland, which has a higher per capita income than the United Kingdom, is receiving more per head than Lithuania, Slovakia and Poland. It would be possible, however, to support the new entrant states properly with a budget that was fair and ensured that money went to the poorest nations and not to some of the richest nations.

These are serious issues. As Members of Parliament, our prime duty is to hold the Government to account and to be the guardians of taxpayers' money. It is extraordinary that this matter has not come anywhere near the House; instead, it will be debated in the European Parliament. We are talking about huge sums. I understand that £7 billion is more or less what the Government spend on policing in England and Wales.

That brings me to the next part of my speech, which is the reorganisation of the police service. If we spoke to most of our constituents about police restructuring, they would probably look slightly blank. When I speak to my constituents about policing, they say that they would like the police station, for example, in Houghton Regis to stay open later in the evening. The same thing could be said about the police stations at Leighton Buzzard and Dunstable. People in villages in my constituency say that they would like to see a police officer more often.

Many of my constituents, like those of all other Members, suffer from the scourge of antisocial behaviour. It is appalling that, in some cases, such behaviour continues for two, three and sometimes three and a half years before those suffering from it are able to get relief. These are the real issues that our constituents want us to answer when we discuss the police service.

The Government's reorganisation of the police service raises the question whether the proposed changes are likely to address the concerns of our constituents better, or whether the situation will become worse. I have a great concern that larger forces will shift the focus from those local policing concerns that our constituents want the police to deal with.

The chairman of the Association of Police Authorities says:

"we are not convinced that policing which is controlled from remote centres which are out of touch with local communities is the right answer when other ways of getting the same result more quickly and cheaply have not been given even a cursory look."

Members on both sides of the House are happy to work with the Government to consider how to save money within the police service and to spend money more efficiently. We have grave doubts, however, about the way in which the Government are proceeding. In my own area, Bedfordshire police say that the set-up costs of a regional east of England force—one of the options proposed by the Government—are £70 million with net savings of only £10 million. The cost of the east-west option that will merge Bedfordshire, Cambridgeshire and Hertfordshire forces or the north-south option that will merge Bedfordshire, Hertfordshire and Essex is £66 million to set up the new force, with savings of only £6 million a year. There is therefore a 10-year payback period, which is quite a long time in which the police service must borrow to fund start-up costs, possibly having to make cuts in front-line services before those costs are recouped. Nationally, the Government need between £500 million and £600 million to bring about the changes. We can all think of better ways of spending that money to put more police officers on our streets without resorting to reorganisation.

I accept that, in some respects, the Government have a point. Do we need 43 directors of finance in our police forces, or 43 directors of human resources? We could easily centralise functions such as finance, human resources and purchasing to save funds. There are many ways in which we could achieve the economies that the Government seek without a massive amalgamation of forces.

Accountability is key for the police, but it is stretched to the limit. My constituency is at the bottom of Bedfordshire, and the county town of Bedford is a 55-minute drive away. It is not as far as the distances that colleagues in larger counties have to travel, but it is still a significant distance. We need accountability in terms of the BCU—the basic command unit—of the police service, but chief superintendents do not have a structure of accountability. They look up to the chief constable, and the police authority covers the area in which the relevant police forces operates. Chief superintendents who manage police divisions should be made accountable to local representatives, who know very well the concerns of the people whom they represent.

Bedfordshire, too, has been told that any merger plans must fit within the region covered by the Government office for the east of England. Bedfordshire police considered the option of merging with Thames Valley police, who are next-door to us and with whom we share some functions, but we were told that that was not possible because they were in a different Government region. Like many hon. Members, I can confirm that our ambulance and fire and rescue services in Bedfordshire operate on a regional basis. Our strategic health authority is heading in that direction

and important planning decisions are effectively made on a regional basis. It appears as if our police force is heading that way, too.

Finally, on behalf of Bedfordshire police may I reiterate the point made my hon. Friend the Member for North-East Bedfordshire (Alistair Burt) yesterday? Bedfordshire police have been asked to pay the full security costs of policing Luton airport, which is a national facility used by planes from across the United Kingdom, Europe and further afield. It is not right that £400,000 should be taken from our police budget to provide security so that people across the south-east can fly safely. That does not happen at Gatwick or Heathrow, so I urge the Government to end that discrimination and give that money back to the people of Bedfordshire.

I, too, wish to conclude by wishing you, Madam Deputy Speaker, Mr. Speaker, all the Clerks and the staff of the House a happy Christmas.

3.24 pm

David Taylor (North-West Leicestershire) (Lab/Co-op): May I begin by sending my good wishes to everyone who works in the House, not least people in less highly regarded areas such as the Whips Office? I should be grateful if my hon. Friend the Member for Brigg and Goole (Mr. Cawsey) would pass on those wishes to his colleagues.

A week today, on 27 December, we celebrate the third day of Christmas, when the quarry products industry receives from the Government not three French hens but something else of continental origin with more than a paltry impact—the European waste incineration directive. The constituency of North-West Leicestershire is a mineral-rich area. Roadstone extraction and treatment is a key industry that employs many of my constituents. The waste incineration directive poses a serious threat to their employers, given the additional costs that it will impose, and to the local and national environmental, given the extra emissions that will arise if the WID is allowed to ban the use of recovered fuel oil in the roadstone coating process and use as a substitute more polluting virgin fuels—which have nothing to do with Richard Branson.

The simple facts are as follows. Asphalt producers have used RFO as a fuel to provide the heat to dry stone for more than 30 years under strict emissions control arrangements without any apparent detrimental effects to the environment. That is largely due to the fact that the emissions from plants using RFO are environmentally more benign than plants using alternative, so-called virgin fuels. There is substantial evidence to underwrite those claims. However, the Environment Agency is adamant that RFO is a waste when bought by the quarrying industry and, because burning it constitutes disposal, it must now comply with the WID. The Environment Agency's arguments are based on rulings by the European Court of Justice that are quite irrelevant. Without significant, technically difficult and costly—in other words, impractical—changes to plants, the quarrying industry cannot meet the WID criteria, and will have no alternative but to stop using it from 27 December 2005 and switch to less environmentally sensitive virgin fuels such as gas, oil and light fuel oil.

The revision of the European waste framework directive, which will be published tomorrow as it starts to proceed through the European Parliament, redefines "recovery" so that RFO purchased from members of the oil reprocessing association is now classified as fully recovered and will no longer be a waste. Above all, the Environment Agency decision flies in the face of the Government's own sustainable development strategy, and waste prevention objectives, as the use of RFO, which is mainly derived from old motor vehicle engine oil, replaces an equivalent volume of virgin hydrocarbon fuel of about 4 million litres a week.

Bearing in mind that the new classification of the period at which a waste ceases to be a waste will be in the public domain tomorrow and that it will be clear for everyone to see that RFO, as bought by industry, is recovered under the new definitions, it is inconceivable that the European Commission should commence infraction proceedings against the United Kingdom if the UK allows the continued use of RFO by the quarrying industry after 27 December. Knowing that my right hon. Friend the Chancellor deplores red tape and that slavish adherence to apparent ECJ legal opinion and infraction constitute the paranoia underpinning the Environment Agency's attitude, the quarrying industry would be grateful to Ministers, including my hon. Friend the Deputy Leader of the House of Commons, for any pressure that they can bring to bear on the Department of the Environment, Food and Rural Affairs and the Environment Agency in the next few days to replace dogma with logic and common sense.

May I take a minute or two to outline the case that I hope my hon. Friend the Minister will put to the Chancellor of the Exchequer and to the Secretary of State for Environment, Food and Rural Affairs? The roadstone coating industry currently uses approximately 200,000 tonnes of recovered fuel oil annually, which is about half of the UK's entire consumption. Roadstone coating plants burn RFO to dry and heat stone before bitumen is applied to make asphalt. The burning of RFO in roadstone coating plants significantly reduces the consumption of virgin gas oil by the roadstone coating industry, which preserves natural resources and avoids energy consumption in the production and refining of virgin gas oil, and it decreases emissions across a range of substances in comparison with the burning of virgin gas oil, which is perfectly lawful.

The market for RFO creates an economic environment within which the waste oil collection and treatment industry can thrive. Since the costs of waste oil collection and treatment are effectively underwritten by the end user of RFO, so-called producers of waste oil have every incentive to dispose of their waste oil responsibly and lawfully. The use of RFO by roadstone coating plants in my constituency is therefore of significant environmental benefit. No alternative option currently exists, and no viable alternative has been proposed that would guarantee the same environmental benefit as that received from the established pattern of RFO use by roadstone coating plants.

In my view, the use of RFO by roadstone coating plants is the best practical environmental option, and the Government should fully support it. However, DEFRA and the various waste regulators appear to

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think that the burning of waste-derived fuel is either a waste-recovery operation or a waste-disposal operation, and that as a consequence all waste-derived fuel must be waste. That is an over-simplification of the legal principles determining when something derived from waste ceases to be waste. As a consequence of that approach, the use of RFO as a fuel in roadstone coating plants is being considered as the co-incineration of non-hazardous waste under the waste incineration directive, and operators of such facilities are obliged to submit applications for permits under the pollution prevention and control regulations by 31 March this year. Those applications are required, even if roadstone coating plant operators choose not to use RFO beyond the compliance date for the waste incineration directive of 28 December 2005.

The industry has continued to co-operate with DEFRA and the various waste regulators in all aspects of the regulation of roadstone coating plants. Indeed, it has an excellent environmental track record, which I have observed because of my regular visits to plants in North-West Leicestershire. However, DEFRA has not yet replied to the industry's concerns about what will happen if RFO is no longer considered as a waste.

Although I am an accountant and not a lawyer, I have seen the legal advice and assessed the status of RFO under the applicable waste law. In my view, the facts justify the classification of RFO as a completely recovered product, in which case the waste incineration directive does not apply to it. The purpose of my contribution is to demonstrate that that argument is well-founded both in law and on the facts, to seek acknowledgement via the Minister from DEFRA and the waste regulators that that argument is well founded and to encourage DEFRA and the waste regulators urgently to work on finding the most sensible resolution to the issues.

Extensive comparative emission and product trials have taken place over the past few months at four asphalt plants around the country using different suppliers of RFO, different types of stone, different fuels and different ages of machinery. The fuels used were RFO and the primary hydrocarbons—gas oil and light fuel oil—to which I have referred. The quarry industry can demonstrate unequivocally that emissions from RFO are more benign than those from so-called natural alternatives. I encourage DEFRA to inspect and respond to those results. Indeed, if the quarrying industry were to stop using RFO next week, the environment would suffer two blows: not only would the quarrying industry have to use more virgin fossil fuel, but one of the most efficient used-oil collection regimes in Europe would be jeopardised.

Adherence to the waste incineration directive will not help the environment in this case. I urge DEFRA to defer the requirement for asphalt plants to obey the letter of the directive until it has had the chance to examine the arguments thoroughly and pragmatically and to read the final rewrite of the waste fuel directive, which disapplies the incineration directive in such cases. To do as I request would not compromise environmental protection, but it may avoid causing irrevocable and avoidable harm to the quarry products industry, which is a crucial employer in North-West Leicestershire.

In summary, the quarry industry and those who work within it seek confirmation that there are circumstances in which it is legitimate to regard waste-derived fuel as a fully recovered product that has ceased to be waste; that the production of recovered fuel oil is the production of a product that has ceased to be waste; that the burning of recovered fuel oil in roadstone coating plants is not the incineration or co-incineration of hazardous or non-hazardous waste; that operators of roadstone coating plants in North-West Leicestershire and elsewhere do not need to apply for PPC permits that incorporate the requirements of the waste incineration directive, which takes effect a week today; and, finally, that roadstone coating plants can lawfully continue to burn RFO, provided that they meet the emissions standards generally applicable to the burning of fuel products.

Although I consider the current methods of quality control employed by the oil reprocessing industry to be adequate to demonstrate the complete recovery of a product, the quarrying industry would be happy to work with DEFRA, the Environment Agency and the oil reprocessing industry to produce a quality protocol if that is necessary for reinsurance purposes. The industry is aware of a US quality standard—ASTM D6823—which relates specifically to the production of RFO. That could provide valuable assistance to speed up the finalisation of any UK RFO quality protocol.

The industry has every intention of maintaining its excellent track record in co-operating with DEFRA and the waste regulators to address any concerns that it may have prior to giving the formal acknowledgement that it seeks. In order for it to do so, I urge the Minister to ask his colleagues to explain any objection to the arguments that I have presented.

This is an urgent economic and environmental matter. I hope that the Government will address it before they depart on a well-earned Christmas break from European controversies and turn to resolving domestic disputes, which we all anticipate with great relish.

3.36 pm

Sammy Wilson (East Antrim) (DUP): As I approach the end of my first year as a parliamentary apprentice, I see this House as a place of contrasts. Sometimes kindness is directed towards Members, while at other times there is cruelty when Members are in full flight after some hapless Minister like a pack of hounds. When I see how Members behave towards each other, I sometimes wonder where the anti-cruelty vote came from.

There can also be a contrast between tedium and drama, as you will have experienced on many occasions, Madam Deputy Speaker. Going through the detail of a Bill with very few Members in the Chamber can be tedious, yet sometimes we see the drama of close votes and Back-Bench revolts. One of my favourite occurrences took place in July when the hon. Member for Hackney, South and Shoreditch (Meg Hillier) had decided to speak against her own party. It was late at night, thunder was pealing outside and, just as she

reached her main point, lightning flashed around the Chamber. My hon. Friends were impressed that the Labour Whips had such power, as we had thought that it was reserved to the leader of our party.

Over the past few months, I have found several contrasts between the Government's attitudes towards issues in England or in the international sphere and towards similar issues in Northern Ireland. I want to raise with the Minister the Government's contrasting attitudes to terrorism, because my constituents want answers on that. Not so long ago, a lone protestor outside Downing street was arrested for reading out a list of names of soldiers murdered in Iraq. Yet this weekend the case was dropped against members of Sinn Fein who were in possession of lists of policemen and prison personnel, many of whom had to leave their own homes, at a huge cost to the taxpayer of more than £30 million, as a result. Sinn Fein has tried to turn that into an intelligence scandal by saying that it is terrible that the police and MI5 were recruiting informers from within the IRA and Sinn Fein. Many in this House would be appalled if the security forces were not trying to recruit informers and gather intelligence. The spotlight seems to have been directed towards the police or the Government, whereas the real questions must be answered by Sinn Fein. Why did it have those lists? To what purpose did it intend to put them? Why were the fingerprints of some leading Sinn Fein members all over them? How can people in Northern Ireland trust Sinn Fein?

The question that my constituents want the Government to answer is this: if those people abuse their position in the Stormont Assembly and use their offices to capture information that could be useful to terrorists, why on earth are the Government pursuing an agenda that will put those same people back into their offices and back into office? Of course, such people are not to be trusted, and there is not the required level of trust.

Another contrast in the attitudes to terrorism was shown in the revolt by Labour Members not long ago in relation to holding terrorist suspects for more than 90 days without charge. Within a couple of weeks, however, those Members were tamely trotting through the Lobby to support legislation that would allow terrorists in Northern Ireland, who have charge lists as long as one's arm and have been found guilty of some of the most heinous crimes, to walk off without even appearing in court, let alone spending 90 seconds in jail. That Bill has been considered in Committee in the past couple of weeks, and the Government must bring back amendments that deal with the serious issues raised by Members in all parts of the House, including Government Back Benchers, and by the Northern Ireland Human Rights Commission, the police and others.

Secondly, there is a contrast in the attitudes to education. The White Paper presented to the House will afford schools in England new freedoms in deciding on their admissions criteria. Despite the hysterical reaction from the Secretary of State—which, of course, we understand, as she must placate her Back Benchers, and it now seems that she must placate some Cabinet members—there is no doubt that those freedoms will enable schools to match children to the type of education to which they are best suited. We can call that academic selection or whatever we want, but it allows schools that freedom. I have no difficulty with calling it academic selection, common sense or whatever; I believe that it is right, and schools in England will benefit from it.

The contrast is that while the Government are introducing those freedoms to schools in England, they are removing them in Northern Ireland, despite the fact that teachers, schools, parents and the public, in consultation after consultation, including Government consultations, have widely supported continuing to match children to the school that they attend through an assessment of their educational needs, aptitudes and abilities. Last Friday, I met several principals who serve schools that take a large number of my constituents. They are all baffled as to how the Government can continue to fly in the face of public opinion in Northern Ireland on this issue. Unfortunately, a White Paper that will be introduced to the House in the new Session will remove in Northern Ireland the very freedoms that the Government intend to introduce—for which they will probably seek our support—in England. The Secretary of State must explain why the two parts of the United Kingdom are treated differently.

Thirdly, there is the attitude to the economy. The Chancellor has problems with the UK economy. Growth rates are half what he predicted in the Budget last year, public finances face a huge gap and a black hole, and the golden rule is in tatters. The Chancellor has rightly tried to talk up the economy, as he does not want confidence in it to be lost. What a contrast that is with the attitude of the Secretary of State for Northern Ireland, who flies off to New York to meet investors and tells them that the Northern Ireland economy is unsustainable. The Chancellor of the Exchequer talks up a flagging economy in the House of Commons, while the Secretary of State for Northern Ireland talks down the economy of which he is in charge.

I understand that there are problems with the Northern Ireland economy. Our dependence on the public sector is too great, and the private sector is too sluggish. The private sector faces all kinds of problems, what with uncertainty and organised crime—by the very people, incidentally, whom the Secretary of State hopes to get into government in the next year—and the planning delays caused by the bureaucracy of the planning system, which has not improved. That has affected a number of projects in my constituency—major, multi-million-pound projects. I hope that the planning delays will be dealt with, so that the £80 million investment in Magheramorne quarry, and the investment in the village of Glenarm and in Carrickfergus are not held up.

There is also a contrast in the attitudes to finance. Only yesterday, the Prime Minister told the House that he had secured a great deal when he gave away £7 billion to the European Union, although he had not achieved any reform in the common agricultural policy, or even any promises of reform, and although he had promised that he would not renegotiate the rebate, period. That largesse towards the EU presents a contrast. When my hon. Friend the Member for Belfast, North (Mr. Dodds) asked at the end of the statement who would pay for the additional money that would go into the EU's coffers, he did not receive an answer.

I note that my constituents in Northern Ireland are already bearing a heavier tax burden because of a 19 per cent. increase in the regional rate, a promise of new

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water charges in the new year, and cuts in both the general and the waste management grants to councils. To my constituents, that means that the general grant to Larne, Newtownabbey and Carrickfergus councils will have been cut by 50 per cent. as a percentage of their budgets since 2002, and the waste management grant will be cut by 33 per cent. this year. All that, at a time when the Government have increased the regional rate, means that councils will have to increase the district rate. It is another way of passing on cuts and financing that through additional local taxation, which of course makes it more difficult for new private-sector firms to find their feet.

I also see a contrast in the attitude to international issues. The hon. Member for North-West Leicestershire (David Taylor) mentioned those. I have attended lobbies in the House when constituents have come to speak to me about making poverty history in Africa. I have met representatives of schools. I have also have spoken in schools in my constituency, where youngsters have written letters and carried out projects, and teachers have done a great job in raising awareness of the unfairness in the distribution of wealth across the world and the impact that it has.

The Prime Minister has, I have to say, done an excellent job in raising awareness of African issues through the Make Poverty History campaign, the Commission for Africa and everything else. At the same time, however, that contrasts with the lack of action on getting rid of the inequities within the common agricultural policy, which have led to the destruction of many African and other economies through heavy export subsidies that favour the rich world rather than the poor. Those contrasts must be dealt with and we must have answers to questions about them.

I trust that, in the new year, we will have some answers and perhaps a change of heart, and I hope that some of the issues that I have raised this afternoon will be dealt with. Meanwhile, I hope that Members and the Minister will take note of the contrasts that I have highlighted. In closing, I wish you, Mr. Deputy Speaker, and all members of staff a happy Christmas.

3.50 pm

Mr. Alan Reid (Argyll and Bute) (LD): I represent a large rural constituency with 26 inhabited islands. The geography of the constituency clearly means extra costs and difficulties when it comes to the delivery of public services, so I want to raise some issues about that today.

I will start with Royal Mail—clearly an important public service in a vast rural area. It is inevitable that, when the delivery services are opened up to full competition next year, private mail companies will enter the market, but they will obviously concentrate on urban areas. I cannot envisage any private mail company wanting to deliver mail to houses up a long track on a distant island. The future of the Royal Mail's universal service obligation is therefore vital.

The Select Committee on Trade and Industry has just published an excellent report, which points out how vaguely the universal service obligation is defined. It is important to define the USO clearly. We must have a proper definition of the services included, and it should embrace first and second-class letter mail, a standard parcel service up to about 20 kg, a registered mail service, redirection, international mail and a bulk mail product.

It is important that as postal services evolve over time the USO is frequently reviewed. I hope that we have learned some of the lessons from the privatisation of the telecoms industry. The universal service obligation imposed then related solely to voice mail services, but as telecoms services have rapidly evolved, certain developments such as broadband are no longer part of the USO. We must not make the same mistake with mail services, so we should leave it open for the USO to evolve.

Another important issue raised in the Select Committee report is the need for a universal service compensation scheme—a fund though which private mail operators contribute towards the costs of providing a universal service. It is no good waiting until Royal Mail gets into financial difficulties before setting up such a fund. It is important for it to be set up soon. It must be set up in order to compensate Royal Mail for the extra costs that it incurs in delivering to the remote rural areas that private mail operators would not consider serving.

I am also concerned about the future of rural post offices. Often, the post office is part of the only shop in a village, and without the post office income and extra footfall generated, many of those village shops would not survive Rural post offices benefit from social network payments of £150 million a year, but they are guaranteed only until 2008. It is important for the Government to commit soon to funding the rural post office network beyond 2008. Unless they do so, it is inevitable that some rural post offices will be forced to close. I am already aware of circumstances in which some postmasters or mistresses wish to retire, but when Royal Mail explains to applicants wanting to take over that the social network payments will continue only to 2008, many of them understandably pull out. Without any long-term business plan, they are unwilling to take the risk. It is important that the Government give a commitment soon.

The Government have already caused a great deal of damage to rural post offices by transferring many pension and benefit payments to the banks. They should try to give rural post offices more business, and they could help smaller post offices by, for example, allowing more of them to issue vehicle licences.

Another area of concern in my constituency is the recent announcement by the Department for Work and Pensions of job cuts in the Jobcentre Plus offices in Oban and Campbeltown, which will have an impact on the local economy because in small towns alternative employment is often hard to find. The work is being transferred to large call centres, and we already know that benefits call centres are failing miserably to carry out their work. Recent figures have shown that as many as one in three calls to them go unanswered. That is simply unacceptable, as is the fact that people have to wait several weeks to receive their benefits when they become unemployed.

Transferring yet more work to failing call centres is not the answer. Many people want face-to-face contact, and many benefit applications could be processed much

more efficiently in face-to-face interviews with local staff who understand the local circumstances than by conducting the interviews down a telephone line to a distant call centre. I ask the DWP to rethink its job cuts plans and to keep those jobs in Oban and Campbeltown.

A large proportion of my postbag, like that of many other hon. Members, consists of complaints about the Child Support Agency. It is obvious that the CSA is in a state of chaos. I could cite a long list of statistics to show that it is failing, but I shall restrict myself to a few. More than £3 billion owed to children remains uncollected, more than 35,000 compensation payments have been made for maladministration over the last few years, and there are hundreds of thousands of cases in the queue waiting to be assessed. The average wait for those unassessed cases is 448 days, and many parents are in a state of despair over their dealings with the CSA.

I think that the solution is for the Government to scrap the CSA and transfer its functions to Her Majesty's Revenue and Customs. The Revenue already holds information about family incomes and children, so is well placed to take over the assessment of child maintenance. Because of the information that it already has about incomes and where people work, it would be more effective than the CSA has been at chasing people and collecting money.

Another area of unfairness that I want to raise is the Government's decision to exclude women between 60 and 64 from the one-off council tax refund of £200. Those women are of pension age, and they should receive their £200 discount, like any other pensioner. Ideally, council tax should be scrapped and replaced by a local income tax, but if the Government want to stick with council tax, we should at least be able to expect equal treatment for all pensioners, regardless of their sex.

It should not be assumed that the different pension age for men and women always works in favour of women. One constituent who wrote to me had been on incapacity benefit, but when she became 60 that was replaced with the state pension, which was lower than the incapacity benefit. Then, to add insult to injury, she heard that she would not receive the £200 council tax discount. She wrote to me pointing out, correctly, that had she been a man she would have continued to receive incapacity benefit until she reached 65, so she would have been better off. Until retirement ages are equalised for men and women, all benefits that accrue to pensioners should accrue to all pensioners, including women between 60 and 64.

Another important issue in my constituency, particularly on the islands, is the high price of petrol. When I visited the isle of Coll in October, it was staggering to find that the price of a litre of unleaded petrol was £1.26, far higher than anywhere on the mainland. When the Office of Fair Trading investigated the high costs, it found that there was no profiteering either by oil companies or by local garages; the high price was simply a result of low turnover. A local non-profit-making company runs the petrol station. Without such non-profit-making community involvement, there would be no petrol for sale on the island.

The Government could help by charging a lower rate of fuel duty on islands. This issue has been raised before with the Government, who have always argued that if they did introduce a lower rate, it would be difficult to know where to draw the line. That argument may apply to remote mainland areas but it does not apply to islands, where such a line is obviously easy to draw. The high cost of fuel impacts on all freight and, therefore, on all goods sold on islands. The Government could help greatly by introducing a lower rate of fuel duty on islands. The loss to the Exchequer would be minimal.

Danny Alexander (Inverness, Nairn, Badenoch and Strathspey) (LD): Is my hon. Friend aware that in other European countries such as France and Portugal the derogation has already been taken advantage of? There is a precedent for applying EU law in exactly the way that he describes, and derogation could be extended not just to islands but to remote parts of the mainland highlands of Scotland, such as those in my own constituency.

Mr. Reid: My hon. Friend is right: other European countries adopt such a policy to help their islands' economies, so there is absolutely no reason in European law why our Government could not do the same here.

I turn to the problems associated with identity cards. I am opposed to the Identity Cards Bill in principle but I want to draw the House's attention to those parts of it that could cause many problems for islanders. One clause gives the Home Secretary the draconian power to order any citizen to attend a specified place at a time of his choosing, in order to be photographed and to have fingerprints taken, and to provide any other biometric information that the Home Secretary chooses.

The Government want to have 70 ID card registration centres throughout the UK. Pro rata per head of population, that would give Scotland about six centres, but it should be noted that it can take those who live on an island a considerable time to get to any part of the mainland. For example, according to the winter timetable there are only three sailings a week from the island of Colonsay, so it would take at least three days for a Colonsay islander to visit the mainland to have their details taken and then return home. That is clearly unacceptable in terms of both time and expense. If the Government insist on going ahead with the Identity Cards Bill, they must provide mobile registration centres and take them to the islands and to remote parts of the mainland to allow people to register.

The final issue that I want to raise is tax credits. We all know that many of our constituents get into severe financial difficulties because they have been overpaid, through no fault of their own, and are then told by the Inland Revenue that they must pay the money back. On 22 June, the Prime Minister told the House that

"we will not seek to get the money back if the error is on the part of the Inland Revenue."—[*Official Report*, 22 June 2005; Vol. 435, c. 798.]

However, the tax credit office's code of practice provides an addendum:

"and you could reasonably have thought your award was right."

The Prime Minister did not mention that subtle addendum, which adds another test: that the recipient has to understand how this complicated system works, and to be able to judge for themselves whether the award was reasonable. It is clearly ridiculous to expect people to work that out. The code of practice should be the

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same as the Prime Minister's statement: overpayments as a result of mistakes made by the Revenue should not be reclaimed.

Finally, I wish you, Mr. Deputy Speaker, other Members and the Clerks and staff of the House a very merry Christmas.

4.4 pm

Mr. Nigel Evans (Ribble Valley) (Con): May I start by wishing everybody a merry Christmas and a happy new year? I thought that I would do my speech backwards just to confuse everybody, and certainly me. I enjoyed, and agreed with every word of, the speech of the hon. Member for East Antrim (Sammy Wilson). There are so many topsy-turvy things here, which is why I started by wishing everybody a merry Christmas. Because of political correctness, people are supposed now to say "happy holiday" and not use the word Christmas. Christmas lights and Christmas trees have been renamed winter lights and winter trees. What a load of rubbish.

I take joy in the fact that I will be singing Christmas carols at the Swan with Two Necks on Thursday with a number of other parishioners at that local pub, having already sung carols last Sunday. Indeed, I will be having Christmas lunch with my family and, like a number of people throughout the country, I will be looking forward to celebrating the birth of Jesus Christ.

I wish everybody good luck for 2006; a number of issues that have been mentioned today will be very important next year. We had a statement on the Hong Kong summit earlier. The hon. Member for East Antrim mentioned Make Poverty History and, at the last election, I was buoyed by the fact that so many people raised that as an issue on which we should do more. People say that charity should begin at home. If so, in my constituency—and, no doubt, in many others—home begins with the world. They see the world as part of their home.

People do not want to sit by idly and watch as parts of our world are ravaged by poverty, HIV/AIDS and deprivation, when things could so easily be altered. I was distressed to hear the Secretary of State for Trade and Industry talking about some of our developed neighbours acting as a block to progress. We have to do more with France and Germany, and we should have a united European front on this issue so that we can negotiate with the United States on an equal basis to do something to alleviate poverty.

I have been to Africa on a number of occasions and have seen for myself the deprivation there. I have also been made chairman of a working party on behalf of the Commonwealth Parliamentary Association dealing with HIV/AIDS. Certainly, Africa is a nightmare as far as that is concerned. Three million people will die next year and, even more distressingly, 5 million others will contract HIV during that period. That is distressing for all of us. We ought to be doing more to ensure not only that antiretroviral drugs are made more readily available to far more people, but that education is provided so people do not contract HIV.

It is not just a question of sub-Saharan Africa; 5.1 million people in India have HIV. Even within this country, the figure has quadrupled in recent years, simply because a number of people with HIV have decided to settle in this country. There is not a single country where HIV does not exist and we ought to be doing far more to help to ensure that fewer people contract it. We all know the misery associated with HIV, including the orphans created throughout the world. The economically active people in a society are those who tend to get HIV, so it hits the economy doubly.

I was delighted to hear my right hon. Friend the Member for Penrith and The Border (David Maclean), the former Chief Whip, making his first contribution to the Christmas debate for a long while. He talked about one of my pet subjects: wind turbines and energy generally. Yes, we want far more efficient supplies of energy, and some of us look at the middle east states and worry about the certainty of future supply and the price we will pay for it, but we must not pay lip service to wind power at the expense of far more viable forms of energy. I hope that the Minister will mention the timetable for the Government to say yea or nay to nuclear power. The last thing we need is more dithering. Literally hundreds of wind farms are coming on stream. Wind farm turbines are bigger than Nelson's column, so do we really want such things to litter and pollute our country? The answer has to be no. We must do something about the problem, and I hope that the Minister will say something in response.

Another issue that has motivated me over the past few months is the way that our representation abroad is being diminished. That is happening in Commonwealth countries and in nations that have been friends of the UK for a long time. The Foreign Secretary announced recently that a number of missions were to close—in Vanuatu, Tonga, Kiribati, Paraguay, the Bahamas, Lesotho, Swaziland, Madagascar and East Timor. Each closure is worrying, but the list that I have given is in addition to various other missions that have either closed or been merged.

It is risible to think that we can run our representation in Vanuatu, Tonga and Kiribati from Fiji. We cannot retain our influence on countries when we close our missions: every time we lower the flag, we reduce our influence in the world. However, the vacuum of influence will be filled by other countries, such as China. That country is increasing the number of missions that it has around the world and in Gabon, for example, it has built new schools and a new Parliament building. Closing down our missions will save a few pounds, but the price will be all the influence that is lost.

In addition, this country has made an investment in the work that has been done over many years by high commissioners and ambassadors. All that is being cut away, and I consider that to be a sacrilege. It is ridiculous for this country to pull out of Tonga, for example, given our long association with that country and its royal family. I therefore hope that more consideration will be given to our representation abroad.

The Foreign Secretary says that we are increasing the number of missions in certain countries in the middle east, and that is good, but we are also closing some of our consulates in the US. One reason for having consulates throughout the US, and not just restricting our representation to the embassy in Washington, is that their presence helps many of our constituency businesses to carry out trade. If we want to increase

trade between the UK and the US, why are our US consulates being closed? In that connection, I remind the House that some consulates in Germany have also been closed.

I hope that the Foreign Office can find another way to maintain representation around the world. Even if any new system might be different from what we are used to, at least some representation would be better than none at all. I hope that the Minister will respond to that point as well.

I shall finish with one more impassioned plea, this time about the NHS in my area. At health questions earlier today, the hon. Member for Pendle (Mr. Prentice) and I asked about the merger of the accident and emergency units at the Burnley general and Queen's Park hospitals. The Minister knows the Ribble Valley area well, so he will be aware that much of it is rural. The availability of hospital facilities in Burnley and Blackburn is important to my constituents. It already takes a long time for people in my area to get to those hospitals, whether they go as patients or visitors.

However, we know that the word "merge" is a euphemism for "cut". The Government do not want to say that a facility will be closed, so they prefer to say that it will be merged. In this case, the accident and emergency departments will be merged at one site—not in Burnley, I suspect, but in Blackburn. The excuse that has been given is that all the experts in the area will be gathered under one roof, but the same argument could be used in connection with all sorts of services that hospitals offer. Any merger or closure of facilities could be explained away by referring to the greater throughput of patients that could be achieved by having all the relevant experts working from one hospital.

I want to ensure that the level of service that we had when I came to Parliament in 1992 is still provided today. I know that the Government have invested more money in the national health service, which is why I scratch my head as to why my local hospitals have bigger debts than they have ever had and are cutting back services. That makes no sense to me, and I hope that the Minister will be able to shine some light on what is going on.

I finish as I started, by wishing all hon. Members, Mr. Speaker, the Deputy Speakers, the Clerks and everyone who works in the Palace of Westminster a very merry Christmas.

4.15 pm

Dr. Julian Lewis (New Forest, East) (Con): Some jobs in politics require an optimistic temperament, and the Deputy Leader of the House is the occupant of one of those jobs today. For large parts of the debate, he has had just himself, with a solitary Whip for company, his party having run out of speakers on the Christmas Adjournment some three hours before its end. That seems a statement of the condition of the modern Labour party, even considering that it won a general election victory earlier this year.

My mind goes back to the happy, but false, dawn of 1997, when Labour swept in with all those new faces, all those bright and shiny people and all those wonderful ideas of modernisation. I remember speaking after perhaps three or four months to a new Labour MP, who is sadly no longer in the House, who had a particular interest in defence. I asked whether he would speak in that afternoon's defence debate. "Oh no, Julian," he said, "I can't do that as I would use up my speech allocation." I asked what was his speech allocation, and he said it was four speeches a year. Those were the days, the Deputy Leader of the House must be thinking. Back then, the Whips had to ration their people to four speeches a year; now they are lucky if they can get anyone to keep a debate going.

Another person who is a born optimist is my right hon.—indeed, very gallant—Friend the Member for Penrith and The Border (David Maclean). One would have to have been an optimist to become Chief Whip of the Conservative party in 2001, but he was equal to the task and did it very well. During his speech today, when he talked of his experience with his community hospitals, four of which are under threat, I was irresistibly reminded of what is happening in New Forest, East, in New Forest, West and in Romsey. Five community hospitals are under threat, and we, too, had a 2,000-strong demonstration, the first of its sort in many a long year in our part of the world. The primary care trusts have indeed apparently retreated on their threat to close the hospitals. One, in my constituency, remains closed, but we have been promised that it will at least be considered for reopening in the next financial year. We shall watch like hawks to make sure that that happens.

One of the most frightening parts of that campaign was the way in which the figures bandied about were so suspect and the analysis on which they were based so shallow. We were told at one point that only 16 per cent. of people in beds in our five community hospitals needed to be there. We challenged the arithmetic, and straight away the figure shot up to 24 per cent. I am still awaiting further explanation of how a raft of other occupants in beds seem mysteriously to have dropped out of the calculations; they would probably take the 24 per cent. up to about 40 per cent. or 50 per cent. When the PCT finally gave way, it found—surprise, surprise—that, as my right hon. Friend the Member for Penrith and The Border observed in his case, lots of people would end up blocking beds in the general hospitals if the community hospitals closed. What a surprise that was. However could it not have guessed that, if it had given a little thought in advance?

The trouble with many health issues is that cases are put forward, for change or inaction or not doing that which should be done, on bogus grounds, and on rationalisations caused fundamentally by a shortage of funds. That leads me to the case of my constituent, Mr. Brian Jago, which I have briefly raised once before. He suffers from multiple myeloma, which hon. Members may know is a cancer of the blood. It is a cancer for which there is no cure. The conventional forms of radiotherapy and chemotherapy may work for a little while, but there will always be a relapse.

However, as I have recently discovered because of my acquaintance with this case, there have been some breakthroughs. In particular, there is a new drug, Velcade, which has been licensed in this country but not yet given its guidelines by NICE—the National Institute for Health and Clinical Excellence. When Mr. Jago came to see me, he explained that a bed had been booked by his consultant in the local major hospital in Southampton for him to start receiving Velcade, only

[Dr. Julian Lewis]

for it to be decided by a body called the district prescribing committee that it was not prepared to prescribe the drug for him. I thought that that was a strange state of affairs, because the drug was not being denied to him purely on cost grounds, but because there was insufficient evidence of its efficacy.

Considering that Mr. Jago was being treated by top consultants in Southampton, who are among the world's leading experts on that particular medication, I wondered how a committee of people who are not world experts in such medication can effectively countermand the advice of the consultants. One would have thought that the consultants would be in the best position to know. So I wrote to the chief executive of the Southampton hospitals trust to request that if the issue was money, the committee should say so. Then, at least, Mr. Jago would have the opportunity to borrow the £15,000 that he needs and perhaps get it back, perhaps not in this financial year but in some future financial year when the guidelines have been issued and the treatment is available.

To my surprise, I received a reply that stated that

"there were concerns about the complexity of the trial's statistical data, the lack of quality of life data, the relatively small clinical advantage seen over dexamethasone"—

the more conventional chemotherapy—

"and the relatively high cost of the medication."

With a little help, I did some research on the issue. I shall not bore the House with too many details, but in June 2003, the conclusions of the specialist journals were that

"Bortezomib"—

the clinical name for Velcade—

"a member of a new class of anticancer drugs, is active in patients with relapsed multiple myeloma that is refractory to conventional chemotherapy."

By September 2004, the journals were reporting that

"bortezomib provides a cost-effective treatment option and the best value (in terms of cost/life-yr gained) among the currently available therapeutic options for relapsed, refractory myeloma."

By June this year, the results of a major study concluded:

"Bortezomib is superior to high-dose dexomethasone for the treatment of patients with multiple myeloma who have had a relapse after one to three previous therapies."

An editorial in the leading journal, *The New England Journal of Medicine*, stated that the take-home message of the trials was that

"bortezomib is an effective therapy against relapsed myeloma: a fact to which anyone who has used the drug can attest. It is a much-needed additional tool against this devastating disease."

Why is it then that a district prescribing committee in a regional health authority thinks that it knows better? I think that it has something to do with the fact that the Government have repeatedly stated that the absence of NICE guidelines for Velcade should not be taken as a sufficient reason not to prescribe it. Therefore, the committee has had to cobble together some pseudo-medical guff as an explanation for refusing to prescribe it. Once the guidance comes in, the committee will be in a very difficult position if it wishes to prescribe that drug.

There are a number of anomalies. If Brian Jago lived in Scotland or Wales he would be able to receive that treatment purely on the say-so of his consultant. There would be no question of a committee of that sort standing in his way. The advice I have had to give him is to live in another part of the country for a time, get himself registered with the NHS locally and try his luck to see whether that will save his life.

Another aspect of the contradictions in the situation is that the treatment that the consultant is being prevented from prescribing—on grounds of cost, I am sure—is less expensive than giving Mr. Jago another bone marrow transplant, which the consultant could do on his own authority and which would cost about £10,000 more than the £15,000 for Velcade.

Finally, although I do not want to cast aspersions on people or groups in the community who suffer from any disease, it is a fact that if someone were in the country illegally and was horribly stricken with AIDS, the medication that they would be given—given—by the same hospital trust would be more expensive than the medication that my constituent, who has paid into the NHS all his life, is being denied.

There is something terribly wrong with that situation. It may be put right in about six months' time when the guidance comes through, but that may be too late for Brian Jago. Although we are busy wishing ourselves a merry Christmas, it will not be a very merry Christmas for him and people in a similar situation.

4.26 pm

Mark Pritchard (The Wrekin) (Con): Several weeks ago I invited fellow Members to visit Shropshire and I invite them to come with me on a journey to Shropshire today. I am concerned about the state of Shropshire, in particular my constituency. Why?

Over the past few years, there have been several thousand job losses. People may say that that is contradictory because the Government talk about full employment, but there has been an outflow of jobs from my constituency, from the defence, manufacturing and public sectors. In the six months since the general election, unemployment has risen by 7.9 per cent. in my constituency alone.

On 21 July, the Government announced that 428 people would lose their jobs at the Defence Logistics Organisation in my constituency. Only three weeks ago, the Government announced that 628 people would lose their jobs at the Army Base Repair Organisation in my constituency. The Government are currently coming to a view as to whether they will collocate, or relocate, 383 people from Sapphire house in the neighbouring constituency of Telford to Bristol and the south-west. The Government's own report concluded, however, that the majority of those jobs are not mobile and cannot be relocated or collocated.

The defence training review will probably come to a decision in July. I hope that the Deputy Leader of the House will ask Ministry of Defence officials and Ministers not to delay that announcement until the day before the summer recess, so that Members can have full discussion of the outputs and outcomes of the DTR. It is important that we give RAF Cosford a level playing field with St. Athan. It would be wrong for St. Athan to

be given taxpayers' money by the Welsh Development Agency to promote itself while RAF Cosford did not have the same opportunity.

RAF Cosford has a proud heritage and history of serving Her Majesty's armed forces, and I hope that that will continue. It currently employs 2,000 military and civilian staff. It is home to the Defence College of Aeronautical Engineering, and I hope that the Government will find in favour of RAF Cosford and bring an additional 2,000 much-needed jobs to Shropshire and my constituency.

I also hope that, in the context of the defence industrial strategy that was announced in the House last week, the Government will tread cautiously when outsourcing defence manufacturing to foreign companies. Yes, it is absolutely right that we should have more private and public sector partnership in defence—that has gone on for many years and under the last Conservative Administration—but the important issue of national security must not be overlooked or dismissed as scaremongering; it must be put at the very heart of the defence industrial strategy.

If the public sector offers the best value for money, while offering national security, it is perhaps the best place to keep some parts of the defence industrial strategy. That might seem strange coming from a Conservative, but no Conservative Member has ever said that the private sector is always right. We have never said that the public sector is always wrong. We must consider each case on its merits, and on occasion, the public sector will offer the best value for money.

I argue that, in defence, the Government are rushing headlong into privatisation. They have more of a machismo doctrine of privatisation than the Conservative party ever had, but such things must be considered on their merits and on a case-by-case basis. The Government should consider what is in the national interest, as well as what is the most effective and efficient outcome for Her Majesty's armed forces. In that context, I have concerns about the closure of ABRO.

We are about to deploy troops to Afghanistan, and those hon. Members who know of ABRO's history understand that its workers are dedicated and work long hours. They work overtime, often unpaid, to repair armoured fighting vehicles that have been damaged on the front line and send them back to the front line to protect our troops. If the turnaround time for those armoured vehicles is increased, lives could be put at risk in Afghanistan, Iraq and other places around the world. Yes, we can work in partnership with the private sector, but will the Deputy Leader of the House please tell his colleagues that they should ensure that the public sector retains some elements of the defence industrial strategy?

In my introduction, I mentioned the large number of job losses in Shropshire and my constituency. Two weeks ago, the Shrewsbury and Telford Hospital NHS Trust announced that 280 jobs would go at the local hospital. Significantly, the statement said that that would inevitably include doctors and nurses. Yet, week in, week out, when the Prime Minister comes to the Dispatch Box, he does not hesitate to remind the House of the amount of money going into the health service in answer to virtually every question on health. That is fine—we accept that—but the question in Shropshire that is put on the airwaves of local radio stations, in letters columns and to me, as a local MP, is where has all the money gone. Where has all the money gone? No Minister has stood at the Dispatch Box in the past six months and answered that fundamental question. Doctors who have trained for many years are being put on the dole. We have nurses who have trained for years, some of whom have given 25 or 30 years' dedicated service to the national health service, yet they are being put on the dole. At the same time, the Government say that they are improving patient care.

It was interesting that my right hon. Friend the Member for Penrith and The Border (David Maclean) said that he was open-minded about change to his local health service as long as things were put in place to address what was taken away. I am not saying that we should not change the way in which health care is delivered locally, but when my strategic health authority says that it wants to cut children's services at the Princess Royal hospital, which is in my constituency, and perhaps remove its consultant-led accident and emergency unit, one must begin to question the logic of such action if there is nothing to replace those services.

I am quite open-minded. A Minister could come to the Dispatch Box and tell me that although the Government will make major changes to the Princess Royal hospital, they will first put in place cottage hospitals, because we do not have them, ensure that there is a thriving independent sector and put money into local GP practices so that they can grow and offer more services, become more specialised and treat more patients. If those things were put in place, I would be more relaxed about the proposed changes to my local hospital. However, those services are not in place and, more worryingly, there is no proposal to put them in place or any money to pay for them. The clear message from my constituents to the Government is, "Keep your hands off our local hospital until you've put in the money and the health infrastructure to replace the services that are under threat."

I also want to talk about agriculture and sugar beet reform—this will be just a quick one, really. I hope that the much-trumpeted compensation that the Secretary of State has mentioned to the House in the past week or so will be passed on to farmers. There are more than 200 sugar beet farmers in my constituency and more than 600 in Shropshire as a whole. If we are to keep agriculture alive in Shropshire, East Anglia and other parts of the United Kingdom, it is important that the compensation attached to the new reforms is passed on to farmers.

I am mystified about why the Government have not moved more quickly on biofuels. Some farmers might be forced out of sugar beet production, yet sugar beet could be used for biofuels. We would have a win-win situation because the Government might meet their climate change targets while providing a new market for an important cash crop for rural farmers in Shropshire at the same time.

I would like to mention energy briefly. I had the privilege of visiting Denmark and Finland in the past couple of weeks to look at wind farms and nuclear power plants. I was struck by the fact that wind farms have a place, but that place is offshore, where they cannot be seen and there is plenty of wind. They do not have a place onshore, where they would be seen and could kill approximately 50,000 birds of prey. Onshore

[Mark Pritchard]

wind farms would create blight for not only home owners, but parts of Shropshire that are reliant on tourism.

I hope that the Government will bring forward more wind farms. We have to have them. We must move to an energy mix that has more renewables. However, there must be a balanced mix and a balanced provision, and that needs to take into consideration the points that I have raised along with those raised by other hon. Members, including my hon. Friend the Member for Ribble Valley (Mr. Evans), who did so far more eloquently than myself.

I place on the record my thanks to you, Mr. Deputy Speaker, to all those who work in the Speaker's Office and to all Officers of the House, including those who are not seen on the Floor of the House—the administrators. Without administrators in hospitals throughout the land, in schools, in Whitehall and in the public and private sectors, the country would grind to a halt. I hope that in the spirit of good will at this Christmas time we can all applaud administrators. They get a tough time in this place. Yes, there is a place for rationalisation, as there is a place for cutting democracy, but I want to champion the cause of administrators today.

4.40 pm

Mrs. Iris Robinson (Strangford) (DUP): I shall touch on three issues. First, I will take the opportunity to discuss mental health in Northern Ireland, and specifically the promotion of good mental health. I shall also mention child and adolescent services later, if time permits.

The mental health review, chaired by Professor David Bamford, is continuing in the Province. One of its working groups has suggested the formation of a mental health promotion directorate to oversee and co-ordinate the entire area of this work. In Scotland, £24 million has been allocated over three years to establish the mental health improvement and well-being directorate. The resourcing of mental health promotion in Northern Ireland should reflect the cost of mental ill health and the potential savings from achieving an improvement in the mental well-being of individuals, families, organisations and communities. Undoubtedly, several millions of pounds would be required. That seems like a lot of money for something that will not be deemed as acute care. However, given annual costs, it represents good value for money in the longer term.

There is a growing body of research on the effectiveness of mental health promotion, with a robust evidence base on specific interventions. The focus of much mental health research is on mental illness as opposed to good mental health. The promotion of positive mental health is necessary at all life stages. Early intervention for children and adolescents has been proven to improve resilience. Older people—an ever-growing population group—have their own specific needs. There is strong evidence to show that mental health can be promoted in a range of settings, such as schools and the workplace. Further education colleges and rural areas are also crucial.

The effective delivery of mental health promotion in all sectors and settings in Northern Ireland will depend on building knowledge, expertise and capacity. This should include training, information and guidance, and research.

In Northern Ireland we have an extra dimension to the causes of mental ill health. The fabric of many communities has been destroyed by the legacy of more than three decades of terrorism. Communities need to grow and to develop, enhancing levels of trust, a sense of belonging and potential for participation to promote emotional well-being. Although some progress has been made towards this vision, much still needs to be done.

Spending on mental health services has mushroomed in recent years. For instance, in 2003, £150.8 million was spent by trusts in Northern Ireland, an increase of more than 31.3 per cent. on four years previously. It comprised £85.6 million for hospital services, £25.4 million on community health services and £39.8 million for personal social services. It does not include £34.1 million for GP consultations on mental health or £44 million for psychiatric drugs last year. Furthermore, the cost to our economy of lost output and the quality-of-life impact on individuals cannot be underestimated. The Northern Ireland Association for Mental Health, in "Counting the Cost", attempted to calculate a monetary figure to reflect the impact of mental illness across all sectors of our society. Costs not generally considered include formal care from family and friends, loss of earnings through sickness absence, non-employment and premature mortality as well as mental health care provision by the private sector or voluntary and charitable organisations. The sum that the study reached represents the savings that would be made in Northern Ireland if there were no mental illness. Its final estimate of the total cost of mental illness to society in Northern Ireland in 2002–03 was £3 billion—a figure greater than total spending on health and social care in the Province for all health conditions. That £3 billion is, of course, an artificial figure, as the eradication of mental illness is not possible, but it highlights the extent of benefits that could be achieved by limiting the prevalence and severity of psychiatric illness.

The cost of mental health affects everyone, as escalating increases in Government spending impact on taxes and access to public services. In a response to a recent parliamentary question, I was informed that spending on mental health promotion in the Province has increased from £50 million to £600 million in the past four years. Those totals have raised eyebrows among mental health professionals, and I have submitted further questions to seek a detailed breakdown of the way in which the totals were arrived at.

In reviewing progress on mental health promotion in the Province, a number of initiatives have emerged as crucial to the achievement of effective delivery, including the prioritising of key at-risk groups, and cross-sector co-ordination and co-operation. To achieve strategic, co-ordinated, cross-sectoral and multi-agency action on mental health promotion in Northern Ireland a regional mental health promotion directorate should be established. It should be part of the Department of Health, Social Services and Public Safety, and should have responsibility for mental health and disability

rather than become part of an overall health promotion structure. Another option, given that good mental health crosses many sectors, would be to include the directorate in the Office of the First Minister and Deputy First Minister.

A fully resourced directorate would increase awareness of mental health promotion, facilitate the achievement of existing targets, and set new targets in future. It would provide greater permanence, leadership and sustainability to drive mental health promotion in the Province. It would assume ownership of mental health promotion across all sectors and relevant agencies. On a related matter, a suicide prevention strategy, separate from any mental health directorate and based on United Nations and World Health Organisation guidelines, should be properly resourced and developed in the Province with an identified action plan, target dates and responsibilities. There is a great deal of concern about the large number of suicides in Northern Ireland, particularly among young men. After heart disease and cancer, suicide is the third largest contributor to life-years lost in the Province. To highlight the personal cost of mental illness, I should like to raise the case of a constituent whose family recently approached me. Their 39-year-old son suffers from obsessive-compulsive disorder. He has undergone cognitive therapy but, unfortunately, to little or no effect, and he remains on a high dose of a drug with significant side effects. He sits in his flat all day in torment, unable to go out, to mix with people and to lead a normal life. He is a qualified dietician, and he knows and understands only too well the details of his condition.

Provision for OCD is limited, and the family have pinned their hopes on his being taken by one of a couple of units in London. OCD sufferers face agonising torment, and they struggle alone in silence. That man's mother is concerned that he will eventually commit suicide, because of the hopelessness of his condition. His story highlights the impact of mental ill health on an individual and on their livelihood, lifestyle and family. It is essential that we do everything that we can to provide the best services and work to promote mental well-being. Greater community and voluntary sector involvement is required, more resources need to be invested and extra training should be provided for professionals. Better co-operation between schools, youth organisations and health bodies would be useful, too.

With the increasing popularity of television and the internet, people are living more solitary lifestyles. The sense of community has been diluted, and individuals have less contact with their families and neighbours, which means that they have fewer people in whom to confide. Bereaved families say that little help is available in the aftermath of suicides, which is a crucial deficiency that must be addressed. Families often feel personally guilty following a suicide within the family unit. Much more needs to be done to tackle the stigma of mental illness and to increase public awareness of mental ill health and the risk of suicide, and that will require substantial funding.

The increasing prevalence of suicide among young men is not confined to Northern Ireland. The same pattern is reported across the rest of the United Kingdom and in many other countries. There are numerous pre-disposing factors for suicide, which is more common among impulsive and aggressive personalities. A large majority of those who commit suicide have mental disorders at the time of death. Chronic ill health can contribute, and many individuals have a history of alcohol or drug misuse. Binge drinking is increasingly common across our society, and suicide can also result from the transient mood swings associated with alcohol consumption.

We must also consider the role of the media. Hawton et al showed in 1999 that suicide rates increase after television programmes about suicide, and Eisenberg in 1986 and Gould et al in 1990 showed that the means and timing of suicides are influenced by earlier suicides that attract attention within local communities or receive media publicity.

Mental health crisis response and assertive outreach teams have proved successful, and their introduction across the Province should be encouraged. Despite a high number of suicides among teenagers, children and young people in the Province can wait for up to four years for an initial psychiatry out-patient assessment. There are huge disparities between the duration of waits across different trusts, but even the shortest wait is several months.

Social and cultural factors have led to more young people requiring assessment, and drugs, sexual abuse and difficult domestic environments also contribute. Many more behavioural conditions and autistic spectrum disorders are being diagnosed than previously, and the totals will continue to grow. Planning for future resources must take into consideration the changing demands of the specialist field. We need to invest in more child and adolescent psychiatry staff, including not only consultants but junior medical staff, nurses, social workers, occupational therapists, psychologists and psychotherapists, because existing resources are overstretched.

I want to raise a second issue—I know that I shall not get to my third issue. In March 2004, the Prime Minister's strategy unit published, "Net Benefits: A Sustainable and Profitable Future for UK Fishing", yet little has been seen in the fishing villages of County Down to lead anyone to believe that anything positive is being done to assist the industry after years of EU-promoted decline. Year after year, the fleets of Portavogie, Ardglass and Kilkeel are subjected to increasingly repressive directives that have now begun to affect the processing industry, with the recent loss of Middleton Seafoods in Portavogie.

It appears that this groundhog day is to be repeated in 2006, as information coming through from the EU Fisheries Council in Brussels today indicates that the Northern Ireland fishing industry is once again to pay the greatest price. As a result of the yearly attack on the Irish sea's white fish stocks, prawns now represent the most important catch for Northern Ireland fishermen. News from Brussels today indicates that the prawn total allowable catch for the North sea is to increase by 39 per cent., while there will be a 31 per cent. increase in the west of Scotland. The Irish sea is to have its nephrops TAC reduced by 12 per cent.

While all this has been going on, English and Scottish fishermen have been represented at the Fisheries Council by their respective Government officials, but

[Mrs. Iris Robinson]

Northern Ireland has been cut adrift by its Minister with responsibility for fisheries. If that Minister could not be available despite the fact that this date was known for months in advance, he should not be in office and I would ask that he resign.

4.56 pm

Bob Russell (Colchester) (LD): I want to raise concerns over the powers of the Audit Commission, which need to be strengthened if it is to do the job that Parliament had in mind when it approved the Audit Commission Act 1998.

An investigation by the Audit Commission into the accounts of Colchester borough council for the financial year 2003–04 has shown that the commission's powers are woefully inadequate. The 1998 Act needs to be amended, as suggested in early-day motion 1002, which I tabled and which has secured the cross-party support of Conservative, Labour and Liberal Democrat Members. It reads:

"That this House recognises that the Audit Commission is an independent body responsible for ensuring that public money is spent economically, efficiently and effectively; regrets, however, that its powers do not allow it to comment upon nor challenge property valuations which a local authority has obtained from a qualified valuer, particularly when the person is employed by the local authority; cites as an example the purchase by Colchester Borough Council of a property at auction for £755,000 and its subsequent sale privately to a developer for £650,000; and urges the Government to amend the Audit Commission Act to enable the Audit Commission, in situations where concerns have been raised, to obtain a valuation from two other valuers so that it can be satisfied that public money is being spent economically, efficiently and effectively."

The investigation, which was regrettably limited by the terms of the 1998 Act, was into matters that I drew to the attention of the commission. The commission accepted that the concerns that I raised over several property transactions in the St. Botolph's area of Colchester were such that they treated them as a valid objection. However, the terms of the Act meant that the investigation was limited, and aspects that I am convinced would have thrown more light on to the full picture could not be pursued. The jigsaw could not be completed because those doing the investigation did not have all the pieces and did not have the powers to look for them.

I have no regrets, and make no apologies, for the action that I took, which led to the lid being lifted on the secret way in which Colchester borough council has been engaged in property transactions in Queen street, Vineyard street and Osborne street that are associated with the council's plans to close the bus station, build a contemporary visual arts facility and redevelop the St. Botolph's quarter. The council is pursuing a planning mentality more akin to the 1960s than what should be expected from today's custodians of Britain's oldest recorded town. In the current issue of *Private Eye*, Piloti's "Nooks and Corners" feature takes Colchester council to task on this very matter. He describes councillors as "blinkered, self-defeating and stupid." It should be noted that English Heritage and the Victorian Society are dismayed, but the council's predominately rural-based Tory councillors are ignoring the views of the town's residents whom I represent.

It is my contention that the potential loss to Colchester council's taxpayers caused by the way in which the council has bought and sold property, and what will flow from it, will over time run into several million pounds. The law states that each year, for a short period, local councils must make their accounts available for public inspection. I acted on that in September last year because I was puzzled about what was happening in respect of property transactions in Queen street. My inspection of the books for the financial year 2003–04 showed deals between the council and a property company based in Yorkshire—CFK Developments—which prompted me to ask the Audit Commission to look very closely at what had been going on. I am content to let Colchester's council tax payers be the judge of whether the findings of what was done in their name by the council were in the best interests of the town and its residents.

In my opinion, the conclusions of the Audit Commission are such that there should be an independent investigation into all matters relating to the closure of the bus station, the building of the contemporary visual arts facility and the redevelopment proposals for the St. Botolph's quarter. In the public interest, I believe that the Office of the Deputy Prime Minister should hold an inquiry. It would appear that the overwhelming majority of borough councillors were not aware of the property deals between the council and developers. The information was certainly kept from Colchester residents, businesses in the area and the local media. It is only because I have used my democratic rights as a local resident to inspect the council's books that I have been able to expose the following.

The council bought the Kwik-Fit premises in Osborne street for £755,000, having put in a bid at a public auction, but later sold them to CFK Developments, or CFK Investments, for £650,000—a paper loss of £105,000. Property prices have not fallen in Colchester; they have increased. Indeed, only today, a local company of property valuers told me:

"The main driving thrust of commercial property has been upwards in the investment market over the last five years, and this is due to amongst other things the lowering of Bank Rate which has made commercial property investment more and more attractive."

However, since the borough council had on both occasions received the advice of a qualified valuer—employed by the council—the Audit Commission had no powers to challenge it. Some might argue that the council's valuer had a conflict of interest, as his full title is head of social and economic regeneration. Early-day motion 1002 addresses the need, in such situations, for the Audit Commission to obtain a valuation from two other valuers, so that it can be satisfied that public money is being spent economically, efficiently and effectively.

My observations today need to be read in conjunction with what I said in the Christmas Adjournment debate last year at columns 2112 to 2115. That referred to other property transactions by the borough council involving the same Yorkshire-based developer, CFK Developments, and the subsequent formation with the Caddick group, also from Yorkshire, of a new company called Vineyard Gate Developments Ltd. Since last year, it is said that the Caddick group has acquired CFK's interests in Vineyard Gate Developments Ltd.

Today, I will concentrate on matters relating to the Kwik-Fit premises—the phrase "quick fix" is perhaps more appropriate. The strategic purchase of the Kwik-Fit premises meant that there was an immediate increase—an uplift, I am led to believe, of at least 25 per cent.—in the value of the council's existing Vineyard street car park site, which it adjoins, and which is earmarked for a major commercial redevelopment. The enhanced value, however, was immediately lost when the council sold the Kwik-Fit premises at a reduced price—and a nearby site in Vineyard street—to the Yorkshire property company, which, at that time, I believe, did not own any property in the Vineyard street-Osborne street area.

The enlarged site owned by the council would have had a much greater value for the redevelopment now being discussed. Selling the Kwik-Fit premises—and a site in Vineyard street—was not only to the immediate financial disadvantage of council tax payers but weakened the council's position in subsequent development negotiations and the financial benefit to council tax payers in years to come. The council did not offer either the Kwik-Fit premises or the Vineyard street site on the open market to see if better prices could be achieved. I am sure that Members will agree that they are under the impression that local councils have an obligation to seek the best price possible when selling sites and buildings. The manner in which the borough council has engaged in property transactions with a single company, not put public assets up for sale, and not sought competitive bids for a major commercial development of an important part of Colchester town centre, leaves a lot to be desired.

It is not only the Audit Commission Act 1998 that needs strengthening. Changes also need to be made to the Local Government Act 2003 so that where there is a substantial level of objection to what a council proposes, its citizens should have the power to petition for a referendum. Parish councils are currently required to hold one when as few as 10 residents request it, yet district councils can ignore such calls regardless of how many residents make the request. A daft feature of the Local Government Act 2003 is that the council chooses whether to hold a referendum. As the saying goes, turkeys do not vote for Christmas.

The property transactions to which I have referred relate to the urban regeneration of what has been dubbed the St Botolph's quarter of Colchester. It includes plans to erect a £17 million contemporary visual arts facility, which will require a subsidy from the public purse of around £650,000 a year, and the closure of the town's bus station. There is massive local opposition, but the Tory-controlled borough council, most of whose members do not live in the town, is ignoring the wishes of the town's residents. Indeed, only last month the Tory councillors—supported by their fellow travellers, the so-called Independents—voted against Liberal Democrat and Labour councillors who had called for the issue to be put to residents by means of a local referendum, as set out in the Local Government Act. The Act needs to be amended so that if, say, 10 per cent. of those on the electoral roll petition for a referendum, the local council is required to hold one.

I hope that Members on both sides of the House agree that when a council submits a planning application to itself, involving its own land and from which it is the beneficiary, and when the application is in breach of the council's own adopted local plan which has emerged through the statutory planning process, the application should be subject to a public planning inquiry. That is the only way in which to restore public confidence and remove suspicions that the planning process is being abused by local councils, as is clearly the case in Colchester.

5.6 pm

Alistair Burt (North-East Bedfordshire) (Con): I sometimes wish that those who occasionally chide Members of Parliament about what they do and how they do it could spend a little time at these Adjournment debates. They would then have a chance to observe the breadth of subjects that my colleagues cover, and the passion with which they speak. A perfect example was the speech of the hon. Member for Strangford (Mrs. Robinson), who spoke with knowledge and passion about mental illness in Northern Ireland and illuminated the matter for all of us, but a number of Members who have spoken could make the same claim.

Let me start by wishing everyone the very best for Christmas and the new year, and making one or two brief comments to my hon. Friend the Member for Ribble Valley (Mr. Evans). As chairman of Christians in Parliament, I find no difficulty in wishing friends and colleagues a happy Christmas in all the fullness of its meaning, and find no difficulty in professing a faith. I have noticed concern this year about the use of the term "Christmas"—although it is not new; it comes up from time to time.

Perhaps I could offer a gentle word to non-believers. This really is not a problem. I have never come across anyone who professed a faith who was in any way concerned about celebrating the birth of Jesus Christ. Regardless of one's faith background, the person of Jesus Christ is respected and revered in most religions. I think those who are responsible for such celebrations can relax. I also think that sometimes it is those who have no faith at all who feel most concerned. I hope that this year, after the fuss, people will learn that Christmas is something to be celebrated by everyone, and will lose their embarrassment and timidity about it.

I should be grateful if the Minister—whose fortitude throughout these events can only be described as praiseworthy—would be good enough to pass on to his colleagues in the Office of the Deputy Prime Minister the request from a cross-party group of Bedfordshire Members who seek an opportunity to make representations about the local government settlement, particularly in relation to highways. The council had sought a meeting early in the autumn but was turned down, and when MPs sought a meeting a little later they were turned down as well. During last week's questions to the Prime Minister and the ODPM, I noticed that Labour Members from the north-east were being given an opportunity to make representations to Ministers. I think it only fair for the same to apply to us. I should be grateful if the Minister would convey to the ODPM the urgency with which the cross-party group seeks a meeting to discuss the problems facing a county that is absorbing an awful lot of houses at the Deputy Prime Minister's request.

My second point relates to tax credits. I do not think that the Government should ever get away with an Adjournment debate without realising the pain and

[Alistair Burt]

damage being inflicted on so many people through the workings of this extraordinary system. My constituents have had to bear similar problems to others, with a third of cases going wrong and 1.9 million people expected to repay something in the order of £2 billion. That amounts to a catastrophe. I know that the Government are considering no longer requiring repayments of overpayments from next April, but I wish that they would bring that date forward. It would be an appropriate Christmas gift to all those affected by tax credits if the Government said now that overpayments would not have to be returned.

My constituent, Anna Craig of Risley, a single mum, bravely went on television a couple of weeks ago to explain the problems that tax credits can cause. Someone came to my weekend surgery and spoke about the problem of living on incapacity benefit of £85 a week, from which £26 a week was being deducted. That put the person well below benefit limits, while £500 of tax credits had to be repaid.

Mrs. H of Biggleswade does not have a repayment problem, but is owed money because of the failure of a tax credit department to pay her what she was due. She is claiming back money relating to a period of longer than 93 days—the statutory limit. Eighteen months ago, she asked to be paid over a longer period, but during those months the department had still not received guidance as to whether it was able to repay her for the earlier period. I cannot understand how she could have been kept waiting for legal guidance for such a long time.

I tried to find out how many complaints had been made about tax credits in my constituency and tabled a written question to the Chancellor of the Exchequer. Unfortunately, I was told that such information was not available at constituency level, so I cannot enlighten the Minister as to how many of my constituents are in this position. I have a database, like many other colleagues, of some 40 to 50 cases that I am dealing with now. It is, as I said, a scandal and the Government should have done much better. An appropriate way of concluding the Session would be for the Government to start the concession on overpayments right now rather than wait until next April.

I shall try to speak for no more than four further minutes, but I want to raise the difficult subject of the Yarl's Wood detention centre in my constituency. I pay tribute to the hon. Member for Gower (Mr. Caton) for his eloquent speech: I understand that the issue of asylum seekers is not always an easy subject to debate, but it is important to do so, as someone has to be a voice for the most vulnerable people who lack a voice elsewhere.

My particular concern is the operation of the largest detention and removal centre in Europe, which is located in my constituency. I make no bones about supporting the immigration system—that is now effectively consensual in the House—which sometimes means turning people down and returning them, in due course, to the place that they came from. How precisely that is done, however, is terribly important and I should be grateful if the Minister would pass my comments on to the Home Office for consideration. I am in regular contact with the relevant Minister, who is unfailingly courteous and timely in his responses, but some issues remain outstanding and should be considered further.

The length of time that certain people have spent at Yarl's Wood is now becoming a serious issue. Some women have been there for more than a year, yet we have no policy for keeping people in detention for that length of time. If they have not been returned to their countries during that period, they should not be kept in Yarl's Wood, but be allowed out. Why are people being kept there for so long? I tabled a written question to find out how long people have been there, but it is difficult to get the right answer to that question. Some people have undoubtedly been there for a long time and I am worried about the legal basis for that.

Secondly, there is increased frustration at Yarl's Wood because appropriate legal services and advice are not available. The inspector of prisons, Ann Owers, said in a report earlier this year, under recommendation 3.7:

"All detainees should have access on site to independent, qualified legal advice and representation."

That report appeared in the summer, but no action has been taken. The frustration about that has caused additional problems within the centre. There has been an increase in cases of self-harm and in the number of people refusing food and being on hunger strike. The chaplain, Rev. Larry Wright, wrote to me saying:

"I wholeheartedly support the need for good, independent legal advice in detention centres such as Yarl's Wood ... Good, independent legal advice would assist those who have been badly served by previous advisors"

I should be grateful if the Minister would deal with that matter as quickly as possible. That service needs to be provided.

We are now hearing of some families who have been resident in the UK for many years, who are picked up, detained for 48 hours at Yarl's Wood and then returned to their home countries. A family from Wigan were returned to Uganda, and a family from north London with four children including a boy in a wheelchair, who had been in this country for some four years, are among those who have been detained for 48 or 70 hours and then removed.

That cannot be right, and there will be a specific Adjournment debate on the policy early in the new year. Again, I have asked how many people there are who, having been in this country a long time, are given a short time scale in which to leave and then removed. I am not against their being asked to leave, but a short time scale causes real problems, and I believe that there is more of that going on than the House is aware of.

Increasingly, there are problems with the medical services at Yarl's Wood. The services provided there are under great pressure and the staff work extremely hard, but a series of issues have arisen concerning diagnoses, and what is in the best interests of detainees. Those who have been on hunger strike have to be carefully dealt with when they come back from hospital, and there are problems with their treatment.

Questions have been asked, particularly about one woman, Sophie Odogo, who came to Yarl's Wood in April mentally fit, well and able, yet by September needed acute psychiatric care because her condition had deteriorated so much. There is an argument about what happened to her. According to the Minister concerned,

the Healthcare Commission had been asked to conduct an investigation, but the people from the commission itself said to a medical adviser that they did not think that it was doing that.

What Yarl's Wood badly needs is a panel of independent medical advisers available to detainees' representatives, to refugee groups and to Yarl's Wood itself, so that when there is doubt and uncertainty about the treatment being offered, there are people to turn to who are independent, and accepted by all parties as neutral. That job is now being done by one or two selfless individuals who get themselves heavily involved in cases, but whose judgments are not always accepted by the medical authorities. It is all a mess, and it needs to be tidied up.

I am grateful for the time of the House, and glad to have had the opportunity to raise those matters. I conclude, as I started, by wishing everyone all the best for Christmas and the new year.

5.17 pm

Mr. Rob Wilson (Reading, East) (Con): We have heard a lot today about Christmas traditions, and one Christmas tradition in my household is that we all catch a cold for Christmas. I am pleased to report to the House that I have delivered early on my pledge, so I hope that you will excuse me, Mr. Deputy Speaker, if I splutter and cough my way through my speech.

It is also our Christmas tradition that at this time of year we remember those less fortunate than ourselves, and I would like to highlight several issues in my constituency. As we all know, the Government have been spending a lot more money. They call it investment—but unfortunately, not all the money is going to the right places. For a substantial number of my constituents it is merely building interference and failure into their daily lives and interfering with their quality of life, as their interaction with big Government bureaucracies brings worry, stress and hardship. Sadly, that Government failure is happening where Government intervention and action could make a positive contribution and a real difference to people's lives.

Since being elected in May, I have been appalled by the fact that services meant to help the most vulnerable in the community of Reading, East are being run in the most inefficient way. Instead of giving support and a helping hand at the most difficult of times, the Government are providing what is at the very least a barrier to opportunity, and at worst, poverty and heartache.

I have taken up many cases of unemployed people who have applied to Jobcentre Plus for benefits. They are desperate for help when they come to me, because instead of help they have found an impenetrable bureaucracy that does not serve the customer, and seems to be there just to serve itself. Some of my constituents have been underpaid benefits, or have not been paid them at all for months on end. They are not the richest people in my constituency and when they ask for help, they need it quickly. It is often the poorest who are failed the most by big government bureaucracy, which seems not to work.

Immigration and asylum accounts for more than 50 per cent. of my casework and many of those whom I see are not allowed to work. Some have relied on the charity of local organisations to feed and support them. Does the system help? No: it takes months, sometimes years, to get a decision or even to get an intelligent answer from the bureaucrats. One gentleman in my constituency was told by the Home Office in early September that a decision had been made on his application for leave to remain, yet he was not told what that decision was until late November. That left him frustrated and stressed, and he was in almost daily contact with my office. This is not the joined-up and efficient government that we were promised back in 1997; it is bureaucracy and it is having a detrimental impact on people's lives.

However, the problems do not end there. Any independent examination of the Child Support Agency, tax credits and local authorities will demonstrate that the entire system is a giant mess. It is often MPs and voluntary organisations who have to try to pick up the pieces. I am fed up with sitting in my surgeries week in, week out, as people come to me in desperation and at their wits' end, often breaking down in floods of tears. I do not know how other MPs feel, but I find that very difficult. If the bureaucracies were set up and run intelligently, such situations would not arise. My worry is that they are the result of wasting money—of a system that is force-fed money, and which is trying to think how to spend it.

Despite the many problems, I want to take this opportunity to praise some of the public servants in my constituency who are doing fantastic work. Among the many fine officers in Thames Valley police, our local area commander, Dave Murray, stands out. He will shortly be moving on thanks to a promotion, but he has had a huge impact in terms of reducing crime in the communities that I represent. A Reading man through and through, Dave Murray is a fine officer and he will be sorely missed in the town. I also want to pay tribute to Superintendent Dilip Amin, who has been a very positive role model for the community-focused policing that I thought was long forgotten and that we would not see again.

Thames Valley is a well-respected force that has built a good reputation after the last round of mergers from which it was created. It covers three counties and 2,200 square miles, and has some 5,000 officers, who police a population of 2.1 million residents and 6 million visitors per year. I do not, therefore, support a further merger with Hampshire and the Isle of Wight or any other combination. Thames Valley is already a large and strategic force—larger than the 4,000 officers that the Government report deems necessary. However, the Government's budget settlement is placing enormous pressure on Thames Valley police. I fear that it is designed so that the council tax payer ends up footing more of the bill. Following the huge police precept and council tax rises in recent years, that would be wrong and local people would not stand for it.

I now turn to the services delivered by my two local authorities. Three issues of enormous concern to me are education, housing and transport. My local education authority has consistently failed the children of the borough. Despite the best efforts of parents and teachers, in recent years many Reading schools have

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been on special measures. The latest Ofsted report, published in January of this year, stated:

"Reading LEA remains satisfactory, but by the finest of margins."

It continued:

"The performance of secondary schools overall at General Certificate of Secondary Education (GCSE) is below the national averages on most measures, with some widening gaps. Attendance in secondary schools is well below the national average."

This performance is not "satisfactory" to me; it is an abject failure.

Thankfully, Reading borough brought in an excellent director of education, David Williams. The Ofsted report recognised this:

"In a short time, the new director has secured widespread support and confidence from schools and other partners".

Yet after only eight months in post and just when he was beginning to make headway, he will shortly be gone. This is nothing short of a disaster for Reading's children. I have had my differences with Mr. Williams but I have never doubted either his ability or his sincerity. Schools in Reading found him to be extremely supportive. With a failing local education system, Reading cannot afford to lose such talented people. My constituents are asking themselves why we are losing such high quality people. Dilip Amin had engineered a responsive local policing service, thus cutting crime. David Williams had set about turning around our appalling local education authority.

Where do we think the problems arose? Which people made it intolerable for those high quality professionals to carry out their work? There are people in Reading who are roadblocks to progress and they need to ask themselves questions before we lose other high quality professional people. With David Williams gone, I do not yet have confidence that the LEA will continue to move forward. Ofsted will need to have another look shortly at how things are developing. The only reason Reading was not a failing LEA was David Williams; now he is going. It will take time to replace him and there is still no school improvement officer in place. Does not this give the dangerous impression to parents that school improvement is a low priority?

The striking thing is that Reading has enormous potential for improvement. One fine example is Highdown school, a specialist maths and technology school. When head teacher Tim Royle arrived eight years ago, the school was massively underperforming. In recent years he has turned the school around through high quality leadership. He is supported by Trevor Keable, his governors and local parents, and the children are now performing strongly. Last year, the exams were the best ever with a 100 per cent. pass rate at A level, beating the two excellent local grammar schools. The pass rate A* to C at GCSE was 63 per cent; it was around 20 per cent a few years earlier. This shows the potential for improvement in Reading that can be achieved with the right leadership and by removing LEA interference.

The knee-jerk rejection to the new White Paper by local Labour politicians shows what we are up against. The White Paper does not go far enough but it is on the right road to enable schools to turn around. The idea that it will disadvantage poor children is absurd; it will do quite the opposite. I strongly recommend that people in Reading, East read the minutes of the Education Select Committee from yesterday, which show where Labour in Reading is going wrong. Wokingham district council, by contrast, is, to quote Oftsed,

"one of the lowest funded LEA's in the country"

and yet

"standards of attainment in most national tests and examinations are well above national averages".

The second area of concern is housing. I have many constituents with concerns about their housing, but the greatest problems have been experienced by the hundreds of council tenants who have been the subject of the North Whitley PFI project. I have been touched by letters from residents in their 70s and 80s who have described being without kitchens and bathrooms for days or even weeks. A few even had holes left in external walls in the middle of last winter.

A good deal of the blame must lie with the contractor, but I am also concerned at the apparent lack of oversight by Reading borough council who commissioned the contract. Local Labour councillors are whingeing that the contractor, Affinity, did not listen to them. I am not surprised; they have been incredibly ineffective in representing their local ward.

The third and final area of concern is transport. Reading is fortunate to sit at the hub of road and rail links and to be within a short distance of one of the world's major airports at Heathrow. I will not go into detail now as, fortunately, I have a Westminster Hall debate on this subject next month, but I would like to focus on Reading Buses, which remains wholly owned by Reading borough council and receives considerable subsidy to run its services.

The ruling Labour group in Reading likes to trumpet the "social services" element provided by the bus company and has in the past subsidised a number of routes in order to keep them running. It is therefore disappointing to see services cut and changed in several areas to the detriment of elderly and low-income families. At the same time as services have been cut, prices have been massively increased. Since 2001 there has been an approximate doubling of ticket prices. Pensioners retain free travel on the buses, but the value of this is diminished every time a bus route is cut and the network becomes less accessible to the elderly.

I know that time is pressing, so I will cut my remarks short and finish by wishing everybody here a happy Christmas.

5.29 pm

Bob Spink (Castle Point) (Con): I want to start by wishing you, Mr. Deputy Speaker, and everyone in the Palace of Westminster, a very happy Christmas. This is essentially a time for children so, bearing in mind the way that my hon. Friend the Member for North-East Bedfordshire (Alistair Burt) began his speech, I hope

that I will be allowed to read out a letter that I received from a little girl in my constituency. On 17 December, she wrote:

"Dear Bob"—

I guess that she thinks I am Bob the Builder—

"I am 8 years old and I go to South Benfleet Primary school. My friends say that father Christmas is just made up but I don't think so. What do you think? How does he know where we live? I know you are busy, but Mum thought you would know the answer.

From Martha. . .

PS. do you know why there is only 28 days in February?"

I do not know where that last question came from, but I should like to read out part of my reply. I wrote:

"My Dear Martha,

Thank you so much for your lovely letter.

Father Christmas is as real as he always has been. He is as real as the love that your family have for you. He is as real as the generosity of people who care for others or do good work, in what ever way they can.

As you grow older you will find that, although your views may change, the spirit of Christmas and the joy of Father Christmas will live on for you and for your children.

There is too much cynicism and too many horrible people in the world today. But Christmas is and always will be a time of optimism, a time of great joy and of love, because Jesus Christ was born that day and came to save us all."

I turn now to the funding of children's hospices. Can any of us imagine having a child with a life-limiting disease in a hospice, especially at Christmas time? I know that the whole House will pay tribute to all the staff, volunteers and fund raisers at hospices for both adults and children. They give love and care to very sick children and to adults with terminal illnesses, and to their families.

I started a campaign to get fair funding for children's hospices in 1993, in my first year as an MP. I have raised the issue with the Prime Minister, and in the past few weeks have sponsored early-day motions 1050 and 1051 on the subject.

I thank Basildon's *Evening Echo* newspaper for its campaign to secure fair funding for children's hospices. A similar campaign called "Help Our Kids' Hospices" is being run by the online version of *The Sun*, under the leadership of the excellent Dave Masters, to whom I have spoken on the telephone. So far, about 9,000 readers have signed up to the campaign, and anyone interested should look at the website, at www.thesun.co.uk/kids. The newspaper is right to raise national awareness of the indefensible fact that, as it notes,

"some units caring for the country's sickest children are getting just 2 per cent. of their budget from the authorities."

I shall give the House the facts, yet again. Adult hospices get an average of about 30 per cent. of their funding from statutory sources, and children's hospices get about 5 per cent. Little Havens children's hospice in my constituency gets 1.8 per cent. of its funding from statutory sources, which leaves 98.2 per cent. to be raised locally by voluntary means. That is a betrayal of our very sick children.

The Prime Minister always claims that it is not his fault, saying that the Government give money to the PCTs and that how they distribute it is up to them. That response is not good enough: the Government have to accept responsibility in this matter. The Chief Secretary to the Treasury wrote to me on 17 May 2005:

"My officials are currently working with the Department of Health who, in turn, meet regularly with representatives from the hospice sector in order to clarify what"

full cost recovery

"means for hospices, with two aims. Firstly, to arrive at a common understanding of how Government should fund those crucial services which hospices deliver. And secondly, to improve individual funding relationships between PCTs and hospices, which is what we would all like to see."

The Deputy Leader of the House is a caring and able gentleman—I see him nodding at that; I thought he might. Will he take this matter to the responsible Department on my behalf and on behalf of hon. Members on both sides of the House? Will he ask the Government to accept responsibility for the funding of children's hospices? Will he try to help me to ensure that Little Havens children's hospice gets at least the average of 5 per cent. of funding from statutory sources next year? That would be a jolly good start, although I shall not end my campaign for fair funding for children's hospices until they receive 40 per cent. of funding from statutory sources.

My hon. Friend Member for South-West Bedfordshire (Andrew Selous) spoke eloquently about the "Make Poverty History" campaign, and I shall not repeat what he said. I pay tribute to those who made the campaign so successful, particularly in Essex and in my constituency. People have written to me often and assiduously on that matter, and the solution must begin with the removal of protectionism by America, Europe and the industrialised nations. We need the total scrapping of the common agricultural policy: it is long past its sell-by date.

We need more town councils. I think so, and so does the Minister of Communities and Local Government, who is responsible for the matter. Let me treat the House to some of what he has said, all of which I agree with as I think he is a great guy. He said recently that people feel remote from the town hall, as well as from Westminster. He called for power to shift much closer to the people and to specific communities. He said many people in communities feel disconnected and that power should be as close as possible to communities so that people can reconnect with politics and feel that their views are being properly represented. He said people should feel in control rather than being controlled by politicians. Good for him. He will soon have an opportunity to put into practice what he is preaching, because Canvey Island wants a town council, and that will cross his desk early in the spring. I hope—in fact, I know, since he is a good man—that he will listen carefully. The people of Canvey have shown great support for the idea of having their own town council. They are a totally separate community and feel remote from the mainland council, distanced from it by the cold, deep waters of the Thames and by culture.

A Canvey town council could do a lot for Canvey people. It could influence planning, toilet provision, community halls, children's playgrounds and many more important things. It could help to campaign with me for a new access road for Canvey Island, which is much needed. More than 3,000 people have petitioned for it, and although some borough councillors are

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opposed to Canvey Island's wish for its own town council, I hope that they will rethink that position when they deal with the matter on 8 January. If the people of Canvey Island want their own town council—they know what it can deliver for them and what it will cost, and they still want it—it is my job as a democrat to deliver it, and I shall certainly do that.

Finally, I want to talk about the rail line. The line that serves my constituency is c2c, and rolling stock was removed from it and given to another line a year or so ago. That rolling stock was due to be returned. We need it on that line because people have to stand for 40 minutes on the train journey from Benfleet to London. More than 3,000 people use the service and they have to stand. It is not good enough and the rolling stock must be returned soon. The Government got the emphasis wrong on passenger travel, but I do not have the time to go into that.

Before I sit down, I remind the House of the young men and women whom we send to Iraq and other dangerous places to do an important job. We sincerely send our good wishes to each and every one of them and thank them for the wonderful and professional job they do. We wish them Godspeed and it is our duty to ensure that we get them back to their families as soon as possible.

5.40 pm

Mr. David Amess (Southend, West) (Con): Before the House adjourns for the Christmas recess, I wish to raise several points that all turn on the issue of justice. First, I agreed with the hon. Member for East Antrim (Sammy Wilson) when he said that the Labour leader got a lousy deal for us. He will never be forgiven for the budget rebate and the weasel words that are now being used will not wash.

This is a time of year when families come together, but that will unfortunately not be the case for some of my constituents. As the Minister knows, I have mentioned the case of Maajid Nowaz on several occasions. He was sentenced to five years in prison in April 2002 for supposedly belonging to a terrorist organisation that sought to overthrow the Egyptian Government. It is ridiculous what has gone on. Mahjid, Ian Nisbet and Reza Pankhurst are still in jail in Cairo and I have been out to see them. I am grateful for Ministers' efforts on this case. I have met with current and previous Ministers—the last meeting was on 31 October. At that meeting, which included the families of all three detainees as well as a representative from Amnesty International, reassurances were reiterated that the Foreign and Commonwealth Office would continue to work with the UK consulate. The application for the remission of the three detainees was made on 1 December 2005 and, through the Secretary of State's work with his Egyptian counterpart, it is hoped that the papers will be released from the state security office where they are currently being held and that the request will be processed swiftly in the new year. I know that I speak for the whole House when I say that our thoughts are with Maajid's mother, Abi, and his wife, Rabia, who have campaigned tirelessly for the release of the men, who chose to study in Egypt because they thought that it would be safer than Syria. How wrong they were.

The second case is that of my former constituent Phillip Collings from Westcliff-on-Sea. On 3 December 2004, he died suddenly, aged 20, following an incident outside Talk nightclub in Southend. Phillip was a young man with no previous health problems. He had not been drinking excessively or taking drugs. The sudden nature of Phillip's death was devastating for his family and friends. Their grief was compounded by the handling of the case, which has been less than satisfactory. At present, no one has been convicted for causing the death of Phillip Collings and the Crown Prosecution Service has taken no action. One of the two men found on top of Phillip Collings is the son of a police officer. The correspondence that I have had with Ken Macdonald QC, the Director of Public Prosecutions, has not satisfied the family or me. A complaint lies with the Police Complaints Commission, and the family and I will not rest until Phillip Collings's death is properly investigated.

On 14 November 2001, Jo Martinson, a gifted university student aged 19 from Westcliff-on-Sea, died following a car crash on 7 November. I have raised this case many times in the House, as the Deputy Leader of the House will know only too well. At a debate in Westminster Hall, the Solicitor-General highlighted the failures that allowed the assailant responsible for Jo's death to be let off with only a prosecution for not having an MOT. The driver of the vehicle that ploughed into Miss Martinson made her crash into a tree and then a wall. The driver had no driving licence, no car insurance, a fraudulent tax disc and no MOT, and was driving a vehicle with defective brakes. So far, all that has happened has been the imposition of a £60 fine.

The Solicitor-General admitted that the CPS and the police had made mistakes. Again, my correspondence with the CPS was unsatisfactory. One letter from the CPS solicitor was of such a nature that I could not possibly pass it to my constituents. In his letter of 2 November 2005, he told me that because the case had gone on for so long, all records had been destroyed. That is hardly satisfactory and I shall certainly not let the matter rest.

Another tragedy concerns Mr. Al-Ani who died aged 43, in police custody at Southend police station, on Sunday 31 July 2005. Earlier that day, he had been approached by community support officers in the town centre and arrested by Essex police. On 1 August 2005, an investigation into his death in detention was undertaken by the Independent Police Complaints Commission. Six months on, the investigation has not yet been concluded. I am sure that the House can imagine how upset that makes the family.

In relation to yesterday's debate on policing, all Essex Members united to sign a pledge to

> "Express our strong preference for 'Option 4' of the current consultation exercise—that Essex, as one of the largest counties in the country should stand alone as a strategic police force in its own right."

For a long time, local residents throughout Essex, especially in Southend, have been dissatisfied with policing generally. We have now appointed someone whom I regard as the finest chief constable in the country, so for that reason alone I do not want to lose him.

I took advice from the Clerks about how to raise my next point and I have been advised that I am in order. A constituent visited my surgery last week to tell me that they had paid £500 for a trial transcript. I was shocked by an exchange that had taken place during the trial, when the judge made remarks that clearly showed political bias. If overlooked, such conduct would set a dangerous precedent, but the Clerks have advised me how to pursue the matter in another way. My constituent is rightly upset about the exchange that took place in Chelmsford Crown Court.

The House has heard before that Southend has faced many difficulties with local government finance. Last year, the council had to make cuts of £14 million. The cliffs have slipped and Southend pier has been set on fire for the third time—I need not continue. The Minister for Local Government has been as helpful as possible. I am pleased that he is meeting representatives of the council, and my hon. Friend the Member for Rochford and Southend, East (James Duddridge) and I hope that he will be able to help us.

Cuts in the bus service have devastated the town. There have been many cuts in the local service, which has been deeply upsetting for local residents, especially those living in the Belfairs area of my constituency.

Another problem that was brought to my surgery concerns a constituent who is a single mother with three children, two of whom are severely disabled. I just could not believe that that remarkable woman, who has battled with one of her sons who is 17 and very severely disabled, has now suffered a £100 a month cut in his mobility allowance. The way that the tribunal dealt with the issue is an absolute disgrace: by suggesting that that young boy was able to carry out errands for his mother. I know the family, and that would be absolutely impossible.

The last issue that I wish to raise is bird flu. My hon. Friend the Member for Uxbridge (Mr. Randall) and I are feathered-bird fanciers. He and my hon. Friend the Member for Romford (Andrew Rosindell) will know only too well that what happened with bird flu has caused great disquiet. A local shop trader who is a constituent of mine came to see me to tell me that she has not sold a single bird since the announcement, which was incorrect. She has been in business for 21 years. The Department for Environment, Food and Rural Affairs issued some sort of explanation, which covered just a tiny column on page 3 of the publication *Cage and Aviary Birds* on 8 December. So I ask the Department to put out some sort of retraction and consider compensation.

On that note, I wish everyone involved in our proceedings a very happy Christmas and a wonderful new year.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Michael Lord): Order. Three hon. Members are seeking to catch my eye. If they can all manage to take a little less than the allotted 15 minutes, I am sure that everyone will get in.

5.51 pm

Mr. Peter Robinson (Belfast, East) (DUP): I shall follow your advice, Mr. Deputy Speaker, by only touching on one issue.

The matter that is most important for me to raise on behalf of a constituent of mine relates to how insulin-dependent diabetics are treated when applying for public service vehicle driving licences in Northern Ireland. The current arrangements are not only discriminatory, but inconsistent and irrational. The issue came to my attention when one of my constituents, Mr. Glen Floyd, applied for a PSV driving licence and his application was rejected because he is an insulin-treated diabetic.

The regulations state:

"The Department shall not grant a licence if the applicant suffers from diabetes subject to insulin treatment."

In essence, the justification offered by the Government is that of road safety. It is suggested that there is a greater possibility of accident and injury because of that medical condition. That Government policy may at first glimpse appear rational, and to those with little or no knowledge of the medical condition it will unquestionably have a superficial attraction, but when one considers the wider context, it is seen to be inconsistent and unreasonable.

It is not as though insulin-dependent diabetics are not permitted to drive—they are. Special arrangements are in place, with a more regular requirement to renew their licences. It is not as though insulin-dependent diabetics are not permitted to drive for the Government—again, they are. My constituent, Mr. Floyd, is presently a driver with the Department for Regional Development water service, which among other things involves him in driving people around in the course of his employment. He is not permitted do that on his own behalf in Northern Ireland, but he is apparently allowed to do so on behalf of the Government.

It is not as though people who are insulin-dependent diabetics are not permitted to be taxi drivers in Northern Ireland, as an absolute rule. Grandfather rights apply, so anyone who held a licence before 1991 can continue to drive a taxi. Clearly, the danger to the public is not so great when someone who has been driving for over 14 years is regarded as suitable. There can be no rationale behind the fact that, without any recourse to the individual merits of a case, someone making an application for the first time is not permitted to hold such a licence.

The situation becomes even more bizarre when one considers that a number of local authorities in Great Britain issue taxi driver licences to people with that medical condition. It would seem that, under the rules, people with the condition in some parts of the UK are considered safe to drive taxis on the roads while others are not. That is simply absurd. How can it be right that Mr. Floyd can drive his own car, drive passengers while doing his Government job, have a PSV licence if he has held it before 1991 and have a taxi licence in another part of Great Britain, yet cannot hold such a licence in Northern Ireland? No one underestimates the importance of road safety in Northern Ireland, but there must be a rational relationship between the measures and the dangers. A blanket rule that pays no regard to individual circumstances offends against the notion of fairness, especially when one considers the wider context.

The experience of my constituent is not an isolated case. It merely highlights the wider problem that is faced by many diabetics who use insulin. More than 3 per cent.

[Mr. Peter Robinson]

of the UK population is affected by diabetes. More than 2 million people are diagnosed with diabetes, including 51,000 people in Northern Ireland alone. Evidence from the United States, where legislation has recently been passed to lift the blanket ban on insulin users from driving heavy goods vehicles, indicates that the accident rate for people with diabetes is lower than the national rate. There is no evidence that the accidents that drivers in that category have had are related to their condition.

A major consultation exercise in Northern Ireland on PSV licences in general has recently closed. There is thus a clear and timely opportunity for the matter to be revisited and the anomalous situation to be resolved. I am not suggesting that diabetes should be disregarded so that it plays no part when people's suitability for a licence is judged, but I am arguing that there should not be an automatic blanket ban, which is the case in Northern Ireland. Individual assessment to consider an applicant's specific circumstances must be just and the appropriate way forward.

Diabetics undergo regular check-ups to ensure that their overall general health has not deteriorated. Perhaps the holding of a taxi licence could be made dependent on acceptable health assessments. However, there should be case-by-case consideration. All people with insulin-dependent diabetes are not the same, so they should not be treated the same. There can be a wide variation in the medical history and condition of people who suffer from the problem, which will have an impact on their suitability to drive. The Government's one-size-fits-all regulation is not appropriate. If they really believed that insulin-dependent diabetics were a danger on the roads, they would all be banned, instead of just taxi drivers. Moreover, such people would be banned from driving taxis in every part of the United Kingdom.

It is widely accepted that if a diabetic's condition is well controlled and their doctor believes that they are safe to drive, there is no reason why they should not be issued with a driving licence. Dangers can be judged on their merits and compliance with strict requirements should be used as a road safety measure rather than the banning of those living in certain areas. Measures should be proportionate to danger and directly related to a problem. Such a discriminatory ban is not justified when there is a more tailored and less restrictive way to deal with the problem.

There is no good reason why there should be a variable standard across the United Kingdom. That is especially ludicrous in Great Britain, where a driver could get a licence to drive a taxi in one specific area, yet in the course of his work enter an area in which a different set of criteria apply. A nationally organised system with clearly defined criteria and the capacity for individual consideration would be fair, consistent and safe.

Organisations such as Diabetes UK have done a lot of good work on the matter and have taken a responsible and measured approach. It is in no one's interests to have people on the roads at all if they are not capable of driving safely, but, equally, it is unjust to prohibit someone who can drive safely from doing so. I urge the Government to take advantage of the opportunity that the recent consultation process presents and to allow people such as my constituent, Mr. Floyd, to be judged on their own circumstances, rather than summarily rejected without individual consideration. At a time when discrimination on the grounds of disability is high on our political agenda, it would be wrong to deny someone employment and perpetuate discrimination on a basis that is neither fair nor consistent.

I join others in wishing everyone in the Palace of Westminster a blessed Christmas and, I hope, a peaceful new year.

6 pm

Paul Rowen (Rochdale) (LD): I shall speak on three items. Several Members have raised the issue of the reorganisation and reconfiguration of both our local police and our health services. I shall speak particularly about the proposed reconfiguration in Greater Manchester, and especially about the Pennine Acute Hospitals NHS trust.

During health questions earlier today, the hon. Member for Pendle (Mr. Gordon Prentice) raised the issue of the closure of the accident and emergency unit at Burnley hospital. Rochdale hospital faces a similar situation, as well as the loss of its maternity and paediatric services. Such loss of services will have a dramatic effect on people in my constituency and also on those in the Rossendale valley, because they will be faced with a journey to Blackburn or to Oldham. In dangerous situations where minutes count, that is not very good.

The friends of our hospital—a group that has been set up and chaired by Father Arthur Neary in my constituency—and the local newspaper, the *Rochdale Observer*, are campaigning against these changes. I hope that once the consultation starts in the new year we will begin to see the Government listening and taking note of the real concerns that are felt by my constituents.

Secondly, there is the issue of housing. Like many Members, I receive many requests for re-housing and so on. I was shocked this week when I received a statistic telling me that every council house in Rochdale is being chased by 34 people. I never thought that I would see the day when it would be impossible for people in Rochdale to get a house when they needed one. However, many people are sleeping on floors and living in extremely unsatisfactory conditions.

I know that Shelter recently organised or launched a campaign to convince the Government that they need to increase the availability of socially rented houses that are being built. No doubt we will be told by the Deputy Leader of the House that the Chancellor of the Exchequer, in his recent statement, announced some changes. However, those changes are too little and too late, and will not meet the real housing crisis in Rochdale, across the borough.

My hon. Friend the Member for Somerton and Frome (Mr. Heath) talked about the tsunami, and we are approaching its first anniversary. I know that a statement was issued last week about the arrangements for memorial services. I was off the island of Phi Phi at the time of the tsunami. I know that I am very lucky to be here in this place. I know also of the devastation that was wreaked by the tidal wave. I am still concerned by the response of the Foreign and Commonwealth

Office—I know that many of the relatives of those who lost their lives feel this—in offering support to those who were injured and to those who lost loved ones.

There has been a joint National Audit Office and Foreign and Commonwealth Office report on the matter. A couple of weeks ago, I asked the Leader of the House whether we could have a debate on the subject. I know that many of the relatives are extremely dissatisfied by the response and support offered by the Foreign and Commonwealth Office. I am referring particularly to the support that was offered in Thailand. It is a fact that the Government chartered only one plane and sent it to Bangkok and not to Phuket. Given the support that was offered by many other European Governments, a stark contrast is to be drawn. I see that the Minister is shaking his head, but at no stage was I offered any support or help. Thankfully, I and my friends were safe, but I know of others who were suffering. What arrived, arrived late—days after the help that came from other countries. Many people were left to make arrangements for themselves whereas they could and should have had support offered to them by the Foreign and Commonwealth Office. Having read the report, I know that the Department says that it has learned the lessons. I certainly hope so, because the services that were offered were not very helpful.

I pay tribute, however, to the Thai Government, who were very helpful, and assisted us in finding alternative accommodation. They also helped many of the injured. As I said, I hope that the British Government have learned lessons from the disaster. Like many others, I shall go to the area in a few days' time, and I hope that people remember those who lost their lives.

Finally, I wish you, Mr. Deputy Speaker, Mr. Speaker and everyone associated with the House all the best for the new year and Christmas.

6.5 pm

James Brokenshire (Hornchurch) (Con): Christmas is a time for children, and I should like to begin by raising the issue of children's health services, particularly maternity services.

Last week, a constituent came to my surgery to complain about the level of care that he and his wife had received in the run-up to the birth of their child—a week or two that, as a young parent myself, I know can be a nerve-wracking experience. My constituents were concerned that they had seen a midwife only once throughout the pregnancy because antenatal care services had been scaled back. They were told that they could obtain a video if they wanted to know more about the birth, but they had to go to the surgery to pick it up. That heavily pregnant mother therefore travelled to the surgery by bus to collect the video so that the couple could prepare properly for the imminent arrival of their child.

I raised the scaling back of antenatal care services with the local hospital trust, which says that it is suffering problems because of

"the increasing number of births compared to the number of midwives providing acute care and . . . we do have to concentrate on the more critical areas of the service".

In other words, the service must concentrate on mothers who are giving birth. I raised the issue with the Minister of State, the right hon. Member for Liverpool, Wavertree (Jane Kennedy), who accepted that services had been scaled back and that there was a loss of such provision. However, she said that the decisions had been weighed in the balance by the local primary care trust.

The knock-on effects for postnatal care are worrying. My constituents were concerned that parents would not receive a check-up by a midwife at home, and would have to go to the surgery for such a service. That is not the quality and standard of care that one expects to receive. The last thing that we want to do to mothers who have just given birth is to force them to leave their homes, particularly in the cold weather at this time of year, and make them to go outside with a newborn baby. They would normally expect a midwife to visit them at home to make sure that they and their child are all right. There are concerns, however, that that service, too, will be scaled back because of pressures on local health services and the availability of midwives and the service that they offer.

That raises issues in the context of the national service framework for children, young people and maternity services. I appreciate that there must be some decision making at the local level, but services should be consistent with the national service framework, which specifies that expectant mothers should receive good-quality care during the course of their pregnancy, and are entitled to a visit at home by a midwife. I therefore seek an assurance that the national service framework is being properly implemented across all PCTs, because the situation is stressful for young parents such as my constituents.

The infant feeding survey 2000 shows that 87 per cent. of first-time mothers in higher occupations attend antenatal classes compared with 54 per cent. of women in lower occupations and 27 per cent. of women who have never worked. If classes for parents are scaled back, it will result in inequality, in which case the better-off will receive a high quality service, whereas those who are less advantaged—poorer—may not get the preparation that they expect and require to prepare for the birth of their child. I appreciate that the Deputy Leader of the House cannot address that point specifically, but I hope that he will take it up with his colleagues in the Department of Health, because such services are key to young and expectant mothers. We must also ensure that people from less advantaged backgrounds receive good quality care in the run-up to the birth of their children.

Resources are important in all issues involving the health service, and the construction of new primary care services is one issue that concerns me. Next year, Oldchurch Park hospital will open in Romford, and I hope that it improves the quality of care for people living in my constituency and in neighbouring constituencies, too. However, I have concerns about its capacity, whether all services will be maintained on that site and whether my constituents will have to travel further to access services when the new hospital opens. I am positive about the hospital, which will open on time next year and benefit the local health service, but its capacity depends on the provision of high-quality primary care facilities at the local level. The number of beds has been scaled back on the basis that health services can be accessed locally rather than in an actual acute hospital.

[James Brokenshire]

The PCTs have got certain local improvement finance trust projects, which are similar to public-private partnerships, whereby the PCT enters into an agreement with the LIFT company to lease the new primary care facilities. New facilities have been constructed in the London borough of Havering in Harold Hill and in my constituency in south Hornchurch and Rainham. It is great to see the new buildings, but they have not been occupied, because although the PCT entered into its lease with the LIFT company, it did not enter into back-to-back agreements with GPs to get them to move into the new facilities once construction was completed. The situation is strange, because buildings have been constructed, but they are sitting empty.

I have raised the matter with the PCT and the strategic health authority, which say that all the appropriate protocols were followed. The PCT followed the guidance set down by the SHA, but a teething problem cropped up because the LIFT project was one of the first to get off the ground. The matter greatly concerns people in my constituency, who want high-quality primary care. Buildings are sitting unoccupied, and the GPs who could move into them are not doing so.

Is money being spent efficiently within the health service? We are constantly told about extra spending, but if the money is being spent on buildings that lie empty, which appears to have happened in two cases in my constituency, it could be spent on other things, such as the maternity services that I have highlighted. Any structural problem about the commissioning of the new facilities needs to be examined very closely. I can think of two examples in my constituency, which suggests that this is not an isolated case and that other problems of this nature may be occurring elsewhere. How much public money is being wasted on paying lease payments to LIFT companies that are just sitting there and not being properly used? I hope that the Deputy Leader of the House will take that issue back to his colleagues in the Department of Health.

New health services are key to the regeneration of the Thames gateway, which lies in the southern part of my constituency in Rainham. The regeneration of that area is dependent on infrastructure investment in transport, hospitals and schools. But proper regeneration—the urban renewal that I want to see—is heavily dependent on ensuring that the area is properly planned and developed.

I am worried that Rainham continues to be viewed as a dumping ground for everybody else's problems. Rainham has had bad things dumped on it from heavy industry, and there is a landfill site there. We now face the prospect of a waste-to-energy plant. The planning application is being considered by the London borough of Havering. Although it has many positive aspects, because it is about recycling, limiting the amount of waste that goes into the ground and trying to ensure that we have more renewables, I am worried that there is no further cumulative environmental aspect. Many people in Rainham complain about bronchial problems and asthma. Unfortunately, the statistics on that are not maintained at a national level, but anecdotal evidence suggests that there are such problems. If we add to the burden with more emissions coming from the chimney of a waste-to-energy plant, there may be long-term health implications, even if the plant is efficient in helping to deal with environmental problems.

In terms of regeneration, I want to ensure that Rainham gets the benefits that it needs to provide high-quality jobs, industry and opportunities for my young constituents.

Bob Spink: My hon. Friend is speaking eloquently about his constituency. His constituents and mine share problems related to Pitsea tip. Does he share my disappointment with the Thames gateway initiative, which seems to be all about forcing more development, whether it is industrial or massive house-building, on my constituents without any hint of infrastructure to support it?

James Brokenshire: My hon. Friend makes a valid point. We must ensure that we have infrastructure investment up front; otherwise, we will not get the regeneration that we both require in our respective areas.

It is true that there is a need for housing, which is one of the most important issues that I face as a constituency MP. The problem, though, is that the emphasis is on starter homes—one and two-bedroom homes. The Chancellor repeated that in his statement a few weeks ago. In fact, we need a broader housing policy with two, three or four-bedroom houses. Most of the problems that I hear about are of people stuck in inadequate accommodation who are unable to move out because the housing stock is not available. We need a broader housing policy to ease the burdens on housing stock in my area.

Rainham also faces the prospect of a motocross track coming into the area. I have tabled an early-day motion expressing residents' concerns, and stating that it will not contribute to the overall regeneration and renewal of the area. The motocross track has been in part justified because it will provide youngsters who have been riding around the parks in my constituency and neighbouring areas with something to do. The track expected in my constituency will not meet those needs, however, as it is an international professional motocross outfit. Therefore, while some people might think that it will solve problems of antisocial behaviour, I do not think that it will. I am therefore supporting my local residents in attempting to ensure that the track does not go ahead.

We do need more policing, however. One ward in my constituency, Hacton, does not have a safer neighbourhood team, and I will be pressing for that in the coming year to ensure that we have safer streets and places in which people can live and work. I am concerned, however, that the necessary underpinning funding will not be available. Comments made by the Mayor of London suggest that the safer neighbourhood team roll-out in London will not achieve, as expected, a safer neighbourhood team for every area by 2007. I hope that the police will have a quiet festive season. We wish them all success in policing the capital and the rest of the country over the festive period.

On that note, I also wish all Members of the House, and you, Mr. Deputy Speaker, a very happy Christmas.

6.21 pm

Michael Connarty (Linlithgow and East Falkirk) (Lab): I thank Front Benchers for allowing me five minutes of their time to raise an important matter for many people in this country—the decision made today by the National Institute for Health and Clinical Excellence about which drugs will be allowed to be prescribed on the national health service for people suffering from Alzheimer's.

As we all know, in March this year it was decided that there might be a recommendation that Aricept, Reminyl and Exelon, which, in 2001, had been made available on the NHS for the treatment of Alzheimer's, should now be withdrawn. NICE might recommend today that those will not be available on the national health service to people who suffer from Alzheimer's. More than 8,000 carers, patients and professionals have written to NICE to oppose its draft recommendation, which was made in March.

At £2.50 a day, or £1,000 a year, the price is a small one for the NHS to pay to prevent some of the worst examples of behaviour by Alzheimer's sufferers, and to relieve some of the tension and problems experienced by carers. In my constituency, sadly, I have seen people who are younger than me develop Alzheimer's in their 50s. I have heard tragic tales of people who begin to lose their way and to lose their knowledge of who is in their family, and who eventually become completely confused about where they are. For that to happen at such an early stage is extremely distressing.

How will people who have been together for 30 years—I can imagine what it is like, as I have been with my wife for more than 30 years—who have been able, because of that small contribution from the NHS, to keep their loved ones at home where they are at least lucid sometimes and calm most of the time, make the decision, if they lose that drug, to look for long-term care for someone who is still young and seems fit but is completely and utterly confused? It is an absolute tragedy.

Can Members imagine what that is like at this time of the year? My constituent, whom I will not name, said to me last week that as Christmas approached he was genuinely living in fear of NICE taking this decision and the Scottish health service following it and stopping him getting Aricept for his wife. As a result, he might see her go through Christmas confused and in fear, with the prospect of his family and the structure of his life being destroyed because he can no longer look after his loved one. That would be the outcome of NICE's decision and of the Government's decision to give NICE's advice to health authorities to cease providing those drugs. It could result in a terrible tragedy.

As Christmas approaches, I ask the Minister to take on board the plea from the heart that has been issued by my constituents, the 8,000 carers and people working in the professions, and allow a small sum—£2.50 a day—to be allocated to those who suffer from Alzheimer's, for their good and, indeed, for the sake of the good will of those in sickness and those who care for them, during this festive season.

6.25 pm

Mrs. Theresa May (Maidenhead) (Con): This is the first time I have taken part in a Christmas Adjournment debate, but I pleased to be able to respond to the varied and fascinating debate that has taken place today.

The job of Back Benchers contributing to these debates is relatively simple. They are entitled to speak on any matter that they wish to raise. My job and that of the Deputy Leader of the House is somewhat more challenging: we must respond to the points made in what, in this occasion, has been a very full debate, ranging from Iraq to Devon and from road-coating product plants to wind farms.

The hon. Member for Leyton and Wanstead (Harry Cohen) opened the Back-Bench speeches by speaking on a matter that is of great concern to him and which he has been assiduous in raising in the House: the continued presence of coalition forces in Iraq. He made two points with which I agree. He spoke of the need to win the battle of hearts and minds. I too think that that is important, and I think that mistakes were made during the aftermath of the war which made it more difficult. He also welcomed the increasing further moves towards democracy. I echo that welcome, because I feel that we must continue to focus our efforts on establishing a stable democracy in Iraq. I am sure that the hon. Gentleman and all Members will want to join me in wishing a very happy Christmas to our servicemen and women serving in Iraq and their families.

The hon. Member for North Swindon (Mr. Wills) spoke of Swindon's needs, particularly in the context of tackling poverty. He spoke of the Government's success in improving the financial position of pensioners. I think that those who are struggling to cope with the complexities of the Government's means-tested benefits, and with ever-increasing council tax bills, will take a somewhat different view. My constituents are not struck by what he termed the "simplicity" of the tax credit system, but are appalled by its complexity, and suffer from the incompetences of the Revenue's administration of the system. That view was echoed by the hon. Member for Argyll and Bute (Mr. Reid), although I think that he was rather kind to the Child Support Agency in merely saying that it was in a state of crisis.

The hon. Gentleman also rightly raised the impact of post office closures. He referred to them in a rural context, but it is not just rural areas that suffer. Many post offices have closed in Maidenhead town, in my constituency. That has caused problems to elderly people in particular, because they have difficulties in gaining access to other post offices.

A number of Members spoke of the proposals to restructure police forces. The hon. Member for Kingston upon Hull, North (Ms Johnson) took a somewhat different view from many: she supported the restructuring of her own force in Humberside. My own view accords rather more with the views of the hon. Member for Somerton and Frome (Mr. Heath), who ably described the danger that restructuring would reduces forces' ability to respond to local needs and the potential loss of community policing that would result. As my hon. Friend the Member for South-West Bedfordshire (Andrew Selous) pointed out, we should ask at what cost the restructuring is taking place. We need more money to be spent on more police on our streets, not on new letterheads and new force headquarters.

I noted the reference by the hon. Member for Somerton and Frome to the new Frome Victoria hospital. In my constituency, I am campaigning for a

[Mrs. Theresa May]

new east Berkshire acute hospital to be built closer to Maidenhead so that my constituents do not have to struggle to Wexham Park hospital in Slough. Like the hon. Gentleman, I hope that the time will come when I can report good news to the House.

Although this debate is rightly used by many Members to raise issues of particular concern in their constituencies, I was struck by the number who raised issues of wider concern relating to world matters. Tribute was paid by several Members to the work of the Make Poverty History campaign and I am happy to add my congratulations to the campaign on the important work that it has done.

My hon. Friend the Member for South-West Bedfordshire rightly linked the Government's failure to achieve reform of the common agricultural policy to the lack of greater progress at the World Trade Organisation talks in Hong Kong. As with the climate change talks in Montreal, I suggest that, far from proclaiming their success, the Government should be dissatisfied at the lack of progress made.

The hon. Member for Rochdale (Paul Rowen), among others, raised the issue of the tsunami. He spoke from personal experience and talked about the impact of the Foreign Office response and the concern felt by many families about the support that the Government had given at that time.

In respect of worldwide issues, my hon. Friend the Member for Ribble Valley (Mr. Evans) gave an impressive tour d'horizon of several relevant subjects, including our representations abroad. He referred to the devastating impact of AIDS on the lives of so many millions, particularly across Africa. One of the saddest aspects of that issue has been the unwillingness of the Government of South Africa to acknowledge the extent of the problem there, which means that many more people are suffering than would have been the case if the problem had been properly acknowledged.

My hon. Friend the Member for Ribble Valley enjoined all hon. Members not to be backward about celebrating Christmas in the true Christmas spirit. I am sorry that I cannot join him in his carol singing later this week, but I should warn him, given my previous area of responsibility, that I hope that he has secured an entertainments licence under the Licensing Act 2003.

Mr. Heath: It is a great shame that the right hon. Lady could not share in our village carol service in Withan friary on Sunday evening. The Virgin Mary, who looked delightful, was unfortunately indisposed, so Joseph was left holding the baby—both figuratively and in reality. I wonder whether that is something that the right hon. Lady would commend.

Mrs. May: I am always willing to welcome and encourage fathers to participate properly in the bringing up of their children and I sincerely hope that the Virgin Mary has now fully recovered from whatever it was that prevented her from being there. To those who participated in that particular event and to those who will be doing the carol singing in Ribble Valley later this week, I should nevertheless give a warning. Hon. Members may not be aware of it, but under the Licensing Act 2003, carol singers require a licence—unless they dress up as morris dancers, which are excluded under that Act—*[Interruption.]* I suspect that they may well do that naturally in Somerset.

A number of hon. Members spoke about the contrast between what the Government say and what they do. The hon. Member for East Antrim (Sammy Wilson) raised several issues relating to Northern Ireland, including education, in an impassioned speech. After the general election, the Prime Minister said that he had learned his lesson and would listen to people more in future. Many people in Northern Ireland will be wondering how that fits in with the proposals to abandon grammar schools, which are supported by the majority of the population in Northern Ireland.

The beauty of the Adjournment debate is that it is so varied. When I started listening to it this afternoon, I did not think that I would be educated about the European waste incineration directive and the operation of road-coating product plants. Indeed, I was, courtesy of the hon. Member for North-West Leicestershire (David Taylor). I would certainly commend the hon. Gentleman's speech to anyone who wants to know about those subjects.

The interests of asylum seekers were taken up in two thoughtful speeches. The hon. Member for Gower (Mr. Caton) spoke about the impact of legislation on the children of asylum seekers, which I know is a matter of concern to several groups that deal with children's issues. My hon. Friend the Member for North-East Bedfordshire (Alistair Burt) spoke about asylum seekers in his constituency with his characteristic care, compassion and desire to ensure that people who cannot speak up for themselves have their voices heard when matters need to be raised. He also talked about local authority funding, and his comments will strike a chord with many people both in the House and outside, including my hon. Friend the Member for Southend, West (Mr. Amess), who also raised the matter, as well as continuing to champion the cause of his constituents, particularly those who in his view have suffered from injustice. His efforts on their behalf are to be commended, as are the efforts of my hon. Friend the Member for New Forest, East (Dr. Lewis), who continued his valiant fight for better treatment for his constituent Mr. Brian Jago. He rightly pointed out the unfair impact of the postcode lottery in the NHS, and how much people can suffer as a result of delays in decisions by the National Institute for Health and Clinical Excellence.

The issue of decisions by NICE and the impact that they have on people was also taken up in the final contribution to the debate, by the hon. Member for Linlithgow and East Falkirk (Michael Connarty). The hon. Gentleman rightly pointed out the impact that taking away certain drugs, such as Aricept, would have on those with Alzheimer's disease and their carers. I pay tribute to the enormous amount of work done by more than 6 million carers in this country; often unsung, they save the Government something like £57 billion.

My hon. Friend the Member for New Forest, East highlighted the paradox of the NHS and some of the issues involved, which were also clearly set out by my hon. Friend the Member for The Wrekin (Mark Pritchard) when he asked where all the money had gone. We might well all ask that question. How can

the Government claim that all is well in the NHS when trusts have deficits totalling hundreds of millions of pounds and, as at Shrewsbury and Telford NHS Hospital Trust, the jobs of doctors and nurses are being cut.

More money is being spent on reorganising strategic health authorities and primary care trusts. My hon. Friend the Member for Hornchurch (James Brokenshire) talked about hospital building, and the empty hospital wards that he has seen in his area. That reminded me of an episode of "Yes, Minister" in which, as hon. Members will remember, the Minister visited a new hospital with hundreds of administrative staff but no patients. When he asked why there were no patients, it was explained that things were a lot easier if there were no patients to deal with. None the less, I hope that in my hon. Friend's constituency the patients will be able to follow on into the new hospital building.

The hon. Member for Strangford (Mrs. Robinson) also raised the subject of the health service. She spoke particularly about problems in mental health, a subject that is all too often forgotten. I pay tribute to her willingness to raise those important issues, which affect far more families than I suspect many would like to admit, and are all too often swept under the carpet.

The hon. Member for Colchester (Bob Russell) raised a number of specific issues concerning Colchester council, including the proposed visual arts centre, which I know from my previous brief has exercised the hon. Gentleman's mind for some time.

It was good to hear from a neighbour of mine, my hon. Friend the Member for Reading, East (Mr. Wilson), who rightly drew attention to the problems of education in Reading. He also referred to policing in Reading—although I am duty bound to tell him that sadly, improved policing in Reading is often at the expense of policing in my constituency, notably in villages such as Wargrave, Charvil and Twyford.

There is always, I have to say, a frisson of uncertainty in the Chamber when my hon. Friend the Member for Castle Point (Bob Spink) rises to speak. Today he charmed us by telling us about his exchange of letters with his young constituent. He rightly reminded us of the importance of families and children at Christmas—a point echoed by my hon. Friend the Member for Hornchurch, who raised valid concerns about maternity services, in particular the pressures on midwifery.

In view of the increase in the incidence of diabetes across the country, the hon. Member for Belfast, East (Mr. Robinson) was right to raise an issue of growing importance to a growing number of people—the treatment of those with insulin-dependent diabetes in the driving licence system. There is a need to address that problem and to give more attention to a proper risk assessment of the individuals concerned.

Finally, I turn to what in my view were the two most powerful speeches in today's debate: those by my right hon. Friend the Member for Penrith and The Border (David Maclean) and my hon. Friend the Member for Tiverton and Honiton (Angela Browning). My right hon. Friend gave a masterly speech and I must say that he needs no lessons from my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) in that regard. While we have valued the time spent by my right hon. Friend the Member for Penrith and The Border as Opposition Chief Whip, his required silence in that post has been a loss to this House. His impassioned plea for the rural communities in Cumbria will have struck home to many in this House.

My right hon. Friend made a particularly valuable point when he said how easy it is for the Government to be bewitched by the superficial image of areas such as the Lake district, and to avoid or fail to see the real needs of Cumbria. I find it incomprehensible that this Government—a Labour Government—seem to have no real regional policy other than to create layers of regional bureaucracy, be it for the police, the fire service or the health service. Far from being based on regeneration, their regional policy is based, as my right hon. Friend said, on sucking jobs, services and funding away from counties such as Cumbria, and from others mentioned today such as Devon and Shropshire. The paradox of their position is that while they suck resources away from areas in the north, the south-west and elsewhere, they are forcing greater and greater development into parts of the south-east that do not want it.

That lack of a real regional policy and lack of concern for rural areas was echoed in the speech of my hon. Friend the Member for Tiverton and Honiton, who defended not only her constituency but the whole of Devon. She reminded us that in their early days in 1997, this Government constantly talked of fairness and justice, yet there is no fairness and justice in their treatment of many regions of this country, and of rural areas in particular.

I want to finish by rising to the challenge that my hon. Friend the Member for Ribble Valley set to indulge in the true spirit of Christmas. I have been thinking—I hope Members will forgive me—of the parliamentary and political equivalent of a well-known Christmas song. But have no fear, Mr. Deputy Speaker, I will not sing it. [HON. MEMBERS: "Go on."] I once tried to sing something while standing next to my hon. Friend, but my efforts were paltry compared with his fine Welsh voice. Here we go, Mr. Deputy Speaker. On the first day of Christmas my true love sent to me, 12 Lords a-leaping, 11 Clerks a-clerking, 10 Whips a-whipping, nine Hansard writers writing, eight times six Labour MPs rebelling, £7 billion in lost rebate, six failed Government reforms, five Cabinet rows, four Lib Dem leadership candidates, three ministerial scalps, two broken Blair-Brown deals and the Prime Minister up a gum tree.

I wish you, Mr. Deputy Speaker, Mr. Speaker, all Members of this House and all the staff and Officers who serve it so well a very, very merry Christmas.

6.43 pm

The Deputy Leader of the House of Commons (Nigel Griffiths): This has certainly been a most wide-ranging debate: from the Make Poverty History campaign to the tsunami; from the NHS and policing to the Royal Mail; from Iraq to hill farming, sugar beet production and fishing; from mental health to defence. Opposition has been expressed to wind farms, to police reorganisation and to tax on petrol in rural areas. The phrase "wide-ranging" does not do justice to the scope of Members' contributions.

[Nigel Griffiths]

The contribution that moved me most was that by the hon. Member for Strangford (Mrs. Robinson), who spoke out at length about the problems faced by people with mental illness. The House listened to her in some silence and with great interest. I was also impressed by the central point made by the hon. Member for Reading, East (Mr. Wilson): the importance of leadership in schools and leadership from the police force and individuals. That is the key to making public services work, just as it is the key to making good companies effective in the private sector.

Since much was said about health, I thought it worth starting with that subject. The right hon. Member for Maidenhead (Mrs. May), echoing the words of the hon. Member for The Wrekin (Mark Pritchard), asked, where has all the money gone? The hon. Gentleman hinted at a paradox. Let me tell the House where the money has gone nationally before I deal with individual constituencies. The money has gone on the 79,000 or so more nurses, on the 27,000 more doctors created since 1997 and on ensuring that waiting lists are now at their lowest level since 1988. It has gone on the 532,000 more operations that are done a year compared with eight years ago. That will affect some of the cases raised today, as will the 165 extra CT scanners and the almost 160 extra MRI scanners installed in the NHS since 1997.

I took the words of the hon. Member for The Wrekin to heart, so he will join me in welcoming the 221 more consultants in his constituency, the 643 more doctors and the 2,092 more nurses. Like him, I want to know from the health authority why they have not been deployed more effectively to allay the concerns of his constituents and of the hon. Member.

The same is true for the hon. Member for Ribble Valley (Mr. Evans), who raised the problems in his area. We must ask what has happened to the 142 more consultants that Cumbria and Lancashire strategic health authority has had, as well as the 543 more doctors and the 5,400 more nurses.

The hon. Member for New Forest, East (Dr. Lewis) stressed his concern as well, raising the specific case of a cancer patient. His authority has had 382 more consultants, over 1,000 more doctors and nearly 3,000 more nurses.

Dr. Julian Lewis: That has nothing to do with prescribing.

Nigel Griffiths: Let me tell the hon. Member about the prescription of the drug by the 1,100 extra cancer consultants that we have, a 38 per cent. increase since 1997. Locally, groups of consultants and medical practitioners are involved. Some may have drawn an inference—I am sure he did not intend this—that some sort of bureaucrat or unqualified person was taking the decisions, but they are being taken by people with some medical expertise. It is important to know that that expertise is available and to ask quite rightly what the impact of the 1,100 extra cancer specialists is.

We certainly know that cancer mortality rates have dropped by more than 10 per cent. because of those extra consultants and more effective treatment, saving an estimated 33,000 lives. We also know that, in 1997, only 63 per cent. of suspected cancer cases were seen within two weeks; now the figure is 99 per cent. All of those have helped the hon. Member's constituents.

Since the issue of cancer care and palliative care was also mentioned, I want to join all hon. Members in paying tribute to the work of the hospice movement. In my constituency, I have the Marie Curie clinic at Fairmilehead and I know that, at this time of year, the work that it does is more valued than ever.

The right hon. Member for Penrith and The Border (David Maclean) made an excellent contribution and stressed his concerns about the common agricultural policy and the EU budget. He asked for more to be given to the hill farmers in his area and, brought up as I was in a hill farming area, I listened with some concern to what he was saying. However, I was surprised that hon. Members who asked about the Government's negotiations during our presidency failed to acknowledge that the EU budget deal agreed under my right hon. Friend the Prime Minister is some €160 billion cheaper than the original Commission proposals of February 2004. Moreover, it is certainly below the level proposed in June by our predecessor in the presidency, Luxembourg. Some speakers neglected that important fact, which should be noted.

The hon. Member for The Wrekin called for more money for sugar beet farmers and stressed the importance of biofuels. We concur: that is why, in his pre-Budget report of two or three weeks ago, the Chancellor reinforced the impetus that he has given to the promotion of biofuels.

All speakers seemed openly hostile to wind farms. I declare my support for them, both onshore and offshore. They have a part to play and I am pleased that this Government, and the Department for Trade and Industry in particular, have managed to exceed their target for making wind generators available for community centres, community housing groups and individuals. The target was to have 2,300 such generators installed between 2003 and 2006; in fact, that figure has been almost doubled, and the funding is still available.

My hon. Friend the Member for Leyton and Wanstead (Harry Cohen) raised the vitally important issue of Iraq. I want to pay tribute to all our service men and women for the role that they have played in that country. I stress to my hon. Friend that it is important to continue that engagement: more than 8 million Iraqis took part in January's elections, 10 million took part in the referendum on the constitution in October, and 15 million were registered for the more recent election there. Britain is one of 27 countries providing personnel for the multinational forces in Iraq. Those forces will remain there, at the invitation of the Iraqi Government, until that job is done.

My hon. Friend the Member for Gower (Mr. Caton) spoke about the issue of asylum. Many asylum seekers are genuine, having faced horrendous experiences at home, while others mistakenly apply because they think that that will allow them to stay here, whereas they really want to be here for economic reasons. The issue has to be treated with compassion, and I stress that all Members of the House treat asylum and the plight of asylum seekers in that way.

However, I am concerned when constituents of mine tell me that they are faced with deportation and that they want to put their children in the firing line that the asylum process represents. I think that is wrong, and that is what I tell them. The appeals procedure is paid for by the taxpayer: it is of a very high and fair order, and allows people to pursue appeals or reviews after they have submitted their initial applications. Some people, once the process has been exhausted and a decision reached, say that they are not willing to leave because they have children in this country. However, that cannot deter us from ensuring that they are returned to a country that has been ruled proper to receive them.

Not surprisingly, given that we are approaching its first anniversary, the issue of the tsunami was raised in the debate. I am not dismissive of what the hon. Member for Rochdale (Paul Rowen) said, but the National Audit Office report on the tsunami showed 90 per cent. approval of the way that things were done. However, it did highlight some areas—the hon. Member may have witnessed them—where there were grounds for improvement, and my right hon. Friend the Foreign Secretary has been making sure that those improvements have been made. It was, after all, a massive disaster that claimed the lives of 250,000 people, including 149 from Britain. My constituent, Dominic, a bright young architect, and his girlfriend, Eileen, were among those who lost their lives. His family is on the way out there as part of the programme of help from the Government, endorsed and supported by all parties, to ensure that as many relatives as want to go to as close as possible to the place of the disaster can do so. We all support that.

This has been the year of "Make Poverty History", which has been mentioned by a number of hon. Members. We have managed, I think, to reinforce the leadership that we must all give to tackling poverty in Africa and elsewhere, and to tackling and eradicating disease. We go into 2006 revitalised, knowing that we can do more to make the world a better place.

To you, Mr. Deputy Speaker, and to all the members of staff who have served us well and all right hon. and hon. Members and Friends, I wish a merry and restful Christmas, and a happy new year.

Lord Commissioner of Her Majesty's Treasury (Mr. Tom Watson): I beg to ask leave to withdraw the motion.

Motion, by leave, withdrawn.

PETITIONS

Council Tax

6.56 pm

Mr. Nick Gibb (Bognor Regis and Littlehampton) (Con): I should like to present a petition signed by 1,092 residents of my constituency. The petition raises genuine concerns about the level of council tax, which has been rising year after year above the rate of inflation, and which is as a consequence causing hardship to many people, particularly those on fixed or low incomes.

To lie upon the Table.

Flats (Castle Point)

6.56 pm

Bob Spink (Castle Point) (Con): In recent months, Castle Point has seen a massive increase in the number of applications for blocks of flats. That trend is causing concern across the region, not least to the Council of Mortgage Lenders. It is changing our community into flatlands, which I spoke about yesterday.

This petition relates to one application on Canvey Island, but Hadleigh, Benfleet, Thundersley and many other areas are similarly affected.

The petition states:

The petition of residents of Canvey Island,

Declares that they object to the plan to build twelve flats in May Avenue, proposed development CPT/628/05/FUL). This is due to the site design and external appearance of the proposed development, including its height and bulk in relation to neighbouring properties, which is unacceptable. The Petition further declares that the impact of the development would unreasonably increase the pressure on local infrastructure, particularly roads.

The Petitioners therefore request that the House of Commons call upon the Government to do all within its power to ensure that Castle Point Borough councillors reject the application.

And the Petitioners remain.

To lie upon the Table.

Planning (Castle Point)

6.57 pm

Bob Spink: My second petition relates to the planning process in Castle Point. It is self-explanatory, and I hope that the Government will respond to explain that elected and accountable councillors decide how planning decisions are taken, and that it is up to them to decide whether officers deal with decisions in a way that does not lead to good democracy or whether they take it on the chin and make the decisions themselves.

The petition states:

The Petition of residents of the Castle Point area and others

Declares that we the residents of Castle Point and surrounding areas object to the undemocratic planning process whereby officers of Castle Point Borough Council decide planning applications without councillors' input, which causes special concern when these are major planning applications and particularly planning applications for blocks of flats.

The Petitioners therefore call on the House of Commons to urge the Government to impress upon Castle Point Borough Council the need to change this undemocratic practice so major planning applications that are of concern to the public are decided by elected members in full committee in future and to explain to the council how this can be achieved.

To lie upon the Table.

Public Toilets (Canvey Island)

6.59 pm

Bob Spink: So that we may all rush off to our Christmas endeavours on behalf of our constituents, I present my final petition. It was compiled by the Canvey Independent party. That is not my political party, but I am happy to present this petition, because I agree with it. It calls for the provision of decent public toilet facilities on Canvey Island. The Canvey Independent

[Bob Spink]

party is right to call for those and I congratulate it and Paul Peterson, a journalist on the *Yellow Advertiser* newspaper, who is running an excellent campaign for decent toilets, especially at the Knightswick centre on Canvey Island. I have consistently called for the borough council to maintain decent toilet facilities across the whole borough, for reasons that all hon. Members understand and agree with.

The petition states:

To the House of Commons

The Petition of The Canvey Independeat Party and others,

Declares that we the residents of Canvey Island and surrounding areas object to the closure of public toilets by Castle Point Borough Council.

The Petitioners therefore call on the House of Commons to urge the Government to impress upon Castle Point Borough Council the need to maintain public toilets.

And the Petitioners remain, etc.

To lie upon the Table.

Bus Services (Southend)

7.1 pm

Mr. David Amess (Southend, West) (Con): I have the honour to present a petition signed by more than 1,000 residents, which was handed to me outside Belfairs post office on Monday. There was a large gathering of senior citizens who are very upset about the removal of bus services in their area.

The petition states:

The Petition of residents of Southend-on-Sea and others,

Declares that bus routes 17, 23, 23a and evening service 29 in Southend-on-Sea were withdrawn in Spring 2005 and that Southend Borough Council should take steps to provide a replacement bus service for these routes.

The Petitioners therefore request that the House of Commons call upon the Government to do all within its power to ensure that Southend Borough Council urgently makes provisions for replacement bus services on these routes. The Petitioners further request that the House of Commons call upon the Government to introduce legislation to make funds available for this purpose.

And the Petitioners remain, etc.

To lie upon the Table.

Traffic Congestion (Taunton)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Watson.]*

7.2 pm

Mr. Jeremy Browne (Taunton) (LD): I am grateful for the opportunity to raise this issue, because 2005 has been a momentous year in politics—not least because, as I am sure the Minister will agree, it saw the election of a third consecutive Labour Government—and it is fitting that we end the year on a bang with this important debate for my constituents about the problem of traffic congestion in Taunton. As I go about my constituency, knock on doors and talk to people in public places, I ask them what issues are of greatest concern and import to them.

Three main issues come to the fore. The first is antisocial behaviour, and I am sure that all hon. Members will recognise that issue. The second is the problem of council tax and ever-rising bills, which is raised with me especially by retired people on fixed incomes or those on typical local wages. The third issue, and possibly the one raised with the greatest vehemence and regularity is the problem of traffic congestion in Taunton, the county town of Somerset.

I accept that traffic congestion is a problem in towns and cities across the UK and, for that matter, in many other developed countries. However, Taunton is worse than most places and is certainly worse than most places of its size. There are probably two reasons for that. The first is the town layout, which is not conducive to the free movement of large amounts of cars, lorries, vans and other vehicles. That is a historical accident. Many of the buildings were erected before cars were invented and some towns tend to have better traffic flows than others. Unfortunately, the traffic flow in Taunton is particularly poor.

The second factor is that Taunton is not only the county town but a centre for the whole region. People come to Taunton from 20 or 25 miles away, for work or shopping, especially at this time of year when they can take advantage of the town's excellent shops and other facilities, or to visit the hospital. Musgrove park hospital serves patients from a much bigger area than the constituency I represent. People are sucked into Taunton from a large radius and when they get there they find that the problem of traffic congestion is acute.

At peak times, the town gridlocks. Taunton is a modest-sized county town, not a city, but sometimes it can take half an hour or longer to travel less than a mile. That is exceptional traffic congestion by any standards. It is bad for the environment, bad for local businesses and bad for the quality of life of residents of Taunton and the surrounding communities.

In preparation for the debate, I looked at projections for traffic growth in Taunton. I have been supplied with figures from a study showing what is likely to happen to traffic in Taunton over the 10 years between 2001 and 2011. We are of course already four years into that projection, and although the problem is acute at present, one can conclude from those statistics only that it will be worse still in the years ahead.

In that 10-year period, the total volume of traffic in Taunton will rise by 28 per cent. That is partly due to new housing. The town is expanding and is set to expand

further. Nearly all the people in those new houses will choose to drive. An additional problem is that so many new houses are built without adequate amenities, such as shops and bus routes, so that people need to drive more than if they lived in older houses.

The increase is also due to the overall growth in car use. A couple of decades ago, there would have been one car for the use of an entire family, but now there is often a car each for the husband and wife—if that is the composition of the household—and in many cases children aged 17 and over also have a car. Inevitably when more cars are owned, more cars are driven.

Those two factors explain the projected 28 per cent. increase in traffic congestion in Taunton between 2001 and 2011. However, we should not think that the increase in peak-time delays will also be 28 per cent. The projection for such delays in that period is a staggering 160 per cent. increase. In 2001, 1,093 hours were spent in traffic queues at peak times every weekday morning. That is a complicated sentence so I shall try to explain it: the total number of person hours during which people sat in traffic jams at the peak morning travel-to-work time came to 1,093 cumulatively. It is projected to be 2,847 hours—a 160 per cent. increase—by 2011 if nothing is done during the intervening period.

The county council and others want to address the problem, but even with the strategy that is already being implemented to deal with congestion in Taunton the projection is still for an increase of 121 per cent. between 2001 and 2011. Admittedly, that is less than a 160 per cent. increase, but it is still a huge increase in traffic congestion. As I say, the situation is already bad and we do not want it to get worse. The conclusion that we can draw is that doing nothing is not an option, and people who may have been more conservative about trying to deal with traffic congestion are increasingly coming to accept that view.

What are the possible solutions? First, the demand for road space could be reduced. Secondly, the supply of road space could be increased. I intend to deal with both possible solutions in turn. On reducing demand for road space, nothing should be ruled out, and I should like the Government and politicians of all parties to provide imaginative and innovative leadership and to think creatively about how we can try to address some of the problems.

I believe that the Minister is likely to refer in her remarks shortly to park-and-ride schemes. I have been personally somewhat sceptical about such schemes in the past. People buy cars, which depreciate at an alarming rate. They then spend more money insuring and taxing them, having MOTs done on them and putting petrol in them. After all of that, it seems likely that people will want to drive their cars. However, if they are stuck in traffic gridlock, driving the car is not as great a liberty as it might appear on first inspection.

A new park-and-ride scheme was opened in Taunton only a few weeks ago. It is called Silk Mills and is linked to a bridge over the railtrack on that side of the town. People who live in and around Taunton or visit the town must all wish that that park-and-ride scheme is successful, because it is an important part of the strategy for alleviating congestion there. I hope that an equivalent park-and-ride scheme to Silk Mills, which is operational in day-time hours, can be built on the other side of the town by the motorway.

The second issue is public transport. I have dug out the statistics on how people in Taunton travel to work each day. The statistics are quite revealing and say a fair bit about how we might try to address the problem. Some 57 per cent. of people in Taunton travel to work by car, but 20 per cent. either walk or cycle to their place of work. That is an impressive statistic. One in five people in Taunton gets to work either by walking or cycling. It is important that we try to make that option more attractive for people in Taunton and other comparable towns and cities throughout the country.

Only 2 per cent. of people in Taunton travel to work by bus, however. One person in 50 in the county town of Somerset travels to work by public transport. That is a serious issue for towns such as Taunton, and it is not helped by the increases in bus fares that take place. Recently—again, in the past few weeks—there has been a dramatic increase in bus fares in Taunton. Fares on some routes have increased by as much as 30 per cent.

It is hardly surprising when we have such low levels of bus usage for people getting to work at peak times and travelling home at the end of the day that people who might be inclined to use buses are further discouraged from doing so because of price factors. I appreciate that convenience, the reliability of the service and other factors are also important, but price is clearly a factor. One of the things that we need to do in Taunton and other towns is to encourage people to use public transport.

Another area that I am keen to encourage people to explore to reduce demand is car sharing. There have been some interesting schemes in other countries, including the United States, to encourage car sharing, one of which involves a reserved lane, and there are places in Britain where that also applies. At peak times, the lane can be used by cars with more than one adult in them, but not by cars carrying a single adult. Whichever town or city we visit, we see big lines of cars and almost every one of them has a single person in it going to work. The innovative ideas that we must explore include introducing priority lanes or car parking places for people who have shared their cars.

The survey on how people get to work in Taunton showed that 11 per cent. of people who work do not travel to work because they work from home. That is a significant and interesting fact. We need to explore further the extent to which people can do their jobs from home on some days of the week, if not every day. I congratulate the Government on encouraging the roll-out and expansion of broadband internet access in villages and smaller rural communities around Taunton, because that will give people in many—albeit not all—walks of life the opportunity to work from home and vary their working hours in such a way that traffic congestion might be reduced, as well as other benefits.

I will not explore all the many other options, but I want to make a general point on reducing demand. It is important that we retain public support for all the options. I am anti-congestion, but I am not anti-motorist. If people assume that all the measures that we need to encourage would penalise motorists in an unreasonable manner, we will lose public support for them.

[Mr. Jeremy Browne]

Having considered at length how we can try to reduce demand, I shall address the way in which we can increase the supply of road space. I accept that there is a limit to what can be done. Unless we go down the path of widespread demolition of buildings that were constructed before the invention of the car, there will always be a limit on the extra road capacity that we can create. Neither I nor people in Taunton have any appetite for such a scheme in our town. However, we could increase capacity through measures such as the better phasing of traffic lights and improving the flow of cars. The number of extra cars that can be accommodated without changing a road layout, but improving the flow of the vehicles that use it, is sometimes striking.

Two new projects have been earmarked for Taunton: the northern inner distributor road and what we now call the third way in Taunton. I do not know whether the Minister is an exponent of the Government's version of the third way, but the scheme in Taunton is a compromise between people who wanted to keep a part of the town with a cultural dimension and those who saw the merits of putting a new bridge and road through that area. Both projects require bridges and Government funding, and they would both improve the flow and distribution of traffic in Taunton. The schemes are not magical solutions. They would not solve the problem, so I would not wish to pretend that they would, but they offer good value for money and form part of the vision for Taunton of improving the quality of life of people in the town and ensuring that extra houses are well served. I urge the Government and the Minister to support both projects.

Taunton is suffering from suffocating traffic congestion. It is a dynamic and successful town that is growing because people want to live there and enjoy living there. However, there is a risk that the traffic congestion is putting businesses off relocating to the town or remaining there. It causes people to waste hours of time every day and week that they could spend more profitably and enjoyably doing other activities. There is no simple solution to traffic congestion in Taunton or any other town or city in Britain, but we must examine the problem seriously and act now.

7.19 pm

The Parliamentary Under-Secretary of State for Transport (Ms Karen Buck): I congratulate the hon. Member for Taunton (Mr. Browne) on securing this important debate on a very important subject. I congratulate him also on a thoughtful, well-researched and well-made case. I agreed with almost every word that he said. I cannot often say that of Liberal Democrat Members, but I am delighted to do so on this occasion.

The hon. Gentleman described congestion in Taunton, but he rightly set the matter in the context of rising traffic congestion in towns and cities throughout Britain. He is correct in saying that while in some instances it is possible to build our way through this problem with some new road capacity—bypasses and so forth—there is no way to build our way through traffic congestion as a whole. There are measures that range from better traffic management to investment in public transport and public transport measures that complement the roads policy through measures such as park and ride. The hon. Gentleman did not talk in any great detail about the debate that we need to be having in the coming years on the role of road pricing in helping us to tackle congestion.

I turn to the local agenda that the hon. Gentleman addressed. I assure him that the Government are committed to sustained and long-term investment in local transport in Somerset. In December 2000, we said that Somerset county council would receive more than £22 million for integrated transport measures in the first five years of the local transport plan. In fact, we gave an additional £3 million in reward funding and supplementary bids.

Last week, my Department announced that funding for the integrated block for the next financial year would be nearly £4.3 million, and that is likely to remain at similar levels over the following four years.

In our White Paper published last year on the future of transport we confirmed our commitment to continue with this high level of investment in all forms of transport. Along with the introduction of formula based funding for the integrated block, the announcements made in the past week will allow local authorities to plan for the future with confidence.

The regional spatial strategy for the south-west, which forms the context for housing development and transport development, is currently being planned. Whatever scenario is taken forward, it is likely to include Taunton as a designated growth area. While the exact extent of the growth is unknown, whatever the outcome, there will be significant implications for congestion. The hon. Gentleman will be aware that work has already been carried out by Somerset county council to predict the impacts of potential development and to consider measures that may be required to manage traffic growth.

The hon. Gentleman will understand the importance of ensuring prudent management of transport funds at regional level. We have taken a bold step by introducing regional funding allocations so that regions will have greater influence over how transport funds are spent in their area. The south-west has just been given an indicative allocation of just over £1 billion over the next decade. This will be devoted to funding local authority schemes costing more than £5 million and schemes on trunk roads and motorways on the Highways Agency's regional network.

Within this framework for determining regional priorities, a package of transport measures to alleviate congestion in north-west Taunton is being developed. I understand that the county is looking for approximately £14 million from the Department, with other funding for the £27 million package coming from developer contributions and the county itself. The package is currently being assessed by officials to ensure that it meets value-for-money criteria.

In addition, it will need to be supported within the prioritisation process, which the south-west region has been asked to use to identify its priorities for funding over this period. It will be submitting its advice to central Government by the end of January 2006.

The hon. Gentleman mentioned the recent opening of the Silk Mills road bridge in Taunton, which now spans the main south-west rail line, replacing a historically

congested level crossing. This is part of an additional £14.5 million package of local transport major projects improvements now providing free flow of traffic to complement the development of a new park-and-ride facility. This is evidence of a real commitment by the Government to address local congestion points within the county.

I move back to the more specific issues of local transport in the county. As the hon. Gentleman is aware, Somerset is currently finalising its local transport plan for the next five years. To ensure that local transport plans deliver transport that works for everyone, we have asked authorities to focus on four shared priorities that we have agreed with our partners in local government. First, and with particular relevance to the hon. Gentleman's remarks, the plan should focus on congestion. We accept entirely that this can have a negative impact on economic performance and on the quality of life. Measures to deal with congestion are at the heart of the Government's transport strategy, and we are committed to working closely with local authorities to deliver schemes that are effective in managing the impact of congestion at the local level, which is why we have recently given towns new powers under the Traffic Management Act 2004, including the ability to co-ordinate utility and telecom road works, and additional powers in parking enforcement, bus lanes and even some moving traffic offences. There is, as the hon. Gentleman accepted, no single solution to congestion, as its causes, nature and patterns are different in every area. There is invariably a balance to be struck between demand-side solutions, such as parking pricing and restraints and improved travel planning, and supply-side solutions, such as enhanced public transport, improved information to motorists and better walking and cycling options.

That challenge is reflected in the provisional local transport plan that Somerset submitted to the Department in the summer. It makes it clear that Taunton is the county's top priority in the tackling of congestion, and it sets out a number of measures to reduce the impact of traffic while ensuring that there is access to facilities in and around Taunton. Those measures include ensuring that traffic is controlled and managed effectively, by upgrading Taunton's urban traffic control systems; widening travel choice by introducing new cross-town bus routes and supporting them with bus priority measures; and encouraging pedestrian and cycling movements around the town centre, for example, by improved controlled crossing facilities.

Our second shared priority is people's ability to access places of work, learning, health care and other facilities, which can significantly impact on their quality of life. Schemes and initiatives to improve accessibility can encourage participation and retention in education, reduce inequalities in health, and help move people from welfare into work. One way in which Somerset proposes to address those issues in Taunton is through improvements to passenger transport. Somerset county council has recently introduced three demand responsive bus services serving Wincanton, North Sedgemoor and Taunton. That "dial-a-ride" innovation has enhanced local people's access to education and medical services in Taunton, and I look forward to the results of such initiatives and the extent to which they can meet local needs.

Thirdly, local transport plans will continue the good work undertaken over the past five years to improve road safety. I am therefore pleased that Somerset's provisional local transport plan sets out a range of measures to improve road safety, including publicity campaigns with employers and schools to promote road safety; a reduction in the volume and speed of traffic in areas with a high level of vulnerable road users; and training to improve the driving skills of recently qualified drivers. Finally, local transport plans should aim to improve air quality. I therefore look forward to the implementation of Somerset's proposed air quality action plan for Taunton, which should help to tackle the two air quality management areas declared by Taunton Deane borough council. Transport authorities are now working up final plans to take account of lessons learned and to plan for the next five years. My Department is working closely with authorities across a range of topics, and is advising where necessary on improving delivery and the achievement of targets. Final local transport p[illegible] will be presented to the Government in March next year.

In conclusion, we recognise that Taunton is the largest centre of employment and the primary shopping centre for Somerset. It is recognised as one of the priority areas in the south-west for growth, because it has the potential to make a significant contribution to accommodate growth in the region in a sustainable way. To maximise the benefits of those opportunities, and to enable the town to develop economically and to reduce social exclusion, transport must be well planned, managed and delivered. Through investment in infrastructure and public transport and measures to improve traffic management, Taunton must deal with the challenge of increasing congestion, which affects it and many other towns and cities across the UK. I hope that I have been able to give some reassurance to the hon. Gentleman that the Government are committed to working with our local and regional partners to provide the leadership that that requires. Finally, may I echo the sentiments that were expressed earlier, and wish you, Mr. Deputy Speaker, and all members of staff in the House a very happy Christmas?

Mr. Deputy Speaker (Sir Michael Lord): As we rise for Christmas, may I, in turn, wish the Minister, all hon. Members and staff in the House of Commons a very happy Christmas and, let us hope, a peaceful new year?

Question put and agreed to.

Adjourned accordingly at twenty-nine minutes past Seven o'clock.

Westminster Hall

Tuesday 29 November 2005

[MRS. JOAN HUMBLE *in the Chair*]

Police Service Restructuring

Motion made, and Question proposed, That the sitting be now adjourned.—*[Tony Cunningham.]*

9.30 am

Frank Cook (Stockton, North) (Lab): Good morning, Mrs. Humble. I congratulate you on having attracted so many attendees to today's event. Will you register with Mr. Speaker my gratitude for his allowing me the debate? In the hundreds of long hours when, as Deputy Speaker in this esteemed place, I have occupied the Chair in which you now sit, I have pondered whether I would ever have to speak from the Floor. However, I did not expect to do so with the sadness and dismay that I bring with me today.

We have so much to consider and so many questions that need to be answered that I shall do my best to be brief. If the Minister seizes the opportunity today, she will be able to shine like she has never shone before. I promise hon. Members that she has the chance to save the Home Office from a fate worse than death.

Allegedly, we are in consultation throughout the country, except in Scotland, and we have until 23 December to consider how to treat our police forces, but have we? Last week, in response to a business question from the hon. Member for North Thanet (Mr. Gale), the Leader of the House replied:

"The first stage of the consultation is scheduled to be concluded by 23 December, but that will happen only where police forces agree to amalgamation."—[*Official Report*, 24 November 2005; Vol. 439, c. 1669.]

At the same time in Belfast, the Association of Police Authorities stated categorically and unanimously that it will not voluntarily enter into any form of amalgamation.

There have been certain contradictions. Mr. Giffard, the esteemed chief constable of Staffordshire, is heading the review board. He said that investing further resources on options not shortlisted would be useless and that

"any additional options should not be pursued at the expense of these shortlisted proposals."

For the north-east, there is only one proposal, which is the merger of Northumbria with Durham and Cleveland. There is no prospect of giving consideration to anything other than that. That seems to be a denial of consultation.

Dr. Ashok Kumar (Middlesbrough, South and East Cleveland) (Lab): The Home Secretary decided to go for a reduction in the number of forces in the country and said that that was okay because it would be a cost-cutting exercise. However, within days it was put in the public domain that the Home Office review unit had decided that we need a single force for the area. Does my hon. Friend find it extraordinary that, only a few weeks earlier, the Home Secretary wanted a consultation process, yet a few weeks later a review emerged from nowhere that boxed in all the forces to reach a known conclusion that existed in the Home Office? Is that not a Machiavellian plot, or does he regard it as a coincidence?

Frank Cook: I could hardly give the Home Office the credit of being Machiavellian. However, "extraordinary" is the understatement of the century. A serious game is being played. Mr. Giffard's statement about one option only was made on 9 November. On 16 November, Ministers said that no options will be closed. That is another contradiction. The political world is going mad.

Mr. Andrew Turner (Isle of Wight) (Con): In light of what the hon. Member for Middlesbrough, South and East Cleveland (Dr. Kumar) said about Ministers saying that no option would be closed, is the hon. Member for Stockton, North (Frank Cook) surprised that my authority—the Hampshire police authority—was told that it was not to consider amalgamation with Dorset or Wiltshire because those authorities were on the wrong side of the arbitrary Government office boundaries?

Frank Cook: Yes, it certainly seems strange that so many questions are being answered even before they have been asked.

Peter Bottomley (Worthing, West) (Con): The hon. Gentleman has done the House a great service in initiating this debate. Although most of the debate will be about the north, not a single person from West Sussex and Sussex has written to me to say that they want an amalgamation. I hope that he will not blame Mr. Giffard for what he has said, because I expect that he is a man under instructions. Is the hon. Gentleman aware of the Home Affairs Committee report on the subject? Has the Minister been questioned at length? Does the hon. Gentleman think that that would be a better step than this rush before Christmas?

Frank Cook: If the hon. Gentleman is looking for an argument he had better change the subject. Of course I agree. The sad thing about all this is that it has been introduced at such a pace. I cannot do better than cite Christopher Booker, who wrote in *The Daily Telegraph*:

"Most people are aware that the Government plans to restructure the 43 local police forces of England and Wales on regional lines. What is not so widely known is the astonishing speed at which the Home Secretary, Charles Clarke, is bulldozing this through.

Using the usual excuse, 'the need to fight terrorism', his plans first surfaced on September 16. Six days later he gave the 43 chief constables an ultimatum: they must come up with their plans for a mass-merger by November 28, and by Christmas the entire plan must be agreed. The most fundamental restructuring of Britain's police in 170 years is to be rushed through in just 12 weeks."

Bob Spink (Castle Point) (Con): I congratulate the hon. Gentleman on securing this important debate at this time. He believes in listening to the people: I know

[Bob Spink]

that because I know him well. Do his constituents, like mine, feel that local policing should be kept local so that local people can have control of their police forces and identify with them? If so, does he believe that we should have a major three-hour debate before the House rises for Christmas?

Frank Cook: There were two questions there. I must ask the hon. Gentleman to stop writing my speech for me. A MORI poll has been conducted and the results will be published today. It will not surprise hon. Members to learn that it was commissioned by the Cleveland police authority, but it was conducted right across the country. I have the full results here for anyone to examine. I will gladly pass it on to the Minister if he would deign to look at it. Of those questioned, 8 per cent. want a single police force for Northumbria, Durham and Cleveland. Does that not mean that 92 per cent. do not want it? That reflects the resounding rejection of a north-east regional assembly less than 12 months ago.

Mr. Kevan Jones (North Durham) (Lab): Does my hon. Friend think it right that Cleveland police authority has spent over £100,000 of public money defending its cause? Can he also say how many of my constituents in Durham or in south Durham have been consulted on the bonkers idea put forward by the chair of the Cleveland police authority to split a very successful force like Durham in half?

Frank Cook: I am grateful to my hon. Friend for raising those matters. I was going to refer to them anyway but I will do so now. The simple truth about Durham is that it already operates on two distinctly separate commands: one in the north and one in the south. *[Interruption.]* My hon. Friend says from a sedentary position that that is not the case. I promise him that it is. The suggestion that has been made from Cleveland is that the Cleveland force goes with the south of Durham and that the Tyne and Wear forces go with the north of Durham.

Mr. Jones: Will my hon. Friend give way?

Frank Cook: Not at the moment. That is why the chief constable of Durham has said that this splitting of the force will make it operationally dysfunctional. It already operates on that basis, but for some reason he thinks that adding it to Cleveland will render it dysfunctional.

Mr. John Redwood (Wokingham) (Con): I am extremely grateful to the hon. Gentleman for securing the debate, and for giving way. Does he think it particularly odd of the Government to bring forward the proposal to merge north-eastern police forces into a regional structure so soon after the people of the north-east made clear their views on regional government by voting comprehensively against elected north-eastern government? Does he agree that there is no great sense of regional identity in the north, although there is a lot of pride in counties and cities?

Frank Cook: There is merit in some of the points made by the right hon. Gentleman, but to say that there is no regional identity in the north-east is, frankly, flying in the face of what exists. I advise the right hon. Gentleman to go to a football match and hear the crowd singing "The Blaydon Races".

Mr. Roger Gale (North Thanet) (Con): Will the hon. Gentleman give way?

Frank Cook: Yes, but then I really have to make progress.

Mr. Gale: The hon. Member for North Durham (Mr. Jones) seemed to suggest that it was somehow improper for Cleveland constabulary to spend money defending its case. Could the hon. Member for Stockton, North (Frank Cook) say whether he or the Home Office have given any indication of the cost of the entire exercise? The chief constable of Kent, a force that has no borrowing at the moment, has said that he would have to borrow considerably—it would take up to 10 years to pay it back—just to complete the exercise.

Frank Cook: I am grateful to the hon. Gentleman for dragging me back to the point made by my hon. Friend the Member for North Durham. On that very point I can quote Andy Ford, the head of the police resources unit at the Home Office. He told police authorities last week that the money for the restructuring across the whole country will

"have to come from borrowing as part of your business cases, as the government does not have the money".

Mr. Kevan Jones: Can my hon. Friend answer the question I put to him earlier: has Cleveland police authority and its chairman consulted anyone in Durham about proposals to split the highly successful Durham force in half?

Frank Cook: I do not know, but I go back to the MORI poll. People in Durham were consulted in that poll; samples were taken to Durham, just as everywhere else.

Mr. Gerald Howarth (Aldershot) (Con): I add my congratulations to the hon. Gentleman on securing this debate. He refers to the MORI poll; Hampshire police force tells me that

"At an independently run, public focus group consultation event held with residents, on November 19th our residents"

in Hampshire

"were unanimous across all groups that Hampshire Constabulary should not be amalgamated and should remain a single force."

Does that not add to the argument suggested by the results of the MORI poll?

Frank Cook: The answer is so obvious that the question does not even warrant a reply, though I thank the hon. Gentleman for making the point.

Before I leave the subject of finances, I point out that in Cleveland we estimate that the restructuring—we will have to borrow for the restructuring—will cost in the region of £50 million. The borrowing would have to be financed, and we reckon that the finance charges on it would be about £5 million a year. Where will that charge

fall? It will fall to the police precept, and the precept will be added to council tax. How will we answer our constituents if such a measure is adopted?

Tim Farron (Westmorland and Lonsdale) (LD): I congratulate the hon. Gentleman on securing this important debate. He mentions that there are tight finances and no additional money. Does he recognise the problem facing my constituency in Cumbria, where the force could be merged to become part of a much larger north-west force? If one were chief constable of that larger, north-west authority, one might feel the temptation to borrow police from the apparently peaceful streets of Kendal and place them on the less peaceful streets of unnamed towns in Lancashire or Merseyside. Does the hon. Gentleman recognise that that means a real challenge for rural areas, which could lose police officers as a consequence of the move?

Frank Cook: That problem is evident across the country. I did not want to focus this debate purely on Cleveland, Durham and Northumbria. The point about the different characteristics of the region is important. If I can highlight them—*[Interruption.]* My hon. Friend the Member for North Durham, who seeks to delay my speech, could easily have applied for the debate himself. He knows the northern region very well. We will be asking the police force, if there is one force up there, to deal with the rural characteristics of Northumbria as well as the characteristics of Cleveland, which has a nuclear power station, a huge chemical complex and the deepest mine in Europe, the Boulby potash mine. Those are totally different characteristics. Can we really expect one police force to cater for them all?

Let me describe what happened to the chief constable of Cleveland when he was addressing a meeting at a community centre on Rossmere way in Hartlepool. I am a Hartlepudlian myself and am rather proud of the awkward characteristics of the Hartlepudlians. *[Interruption.]* Be careful now. We hanged a monkey once and we can hang one again; we have plenty of rope left. That is not meant for the Minister.

At the meeting at the community centre, a member of the audience got up and said, "Mr. Price, if we have only one police force for the whole north-east, do you think we could get the chief constable to come down here and answer our questions?" Mr. Price was polite enough not to respond. I suggest that the answer, if it were true, would be in the negative, because the area would be too big for one chief constable. Big is not necessarily the answer to everything.

What did the Met do when we had the bus and train bombings? It borrowed constables from Cleveland and all over the country, so big does not answer the problem. It is communication that is important. *[Interruption.]* Absolutely. It is communication and co-operation that are important. That is the secret of how to defeat the terrorism that is used to justify these insane measures.

Peter Viggers (Gosport) (Con): Although this is not relevant to the main thrust of the hon. Gentleman's argument, is he aware that police forces, through the Home Office, intend to introduce one national telephone line for the police, apart from the 999 number, so that anyone in the whole of the United Kingdom can telephone one number? It would be for assistance other than through the 999 number. The system is being trialled in Hampshire. Does the hon. Gentleman think that that will be an efficient improvement?

Frank Cook: I was unaware of that proposal until the hon. Gentleman brought it to my attention this morning. In my experience—I have been here only 22 and a half years—hon. Members regularly receive complaints from constituents who say, "I telephoned the police but no one turned up." That is the situation now, so what on earth will be the consequence of the system that the hon. Gentleman describes?

Mr. Patrick McLoughlin (West Derbyshire) (Con): The hon. Gentleman is a senior Back Bencher from the governing party. Does he think that the fact that the Government have cancelled this Thursday's debate, which would have given the whole House a chance to express its views, is a sign that the Government have been caught out and will not be allowed to get away with the measure quite as they wanted to, by slipping it under the carpet before Christmas, and that they may be rethinking the issue?

Frank Cook: I hope that the right hon. Gentleman is right, but of course the only person who can answer his question is sitting in the ministerial seat. I hope that the Minister will give us some indication in that regard, because 12 weeks for the type of reorganisation that we are discussing is totally inadequate and unacceptable.

Mr. David Drew (Stroud) (Lab/Co-op): My right hon. Friend the Minister knows what I will say. The problem is that the police reorganisation is taking place against a background of ambulance trust reorganisation, fire service control reorganisation and NHS reorganisation. There is no stability in the way in which those emergency services are being reorganised. Surely it is time for the Government to consider a degree of coherence before bringing other services into that pattern. Does my hon. Friend agree?

Frank Cook: All sorts of holes have been blown in the speech that I had prepared. It is only the second time in my life that I have prepared a speech; I usually use bullet points. My hon. Friend is right. Part of the thesis that I was trying to advance right at the beginning was to depend upon the concept of city regions that the Deputy Prime Minister has proposed. If he is calling for city regions, why on earth are we cutting across that and saying that individual police forces will extend right across the country? All emergency services—the fire, ambulance and health services, and the coastguards; the whole shebang—should be based on the city region principle. They would be related to particular communities, knowing fully their characteristics, and would be able to respond more expeditiously and rapidly.

Mr. Kevan Jones: Will my hon. Friend give way?

Frank Cook: I will do so for the last time.

Mr. Jones: My hon. Friend advances this argument, but what has a small village in rural Weardale in common with inner-city Middlesbrough?

Frank Cook: Mrs. Humble, you must excuse me. Whose debate is this?

Dr. Kumar: Surely the answer to the question asked by my hon. Friend the Member for North Durham is that the Cleveland police force is in its strongest position ever. In the MORI poll that was mentioned, 70 per cent. strongly supported the existing position of Cleveland police authority.

Frank Cook: My hon. Friend does the Chamber a service by offering a response to a question that I thought was so fatuous that it did not deserve to be asked. That was going to be my answer, but I thank him.

I must try to address points that have not been made, which might take some jiggling and shuffling around. The review has been rushed without proper thought and is a knee-jerk reaction to the London bombings. It is rather characteristic of the Conservative Government's reaction to pit bulls, which was equally insane, or, of course, to both Governments' reaction to small-bore weapons—hand guns. That did not do a damned thing apart from deny perfectly law-abiding families the exercise, two or three times a month, of putting holes in pieces of card from a range of 25 m. There are more firearms on the street than ever before and Jack the lad can get them wherever he wants.

I often think of the words of my predecessor—not my immediate predecessor, because he is in the House of Lords, but the person three or four back who represented my constituency. He became the Earl of Stockton, but he was once the Member of Parliament for Stockton. Apparently, when he was Prime Minister he used to get up in the morning and say, "How are things today? Are they quiet? Good, let's leave them that way." It is a pity that Mrs. Thatcher did not adopt the same kind of principle, but there we are.

Cleveland, which is the only force in the country with a multi-agency planning unit, has spent £100,000 putting forward its arguments. It is nothing to do with size; it is to do with the expertise required, how it has been gathered and the way it has been needed because of the different characteristics within the Cleveland constabulary unit and the area that it has to police. There are nuclear power stations, petrochemical plants and storage of all sorts of volatiles. We have enormous subterranean depositories of the most volatile substances imaginable; if ethylene oxide ever goes off, there will be such a very big hole in Teesmouth that the North sea will disappear. Cleveland is ahead of the game; on inspection, it was one point behind Northumbria and several points ahead of Durham. Cleveland has had its problems in the past, but it has a right to have its options considered—not for everything to be put in one pot and to be told by Mr. Giffard, "You can't consider anything else."

What about the nightmare situation of a single region stretching from the Scottish border to the north Yorkshire moors? How on earth could that possibly have the concentrated expertise or resources to respond to events? That answers effectively the point about Weardale and central Middlesbrough.

Mark Pritchard (The Wrekin) (Con): Is it not symptomatic that the Government do not understand that there is a difference between urban and rural life and between urban and rural policing?

Frank Cook: My hon. Friend the Member for Middlesbrough, South and East Cleveland (Dr. Kumar) says, "Tell him I've got a rural seat," and of course he has. So have I, in part. There are chemical plants in my constituency and stud farms and heaven knows what else on the fringes, towards Darlington and Sedgefield, which is policed in similar ways. Those characteristics, when they are properly organised, can be properly policed.

We have referred to the 12-week time scale. I do not know how the Minister will answer my question, because I shall quote Denis O'Connor of the Association of Police Authorities, whose report is the sole justification offered by the Government for the review. Mr. O'Connor's verbatim statement said:

> "This process looks like five years and not 18 months to me . . . I was asked to put forward a protective services argument, not a critical assessment of forces . . . I recognise that there are key issues such as legal principles, the precept, consultation and the business cases that I did not have time to consider".

He did not have time to consider—he was not allowed it—but he puts the report out and we are being forced and crushed into the same kind of structure that he accepted.

Mr. Mark Francois (Rayleigh) (Con): I thank the hon. Gentleman for his courtesy in giving way yet again. I hope that I am not betraying a confidence, but when we bumped into each other in Central Lobby last night, he said, "Do you think many people will turn up tomorrow morning?" I said, "I think there could be one or two."

The timing has undoubtedly been rushed and there are as many strong feelings in the south of England as there are in the north. Is the hon. Gentleman aware that the Essex police authority met yesterday, in response to the Home Office's rushed consultation, and voted unanimously to resist its proposals and keep the Essex force alone? Does the hon. Gentleman have sympathy with that view?

Frank Cook: Of course I do. To ask me such a question is chasing the obvious. I am well aware of that, having read about it. The Library put out a batch of newspaper extracts from across the country. Read them. There is no support at all. There is a little bit of support in *The Northern Echo*, but I have always suspected it.

I have already covered the cost implications for Cleveland. I invite all hon. Members to consider the direct implications of the costs for their constituents—the people who sent them here to represent them. Think about what their council tax bill will be like if the measure goes through.

Mr. Mark Harper (Forest of Dean) (Con): The hon. Gentleman said that the justification for this proposal is allegedly to close what the Government call the protective services gap. The flaw in the argument on the finance side is that forces and police authorities will have to borrow to fund the measure. It would take the Gloucester police force, for example, in the context of the proposals for the south-west, 25 years to save enough money to close the gap in protective services. Not only will this measure be expensive, it will not even deliver the improvement in policing that the Government say will happen.

Frank Cook: That is clear. I agree with every word that the hon. Gentleman said, but I have to amplify them by saying that protective services are not the only exercises that police forces conduct. There is a lot more to policing than providing protective services.

Without any kind of business case, it is proposed that those massive costs—£50 million for Cleveland—should be incurred, with a potentially huge burden on local tax payers. We have not been given a business case. The Office of the Deputy Prime Minister's plan for city regions has been totally ignored in all this consideration. The auditors will have a field day later.

Mr. Peter Bone (Wellingborough) (Con): On that point, I spoke to my chief constable and he was horrified that just one bit of IT change caused by this reorganisation would involve £50 million, which would have to be borne by the council tax payers of Northamptonshire and the rest of the region.

Frank Cook: Put that with the chaos that will be caused by the helpline mentioned by the hon. Member for Gosport (Peter Viggers), and that is enough to frighten me and make me run away.

It is abundantly clear that Mr. Giffard, in coming out with his pre-emptive strike—"You can only consider the shortlist that we have put out for you, and no other options"—has totally exceeded his remit. On the one hand, he makes it crystal clear to authorities and forces that, as far as he is concerned, there is no real point in their working on any options other than those that he has shortlisted as a result of the most flimsy, inadequate and cursory consideration. Yet on the other, Ministers are telling us that no options have been closed off. Somebody has got it wrong.

David Tredinnick (Bosworth) (Con): Does the hon. Gentleman not think it amazing that the possibility of Leicestershire amalgamating with Warwickshire has been ruled out? Their police forces are adjacent. Does not that make the hon. Gentleman's point?

Frank Cook: There are so many variables. We are expected to consult and consider by 23 December, when "Jingle Bells" will be playing in every shop window—frankly, I just do not know who dreamed it up. It beggars my understanding. If Mr. Giffard is to stand by his comments and if he has not been drawn to order, he should either be replaced or put under the tutelage of someone with a good deal more common sense.

Mr. David Gauke (South-West Hertfordshire) (Con): Does the timetable not contrast rather sharply with that used the last time there was a series of police amalgamations? In 1959, a royal commission was set up; it reported in 1962. An Act of Parliament was passed in 1964, and the full set of amalgamations did not complete until 1974. In other words, that process took 15 years. The Government seem to be proposing to carry out these amalgamations within two or three years.

Frank Cook: I can only say that I concur with the comments being made. Perhaps I ought to mention that the British Transport police are equally concerned, because this reorganisation will cut right across their funding. They pass their funding on to the user; the user pays. How are we going to match British Transport police in Weardale with British Transport police in London? How will we pass the funding on to the user there? It is a total denial of accepted practice and in three weeks it has yet to be thought through.

There appears to have been no consideration of the governance and accountability implications of moving forces to cover huge geographical areas. Take, for example, the north-east, where there are no fewer than 23 local authorities, all of which have the right to have a say in policing—not to mention the magistrates and independent members. Are there going to be representatives from all those authorities in the police authority? I suspect a sneaky plot; perhaps this is one way for the Government to get a north-east regional assembly, which they failed to get last year. All elements of real accountability to local communities would go.

If others are to speak, I ought to stop. However, before I do, I shall make one further point to the Minister, to every other Minister and to the House. Allegiance and loyalty are admirable characteristics. I owe allegiance and am loyal to the Government, but the first call on my allegiance and loyalty is to those who sent me to Parliament 22 and a half years ago. I therefore state candidly that I cannot accept the proposals. I never usually make a statement before going into the Chamber and hearing the debate, but on this occasion I am doing so. I cannot accept the proposals because they are sheer madness. This is a headlong rush through uncharted waters like some kind of Gadarene panic.

Several hon. Members *rose*—

Mrs. Joan Humble (in the Chair): Before I call hon. Members to speak, I point out that many Members are seeking to catch my eye and there is a very limited amount of time left. I hope to call Front-Bench spokesmen soon after half-past 10. I urge hon. Members to keep their contributions as short as possible so that as many people as possible have an opportunity to speak.

Mr. Gale: On a point of order, Mrs. Humble. I should be grateful if you would be kind enough to take a message to Mr. Speaker from the debate this morning. Many of us have to leave the debate; I have to leave to chair the Committee considering the Equality Bill. There is a great deal that I would like to contribute to the debate but I will not get the chance to do so. A very large number of hon. Members present will be denied the opportunity to participate in the debate. Would you please take a clear message to Mr. Speaker that this matter—saving the grace of the hon. Member for Stockton, North (Frank Cook) who has managed to secure this debate for an hour and a half—should be debated in full and voted on properly on the Floor of the House of Commons.

Hon. Members: Hear, hear.

Mrs. Joan Humble (in the Chair): The hon. Gentleman's point has been made.

Mr. Bone: On a point of order, Mrs. Humble. As a new Member, I do not know whether we will be able to

[Mr. Bone]

vote at the end of this debate so that we can express an opinion on the matter. Will you give me a ruling on that point?

Mrs. Joan Humble (in the Chair): This is a debate on the Adjournment of the House, but we will have the opportunity to hear the Minister in her summation.

Mr. Edward Garnier (Harborough) (Con): On a point of order, Mrs. Humble. You kindly indicated that the Front-Bench spokesmen would be able to begin their remarks at about half-past 10. I am very happy to forgo the vast majority of the time allotted to me as a Front-Bench spokesman so that others may speak. I am happy to speak for only 30 seconds, because what I have to say can be said very crisply.

Mrs. Joan Humble (in the Chair): I note the hon. and learned Gentleman's point, and take it into account.

10.8 am

David Maclean (Penrith and The Border) (Con): I apologise to hon. Members for being slightly rusty in speaking to the Chamber of the House of Commons. I congratulate the hon. Member for Stockton, North (Frank Cook) on securing the debate. I hope, Mrs. Humble, that you will convey to Mr. Speaker, as I personally shall do, the anger of so many of us that we are forced to make only brief remarks in this Chamber on this vital subject, rather than being able to debate it properly and fully on the Floor of the House.

I have in front of me a document from the Home Office called a 60-second brief, which somehow seems appropriate. It might be better named a back-of-the-fag-packet brief, because that is the type of plan that we have had for police restructuring in England and Wales.

This policy exercise has been conducted scandalously. I say that as a former Minister with responsibility for the police, who has deep respect for Home Office civil servants and for Her Majesty's inspectorate of constabulary. However, I know that when the Government and Ministers ask HMIC to come up with independent recommendations, it can usually come up with recommendations that are convenient or conducive to what Ministers want. That is the smell that I have from this report—that HMIC has suddenly concluded that forces with fewer than 4,000 officers are no longer fit for purpose. Where is the logical argument for that? Where is the detailed debate on it? If that was HMIC's genuine conclusion, we should have had some months of debate on the size and structure of forces based on that report. The first scandal is that we have not had that debate. The Home Secretary immediately decided that Her Majesty's chief inspector's report was excellent. What a surprise: did he not know that it was going to come on to his desk? He then ordered police forces to restructure. No, that is not quite correct: he asked police forces to restructure.

The next scandal is that so many of our so-called independent county forces fell over themselves to follow the Home Secretary's and the Minister's urging. Some of them—scandalously, in the case of my force in Cumbria—made that decision and went public before the police authority pronounced. That is absolutely disgraceful. As a former police Minister and someone who has never criticised the police force or the police service in his life, it grieves me to say that my own constabulary had a meeting with the Home Secretary one day and rushed out a statement the next day practically licking the Home Secretary's boots, saying that it was going to go ahead with all that he wanted. Two days later, the police authority put out a statement saying that it disagreed with the Home Secretary, and wanted to see an independent Cumbrian force. Last week, after the Home Secretary said that the only options would be those that he and John Giffard had recommended, the chief constable of Cumbria was ahead of the game and made a pronouncement that now that the Home Office had determined that, he had no option and was going to go along with its recommendations.

Once again, the police authority, the democratically accountable body that is supposed to be in charge of the police, was left a few days later to say that it still wanted an independent Cumbrian force, but as its own police service had pulled the rug from under it, it was now stuck with the Home Office's options. The speed with which this is being conducted is a scandal. It is a scandal that local opinion is being ignored. The hon. Member for North Durham (Mr. Jones) was complaining that no study had been done by Cleveland force on what it wanted in Durham, but no study has been done by the Home Office on what we want in Cumbria, or anywhere else. It is a Home Office plan, foisted on police forces that have no option but to go along with it.

If the Minister genuinely wants more strategic forces—let us not pay too much attention to the term "strategic", as the Government attach it to everything these days, and "strategic police forces" is a meaningless, nonsensical phrase—

Mr. Kevan Jones: I am grateful to the right hon. Gentleman for giving way, but I will not take lessons from someone who was a member of a Conservative Government who abolished Cleveland county council without consulting anybody in Cleveland, and the Tyne and Wear authority without consulting anybody in Tyne and Wear.

David Maclean: If indeed that were the case, surely the hon. Gentleman is not using it now as justification for the dictatorial way in which the Home Office has foisted this on everybody. If the Minister wants larger forces, offering better protective services, why were not Cumbria and Northumberland allowed to have discussions on amalgamation? We have seen the Government's political agenda: they want regional police forces. We do not particularly want police forces to be combined, to work together at a so-called strategic size, but they want them combined into a political regional structure, so that they have regional political control.

If there were a case for Cumbria to amalgamate with another police force, it would be with Northumberland, which shares similar problems in the north Pennines and the north of England. Instead, it will be amalgamated with Lancashire, or possibly with Liverpool. I say to the Minister that the only good news for us in Cumbria, without opening up another political subject such as

support for hunting, is that we will not have a single copper left in Cumbria to enforce the hunting legislation, because Cumbria will always haul its officers down to the higher crime areas. That is not a criticism of Lancashire, Preston or Liverpool, but there is a higher level of crime in those areas, and Cumbria will be cleaned out as a result of officers going there.

All regional commissars or commissioners will envy the Met. I suspect that this is another reason behind some senior officers in all our forces being so keen to go along with the policy. I visited every police force in this country a few years ago, and they all envied the size, wealth and power of the Met. We all know what the outcome will be: new regional commissioners will be created. They will be on the same salary as Ian Blair, and all the other chief constables will be assistant commissioners. They will create a huge new police service with regional commissars and regional commissioners. There will be no democratic accountability to local people; it will not be possible to build that in. The Home Office will have control; it has always wanted to get control of every police service and to cut out local democratic accountability. It wants a system such as that in France, where the police answer purely and simply to the Home Department.

The Minister's time scale is outrageous. If there is merit in any of the proposals, they will stand up to scrutiny over a longer period. Let us get John Giffard to appear before the Home Affairs Committee, and let us question him about issues such as the viability of the minimum threshold of 4,000 officers, or 6,000 staff in total. Let us also look into having a sensible time scale, and if the House then concludes that some of our county police forces need to be larger, let them amalgamate with the best nearest police force, in order to give us the best possible size of force. We must not force them into the artificial straitjacket of the Government's regional structures.

We know what will happen. Our ambulance service was stripped down and is now controlled from the regions. Our fire service in Cumbria will now be controlled from Warrington. Our strategic health authority and police are also controlled regionally. In a few years' time, the Government will say, "Oh dearie me, you are not controlling anything in Cumbria any longer, because everything is being controlled from the region, so you had better have some democratic accountability now."

That will also happen in the north-east. The people there say, "We have nothing left in the north-east. Nothing is controlled from the county any more. Everything is controlled regionally." However, they will end up voting for a regional assembly, because it will be better for people to have a democratic regional assembly controlling their services than to have the bureaucrats controlling them from London.

The hon. Member for Stockton, North might not agree, but it is transparently obvious that that is the Government's agenda, and it must be stopped.

10.17 am

Dr. Ashok Kumar (Middlesbrough, South and East Cleveland) (Lab): I congratulate my hon. Friend the Member for Stockton, North (Frank Cook) on securing this debate on such an important issue. I have taken a great deal of interest in the Cleveland police force, including through the years of Operation Lancet and all that went along with that, as is shown in the *Hansard* record of parliamentary debates that my hon. Friend often used to chair. We clashed on the matter on many occasions; he was on one side and I was on the other. However, we agree on one thing: we both care passionately about the Cleveland police authority.

Frank Cook: May I just correct the record? I did not clash with my hon. Friend from the Chair; we clashed in debate. I was strictly impartial when occupying the Chair.

Dr. Kumar: I stand corrected. The point that I was trying to make is that we both care passionately about our police force. My hon. Friend has articulated today the spirit and loyalty of the force.

Over the past few years, the Cleveland police force has done a marvellous job under the leadership of Sean Price, the chief constable, and Councillor David McLuckie. We have begun to get things right: burglaries and crime in general are down. There is a close working relationship with the mayor of Middlesbrough, Ray Mallon. There is a tremendous spirit of cohesion—of people working together, instead of everybody fighting each other. There was new leadership, and I was very proud of that, and tried to champion its spirit.

The Minister has always been supportive of the force, given the circumstances and the budget shortfalls we had. It is a great credit to her that she came to the rescue at the right time. Therefore, I speak to the Minister as a friend, because I recognise the efforts that she has made in the past.

However, I also sincerely say to her that something is seriously wrong. I cannot understand something. The Home Secretary asked for reorganisation, and that is fine. I support the Government: I believe in reform and modernisation. However, why was a Home Office review introduced within weeks that said, "This is the conclusion you should come to?" That is outrageous. That is boxing us in by pushing us in a direction that we do not necessarily want to go in. We might want to go in that direction in due course, but do not tell us the conclusion before we have decided to go down that road. Give us time. Members of all parties have been asking: what is wrong with a slightly longer time scale? Let the debate take place. What is the hurry?

Mr. Gale: Would the hon. Gentleman like to hear from the Minister about the publication of a risk assessment? We all want better policing. I have not seen a word that suggests that there has been a risk assessment.

Dr. Kumar: I agree.

Why are things being done in a hurry? If we want to get things right, we should let time flow and let the debate take place. This is the first time that I have heard this debate here. The debate has hardly started in Teesside—I do not know what is happening in Durham. The debate has hardly moved. I find that amazing. When the Home Secretary asked for the debate to take place, I was happy. I thought that we would make our case and let the debate take place, but instead decisions

[Dr. Kumar]

were made. I say to the Minister: please go back and tell the Home Secretary that we need more time, and, finally, in the end, we might go down that road.

Please will the Minister keep an open mind? Having spent all these years trying to get things right for Cleveland, we do not want to unravel everything. I cannot support that because, for five or six years, I was very critical of the police force, certainly in our area. There are strong feelings about this. My hon. Friend mentioned the MORI poll. The first choice of 70 per cent. of people is to keep Cleveland as it is. We are talking about a local model and local communities. That is still the spirit of what people want for our police force. On the one hand, we as a Government are saying that we want to transfer power to local neighbourhoods and local areas, and, on the other hand, we are moving power somewhere else. That is the danger with the north-east police force.

Mr. Kevan Jones: I pay tribute to my hon. Friend for the work that he has done in the past. He has been highly critical of the Cleveland police force. I accept the changes that he and others have brought about and I accept that some of that is down to the present chief constable. However, if my hon. Friend thinks that this should be about local community policing, why is the argument that we should amalgamate the Cleveland police force with half of a very successful force in Durham, rather than that we should retain Cleveland as a police force?

Dr. Kumar: My ideal solution would be to keep the police force as it is, but the point is that the local authority has decided on a wider model in order to co-operate and try to move away from a fixed position, in order to move the debate onwards and try to work together. The Cleveland police authority has decided that it is willing to look at that road. It is trying to move from a fixed position. However, I am happy with the Cleveland police force model as it exists. At the same time, I am happy to let the debate flow. If we come to a different conclusion, that is fine. I am not taking a fixed position at the moment. Ideally, my position is to support the Cleveland police force.

My hon. Friend the Member for Stockton, North made a point about the situation in Teesside. Mention was made of the airport, the ports, the chemical works, the nuclear industry, the Boulby potash mine—in my constituency—and the expertise that is being developed. My fear is that there is a danger that, if we have a wider force, much of the expertise could be lost.

Mr. Crispin Blunt (Reigate) (Con): Is not the issue illustrated by the intervention that the hon. Gentleman accepted from the hon. Member for North Durham (Mr. Jones) and the interventions that he made in the speech by the hon. Member for Stockton, North (Frank Cook)? The Cleveland police force, in seeking to move its position to in some way accommodate what it sees as the wishes of the Home Office, undermines all our efforts to maintain the traditional county identities. As constituency MPs, we realise that where there is an existing link within counties to police force structures, our constituents identify with their police forces through existing elected police authorities. All of that will go if forces such as Cleveland decide that they want only half a region and seek to—as would appear to be the case in Cleveland—spend public money with a view to splitting the Durham force in half. We must all hang together or we will lose our police forces to massive reform across the country, which is liable to cost a great deal of money and fail to bring the benefits that the Government seek.

Dr. Kumar: I do not think that the Government are deliberately trying to break up the Cleveland county authority. *[Interruption.]* That is the hon. Gentleman's view, but it is not mine. We do not have a Cleveland county as such; that was abolished by the Conservatives when they were in power. If one is honest, one will recognise that this Government are not in the business of abolition. However, I do not wish to go down that road. I believe that the Government are trying to introduce reforms and create a different and better system, and everything else that comes with modernisation.

I support the spirit of Government policy, but if we go for a north-east force, there is a danger of the disaggregation that we saw previously. When Cleveland county council was abolished, we were told that the final cost would be far less than we had bargained for. However, the figures have proved the opposite. There are great dangers and we have learned from that bitter experience, which never delivered. I could give the Minister figures, but other hon. Members wish to speak and I want to keep my comments focused. I can tell the Minister that I have genuine fears about a monolithic force for the north-east because it would stretch from the Scottish borders to the North Yorkshire moors at the south end of my constituency. That would be massive and far too big. We in Cleveland and Teesside do not wish to be policed by a force that is about 50 miles down the A19. That is not practical. My hon. Friend the Member for Stockton, North mentioned the difficulties faced by ordinary constituents who try to contact the police and find that no one ever responds. We want neighbourhood policing; that is the focus of Government and everything they are trying to do.

Mr. David Jones (Clwyd, West) (Con): Will the hon. Gentleman give way?

Dr. Kumar: I cannot give way because we are running out of time.

We cannot go down the road of a monolithic force because, in years to come, we will find ourselves in serious problems. I express my concerns as a loyal friend who has never voted against the Government or abstained on a Government vote. During the years when I was fighting battles over Cleveland police's Operation Lancet, the Minister took very seriously the concerns that I expressed, and has always subsequently taken my concerns seriously. I ask the Minister to recognise that the force is making a tremendous effort. Many changes have been introduced and the new chief constable is trying very hard. He is on the front line and is making things happen. We do not want bureaucrats to turn everything upside down when our officers are trying so hard. We are trying to improve the quality of life of our constituents and citizens.

Urban and rural seats have been mentioned. Some 66 per cent. of my seat is rural. I have been elected four times for that seat and I do not need lectures from anyone on caring about rural areas. I passionately care about my seat and I ask the Minister not to hurry or rush, but to listen to us. I speak as a friend of the Government and of the Minister. Please, do not rush into it and do not go down that road at the moment.

10.30 am

Mr. Owen Paterson (North Shropshire) (Con): I heartily congratulate the hon. Member for Stockton, North (Frank Cook) on securing the debate and for making a splendid speech, which covered many points. I shall be as brief as possible. I represent North Shropshire, which is policed by West Mercia constabulary, which was rated the most efficient of the rural police forces. It is the fourth largest police force geographically and the fourth lowest funded, yet it is to be crashed into a new regional force for the west midlands for reasons that I do not understand and for which there is no popular support. I have not received a single telephone call, e-mail or letter from any constituent demanding that change. The West Mercia constabulary is a responsive force. The new chief constable in my patch took on board the reopening of cells in Oswestry and Market Drayton. He will meet Members of Parliament, but there is no way that we shall have any influence over the creation of a vast new regional force.

My hon. Friend the Member for Ludlow (Mr. Dunne) and I met senior policemen in Shrewsbury soon after the announcement of a new regional force. They were utterly dismayed, because they know that they do a good job. One policeman told me, "We are a most efficient force and we work." They do not understand where this is coming from. Since "Closing the Gap" was published, there has been no report that presents evidence for the change.

I wrote the most forceful letter that I have ever written to a Minister to the Minister for Policing, Security and Community Safety on 10 November to ask what the evidence is for the change, why that evidence has not been published, why it has not been peer reviewed and why on earth there is this extraordinary rush for change.

Mr. Philip Dunne (Ludlow) (Con): I, too, would ask the Minister to explain in her closing remarks why in May, at the Association of Chief Police Officers' professional standards in policing conference, the criteria for assessing the strategic force size was 2,500 officers, and why that figure has now risen to 4,000 officers. There is no discussion in the "Closing the Gap" report on the subject.

Mr. Paterson: My hon. Friend is absolutely right to mention the totally arbitrary figure of 4,000. The West Mercia constabulary has 2,380 officers in what is, I repeat, the fourth largest policing area. We are being forced into an enormous west midlands force. The unsigned letter that the Minister sent me on 9 November dismisses the other option of going in with Staffordshire. The letter says:

"As forces and authorities identified in the shortlist and business case the option of a regional West Midlands force is both operationally and organisationally the stronger and we may feel it beneficial to devote the majority of your efforts into developing this option."

That is nonsense. That is not what the police wanted when we saw them in Shrewsbury.

Moreover, that is not what the chief constable and the chairman of the police authority wanted when all eight Conservative Members for the region met them at Westminster; nor is it what they wanted when they roasted the Under-Secretary of State for the Home Department, the hon. Member for Slough (Fiona Mactaggart), at an impromptu meeting in the café downstairs two weeks ago. The Minister could not attend the debate for understandable reasons: she was at the Report stage of the Terrorism Bill late into the day. It is absolutely ridiculous, however, for her to write me a reply that says:

"HMIC's analysis has been broadly accepted by the police service and in light of these findings—and the implications for public safety—it would be negligent to retain the current ineffective structure of policing."

I heartily congratulate my chief constable on sticking his neck out. He said that it was

"nothing short of scandalous to reconfigure British policing in only a few weeks. As a Professional Chief of Police in the Best Performing Force, in a Regional Structure, it will not be possible to give the sort of performance that West Mercia currently does . . . The analysis of 4,000 if written by a GCSE statistics student would have been returned."

Will the Minister give a guarantee today that she will publish the analysis that formed the basis for "Closing the Gap"? Will she guarantee that she will allow that analysis to be put out for peer review? Will she state where the arbitrary figure of 4,000 came from? The IRA blew up Tern Hill barracks and Shrewsbury castle, and West Mercia police performed magnificently. Our chief constable previously worked for Thames Valley police, where three counties work alongside a Goliath in the shape of the Metropolitan police, but it worked. There is no operational necessity to force us in with a monster force. That marks the beginnings of a national police force.

Nine chief constables will sit down in one room with the Home Secretary to receive their orders. We can all forget it; we shall be absolutely irrelevant. We shall have no say in and no impact on the policing of our people. This is totally contrary to our traditions. In Elizabethan times, citizens were expected to perform both jury service and police service. That will go. We have never had a gendarmerie or a carabinieri in this country. When Robert Peel first set up the police force, the idea of a national force was debated for days in Parliament before it was rebutted. It was decided then that policing should remain close to local people.

This very brave chief constable has been put in an impossible position. Like the other chief constables, he has had to destroy his life's work. He is bravely working on West Mercia as a strategic force. Will the Minister give equal credence to his studies and promise to see him so that West Mercia can be kept intact but carry out strategic operations? Will the Minister pass on to the Speaker my view that it is a disgrace that this debate is not being held on the Floor of the House and we cannot vote on it? The timetable is so tight that the debate must be reinstated—the chief constables tell me that final option justification must be sent to the Home Office on 20 December. It is an utter scandal.

Mrs. Joan Humble (in the Chair): I will call one last Back-Bench Member, but I urge him to make his contribution within four minutes so that I may call the Liberal Democrat spokesperson.

10.36 am

Albert Owen (Ynys Môn) (Lab): I am grateful to you for calling me, Mrs. Humble, and I thank my hon. Friend the Member for Stockton, North (Frank Cook) for securing this important debate. It is important, too, that the debate should have a Welsh dimension because the Home Office has proposed a national police force, which has made progress to this stage as a result of its assessment. That is totally unacceptable.

North Wales is a very successful police force according to the baseline assessment report of Her Majesty's inspectorate of constabulary. The Minister works hard with that force and knows the progress that it has made. As I have only four minutes, I will not mention the chief constable, but I will mention the excellent work done by the police on the ground.

The issues that have been outlined by hon. Members in the debate suffer from the added problem in Wales of being blurred with politics. There are many in the National Assembly for Wales who feel that if they cannot get their own way they will be happy with a national force under their powers, devolved from the Home Office. I want the Minister to respond firmly to that point, on the record.

The response from Mr. Giffard, the director of the police structures review unit, said that one option was available—that of a national police force. However, there is a contradiction in what he said in his response to the chief constable, of which we all have a copy. He said that any proposed partnership between North Wales and the neighbouring force—Cheshire—would cross Government boundaries and there was no compelling argument that that should happen. He then contradicted himself, stating that

"any future structure would continue to foster partnership arrangements between North Wales and Cheshire out of operational necessity".

There is an operational necessity for neighbouring forces in England and Wales to collaborate. The police authority feel that that is the best option, and I support it.

Mr. David Jones: Does the hon. Gentleman share my concern that the regional agenda is being promoted by the Secretary of State for Wales, who came out strongly in favour of an all-Wales force? He suggested that the chief constable should oversee that new force by helicopter, travelling between north and south, which led to the headline in the *Daily Post* "Stand by for super copper in a chopper."

Albert Owen: That was a rather long intervention. I often disagree with the Secretary of State because I am here to stand up for my constituents and, in this case, north Wales, and I am happy to do so. A North Wales police force works well within some of the limits.

I shall mention costs briefly, as I am short of time. The North Wales police authority estimates that restructuring in Wales would cost about £50 million, and that to meet the criteria on terrorism and organised crime would cost in the region of £3 million. It would be false economics to spend all that money on restructuring; I want it to be spent in regions such as north Wales to retain a regional dimension.

My final point is on the experience of the North Wales force. The port of Holyhead in my constituency is one of the busiest in the United Kingdom. The traffic to the Republic of Ireland is about 2.5 million people a year. The North Wales force works on terrorism, smuggling and other big issues, and has done for many years. An all-Wales police force would diminish that experience, and I urge the Minister to reconsider the options to allow for a north Wales dimension in policing in Wales.

Mr. Francois: On a point of order, Mrs. Humble. May I just reiterate the point that a large number of hon. Members desperately want to contribute to this debate? You have done your best to squeeze in as many as you can, but it is self-evident that lots of Members want to speak in defence of their police forces. I reiterate that it is absolutely critical that debate time be made available in the main Chamber of the Commons before the consultation closes, so that we can do what we are paid to do and speak up for the people who sent us here.

Mrs. Humble (in the Chair): The hon. Gentleman's comments have been noted.

10.41 am

Martin Horwood (Cheltenham) (LD): The hon. Member for Rayleigh (Mr. Francois) is absolutely right and I am happy to support his call on behalf of the Liberal Democrat Front Bench.

I congratulate you, Mrs. Humble, on chairing such a passionate debate so well and I congratulate the hon. Member for Stockton, North (Frank Cook) on securing the debate. It is probably the best attended Westminster Hall debate in the history of this Chamber. I commiserate with the Minister for not having got away with a poorly attended debate, for which, no doubt, the Government hoped. I am sure that she will take the opportunity to clarify to hon. Members that we will be able to vote on the matter at some stage after a substantive debate in the main Chamber.

I advise the Minister to think about the breakneck speed of the timetable and the rushed and cursory consultation that has been undertaken, to which many hon. Members have referred, but I ask her not to spend time on matters about which we agree. There are themes in the "Closing the Gap" report about which I am sure we all agree: the unique challenges facing modern policing or the potential weakness of police force structures in areas such as intelligence and level 2 policing. No one disputes that there may be weaknesses, but what is the best way to address them?

The value of community policing is common ground among people of all parties. However, none of those issues suggest that we should take a next step of having huge police forces. As the hon. Member for Stroud (Mr. Drew), who is no longer in his place, said earlier, there is a worrying trend for things such as ambulance trusts, primary care trusts, fire control centres and planning powers to become less and less local. It may be a fantastic coincidence that all of those things are becoming less local at the same time. Perhaps each

decision has been based on careful analysis of the evidence, but as many hon. Members have said, the evidence seems to be lacking.

Mr. Philip Hollobone (Kettering) (Con): Is the hon. Gentleman aware that such is the pressure applied to police forces and authorities by the Government that operational changes are already taking place? In Northamptonshire, for example, the four police basic command units have already been halved to just two on the basis that they will be unsustainable under the inevitable merged police force.

Martin Horwood: I was not aware of that; the hon. Gentleman makes a very important point. The "Closing the Gap" report says that the basic command units will allow local connection to be preserved, but it also underlines the fact that during a three-year period the number of basic command units has already fallen from 320 to 230. Clearly, they too are becoming less local and it sounds as if the hon. Gentleman has a concrete example of that already happening.

I recommend that hon. Members read "Closing the Gap" in full because it contains *a lot that* supports our case, not that of the Government. Point 1.11 is very instructive in this regard because it says that one size should not fit all and emphasises that performance is influenced by very many factors, including, most significantly, local leadership, and not necessarily structure. That does raise the question of why there is such restructuring instead of an improvement in performance.

The question of the purpose of Her Majesty's inspectorate of constabulary is also raised. Is not its purpose to identify weak performance and help forces to improve in areas of weakness, such as level 2 policing, rather than to come up with a structural solution? Point 1.25 in the report refers to the lack of comparative financial information on the cost of protective service outcomes. As the hon. Member for Forest of Dean (Mr. Harper) pointed out, some of the maths behind the proposals is distinctly dodgy.

Mr. Harper: On that point, is it not the case that the "Closing the Gap" report, which was finalised only just before it was published, had its chapter on finance removed because the team responsible for producing it did not agree that the Government's conclusions were supported by their analysis? The whole theme is that the reorganisation will cost a huge sum, much of it in IT expenditure, and it is not sensible to divert money away from operational policing to this unnecessary reorganisation.

Martin Horwood: I entirely agree. As the hon. Gentleman knows, the cost of closing the protective services gap in the proposed five/four south-west mega-force has been estimated by our Gloucestershire constabulary to be £21 million. The set-up costs of the merger have been estimated to be £64 million, £40 million of which will go on IT. The point is well made.

There is a clue to where the pressure on finance is coming from, because the "Closing the Gap" report, where one would hope to find a financial analysis, states:

"Real growth settlements in the next two years are likely, at best, to be half the rate of the last nine."

Why is that? Well, there is a reference that states:

"Based on estimates provided by the Home Office."

In effect, the forces are being told to restructure to save the Home Office money and to help the Chancellor of the Exchequer to balance the books in his post-election period.

Bob Spink: The hon. Gentleman makes some excellent points. It is clear that, like other hon. Members present, he will not have time to make all the points that he would wish to make. The Liberal party has an Opposition day before the consultation closes in December. I urge him to take up this cause as the subject of that Opposition day so that we can force a debate in the main Chamber on this important and ill-conceived proposal.

Martin Horwood: I am happy to raise that point, but I would like to make a few others to the Minister. Paragraph 1.32 in the report, under the heading "Stakeholders have mixed views", states:

"Little work has been done on the way in which members of the public identify with police forces."

Paragraph 1.33 states:

"Stakeholders inside and outside the service recognise the tensions associated with the current structure, and a need for change, but there is no consensus on the best way forward. Within some individual associations there is a wide cross-section of views. On the whole, the Association of Police Authorities (APA) is broadly supportive of collaboration".

Let us note that it does not say "merger". It goes on to say that

"whilst the Association of Chief Police Officers (ACPO) generally agrees the need for change, some chief officers are more inclined towards amalgamation whilst others favour a regional support solution."

In other words, there are many other ways to achieve the objectives that the Government want to achieve.

Mrs. Joan Humble (in the Chair): Order. May I ask the hon. Member to consider drawing his remarks to a close? I want there to be a couple of minutes for the Opposition spokesperson and I am sure that all hon. Members want to hear from the Minister.

Martin Horwood: I shall wind up by saying that there is a risk to some first-class forces—West Mercia has been spoken about, and Gloucestershire was commended by Her Majesty's inspectorate of constabulary on its performance on level 2 policing.

The Government often—at least in the past couple of weeks—ask hon. Members to listen to police officers when it suits them, but our chief constable and other chief constables have been adamant that this is not the best solution. I hope that the Minister will listen to police officers on this occasion.

10.48 am

Mr. Edward Garnier (Harborough) (Con): I begin by congratulating the hon. Member for Stockton, North (Frank Cook) on initiating this debate. I am so sorry, as many hon. Members are, that we have not been able to have this debate on the Floor of the House, led by the Government, on a substantive motion upon which we could all cast a vote.

[Mr. Edward Garnier]

The best piece of advice that I can give the Minister at the moment is to quit while she is behind, because this argument is running away from her. The devastating analysis that has been applied to the Government's apparent policy has been shot at her with great force by right hon. and hon. Members in all parts of the Chamber. I thank them all for their contributions this morning, because it will bring home, not only to the Minister but, hopefully, to other Members of the Government that this is not a single issue nimby group that is complaining. We are talking about a feeling that is emanating from our constituencies—*[Interruption.]* I did not hear what was said, so I will not bother to reply to it. This theme is emanating from our constituencies and from our police authorities—from the places that we represent.

I urge the Government to consider this matter. This looks to us like a growing regionalisation across the whole provision of emergency services; it looks like the nationalisation of the police. We know that the right hon. Member for Sheffield, Brightside (Mr. Blunkett) was probably the most authoritarian Home Secretary since the war, and he wanted to control everything. The new Home Secretary has unfortunately had to inherit that agenda and the Minister is having to pick up the pieces. She went to Belfast on Wednesday and Thursday last week to listen to the Association of Police Authorities and came back, if I may say so, with her policies somewhat singed. This is an expensive and undemocratic waste of time, and this is all that the Government can come up with.

We want policing by consent and by the citizen in uniform and police to be connected to the constituencies and the areas that they police. Of course there is a case for pragmatic co-operation between police forces. Of course there is an argument for concentrating expertise in particular forces—expertise in nuclear and chemical inspection, for example. Cleveland was mentioned in that context. Of course the Metropolitan Police Authority is the centre of excellence on terrorism. However, that does not mean that one size fits all and that one form of regional policing needs to be applied to everybody.

I shall finish on a local point, made from my own constituency point of view. The Leicestershire police authority has been advised by the HMIC report and those behind it that the Government are looking at two possibilities. One is to form one force by combining the Derbyshire and Nottinghamshire forces and form another by merging the Leicestershire, Lincolnshire and Northamptonshire forces. One has only to put those positions forward—and then look at a map, perhaps—to see how ludicrous they are.

The alternative is even worse: to merge all five forces—Derbyshire, Nottinghamshire, Leicestershire, Lincolnshire and Northamptonshire. Look at a map; that goes from the outskirts of Greater Manchester at the top end to the eastern and northern borders of Buckinghamshire at the bottom end. If that is a sensible way to run a local police service, I am in the wrong job.

10.52 am

The Minister for Policing, Security and Community Safety (Hazel Blears): First, I congratulate the hon. Member for Stockton, North (Frank Cook), not only on securing this debate but on tapping into an issue that is demonstrably of concern to Members across the House. I am genuinely pleased that this debate is so well attended. I had no intention of slipping things under the carpet—one phrase that has been used—and trying to get rid of this debate before Christmas. As hon. Members know, I am always perfectly prepared to engage, discuss, challenge and consider the issues, and I am delighted to have the opportunity to do that.

Several hon. Members *rose—*

Hazel Blears: I genuinely want to deal with some of the issues. If I give way during my eight minutes, I shall be criticised for not having answered some of the questions, and I want to try to do so.

I, too, am sorry that we will not have the debate on the Floor of the House on 1 December. I would welcome another three-hour debate in this Chamber, although that is clearly a matter for Mr. Speaker. We are trying to ensure that there is a debate on the Floor of the House—after Christmas, if necessary. I absolutely want to be able to have debates on the issues so that every single Member who is concerned about the future of their police service has an opportunity to contribute. I am delighted that the police service conjures up the great emotion and passion that has been exhibited by all Members who have spoken today. That should continue.

However, as well as having the passion and strong feeling exhibited particularly today by the hon. Member for North Shropshire (Mr. Paterson), the best kind of debate is also informed and constructive. I say to the hon. and learned Member for Harborough (Mr. Garnier) that I did go to Belfast last week and listen to members of the Association of Police Authorities. I found them constructive and willing to engage. They were dealing with some difficult issues, but I found that they were genuinely concerned to try to maximise the performance of their police services. That is in all our interests.

I should like to say a word about neighbourhood policing. That concerns many Members, particularly my hon. Friend the Member for Middlesbrough, South and East Cleveland (Dr. Kumar), who is extremely concerned that his neighbourhood policing should continue to perform at its best ever level and that it should be in touch with local people and reflect their priorities. One of the very reasons why we are going down the route of strategic police authorities is to try to make sure that for the long term we can protect the neighbourhood policing that is so important to our constituents. That is the policing that they see, feel and touch in their neighbourhoods.

Denis O'Connor's report makes it very clear that, as the threat from serious and organised crime, major murders and terrorism becomes greater and the criminals become more sophisticated, level two crime will become a bigger pull away from neighbourhood policing. Unless we have strategic police forces that have the capacity, capability and resilience to deal with that

level two challenge, the abstractions from neighbourhood policing will inevitably grow and our forces will be unable to protect and ring-fence the dedicated, visible and accessible neighbourhood policing teams.

In our manifesto, we made a commitment that every area, rural or urban, will have such teams by 2008. If we do not address the issue now of coping with threats posed by emergencies and critical incidents, our detective capacity will be drawn away from the neighbourhood in order to deal with the complex and serious crimes. Members should be clear about why we are going down this route. It is to ensure that we can cope with the serious threats from more complex and sophisticated crime and protect the very neighbourhood policing about which all hon. Members have expressed concern.

My hon. Friend the Member for Stockton, North raised some serious issues.

Frank Cook: The Minister has laid out very clearly the difficulties that we face. If they are so difficult, why do we not have more time to consider them?

Hazel Blears: I was just about to turn to the issues of time scale, governance and finance. Those are genuine matters and it is right that Members should be concerned. We have said that we want forces and authorities to come forward with their options by 23 December. The central implementation team tried to give people a steer by saying which options were worth looking at and which were not worth investing time and energy in to work up in such detail. That is a pretty honest way forward, but it does not preclude authorities coming forward with other options. I know that that is a short time scale. My concern is that if we are to embark on major change—every organisation, public or private, will agree—we must get on with it or we end up with blight, low morale and people looking for the jobs that are available in other organisations. Once we have decided to embark on major change, we need to proceed as quickly as possible, but commensurate, as my hon. Friend says, with getting the decisions right.

I do not intend us to rush headlong into this process at the expense of making proper, considered decisions about the long-term future of our police service. [HON. MEMBERS: "You are!"] We will continue to consult after 23 December. I have no doubt that communities will continue to be engaged in these extremely important issues. If authorities and forces decide to go down the voluntary route of merger, that could proceed relatively quickly. If they reject the voluntary route and it is necessary to make an order there is a statutory four-month consultation period in relation to that process too. Again, further opportunities for fairly extensive consultation are built into the process.

It was said that that the APA said that nobody was willing to volunteer, but it has genuine concerns about governance, finance and basic command unit accountability. I will try to see whether I can give assurances on all those issues and whether it might be possible to make some voluntary progress. I am concerned to ensure that there is a mechanism at BCU level that gives local people the ability to call the police service to account, gives people the local input that all hon. Members have requested, and ensures that the locality, which is the basic command unit, rather than the strategic force is the engine that drives forward the process that we want to happen.

Many Members have raised the issue that some strategic police forces might cover such a large area that that would be difficult. We are exploring the possibility of having a member of the command team with geographic responsibility for a particular area, which again would give local people a real sense that policing is being delivered for them in their locality and there is no reason why we could not pursue many of those options—

Mrs. Joan Humble (in the Chair): Order. We must now move on to the next debate.

Special Educational Needs

11 am

Mrs. Nadine Dorries (Mid-Bedfordshire) (Con): I begin by saying how delighted and privileged I am to have been given this 90-minute debate on such an important subject. My thanks also go to those in the Public Gallery; I recognise some Bedfordshire parents.

The special educational needs spectrum is wide; it runs from children who are simply unable to organise themselves—I am slightly unlucky in that respect, because I seem to have three of those—to children who need round-the-clock intensive support and care. We have all heard of Baroness Warnock, the architect of and authority on inclusion. She has recanted; she thinks that inclusion has gone too far. During Prime Minister's questions, the Prime Minister was asked for a review of SEN policy, and Lord Adonis is searching for a third way. The new education White Paper on SEN is, frankly, depressing.

It is not difficult to see why and how Baroness Warnock originally reached her conclusion on the inclusion agenda. At the time, children with physical disabilities—regardless of how intelligent or mentally able they were—were automatically segregated from their peers and sent to a special school, very often a residential school many miles away from parents and family. Such children were denied the opportunity to interact socially with peers and to benefit from the curriculum taught to other children of similar academic abilities.

One reason why Baroness Warnock recants the inclusion agenda is that she personally knows children for whom it has not worked. Those children have autistic spectrum disorders—when I mention ASD I will be referring to children whose autism is at the higher end of the continuum—and Asperger's. They have legal protection under Acts of 1981, 1993 and 1996, and more recently under the Special Educational Needs and Disability Act 2001—SENDA.

Following the introduction of the Education Act 1996, SEN children had a legal right to an education commensurate with their needs. For those with milder learning difficulties, that might be in a mainstream school with additional help. For those with more complex and difficult needs, that might be in a special school. Local education authorities were, for the first time, accountable and legally responsible for providing that education. The statementing process came to result in a legally binding contract between the parent, the LEA and the school. Unfortunately, the 2001 Act produced an unintended by-product—and I do think that it was unintended. The Under-Secretary of State for Education and Skills, the hon. Member for Liverpool, Garston (Maria Eagle), who is here today, steered the 2001 Act through Parliament, and I believe that that was done with the best intentions. In fact, I support the 2001 Act, apart from its unfortunate by-product.

The 2001 Act states that there is a duty to educate children with special needs in the mainstream unless that is against the wish of the parents or incompatible with the education of other children. Unfortunately, that has been interpreted by many LEAs as meaning that it is Government policy to educate all children in mainstream schools. LEAs view it as an extension of inclusion and a manifestation of political ideology.

Bob Spink (Castle Point) (Con): I congratulate my hon. Friend on securing this important debate. Does she agree that MLD—moderate learning difficulty—schools play an important part within the range of provision for special educational needs children? They provide parents with a range of choice for their children. Does she agree that there should be a moratorium on the closure of MLD schools, so that those schools are not lost, and so that we do not throw them out, like the baby with the bath water?

Mrs. Dorries: I thank my hon. Friend for that intervention. I shall cover that exact point in just a few moments.

Whether the Government intended it or not, a by-product of the 2001 Act is that LEAs believe that educating all children in mainstream schools is Government policy. What is the evidence for that? According to lay parent representatives and tribunal barristers, when a parent requests specialist provision, in either an MLD or a special school, it is almost always refused in the first instance. Having spoken to MPs of all parties and to many organisations, I know that they overwhelmingly concur with that conclusion.

Mr. Peter Bone (Wellingborough) (Con): I am grateful to my hon. Friend for securing this important debate. I have some personal knowledge of the trauma that can be caused when the parent of a child who goes to a special needs school is told that the school has to close, and that the child has to go to mainstream school. I know that that situation affects a small minority of people, but it still cannot be right.

Mrs. Dorries: The minority is not as small as one would think. I shall give some figures on that point later.

LEAs are resisting requests for statementing, delaying the process. When a parent finally reaches the point of a statement, the LEA will minimise both the needs and the provision in order to justify inclusion in mainstream—a situation led by cost implications as much as by political dogma. If a parent wants or feels that their child needs specialist provision, they have to fight for it via a special educational needs and disability tribunal—SENDIST. Officially, there is no cost to such tribunals, but they involve a complicated legal process and parents need legal representation. The Education and Skills Committee recently took evidence from Simon Oliver, a barrister and chair of the SEN tribunal. He revealed that it costs between £2,000 and £10,000 for a parent to take a case to a tribunal. Because of the cost involved, only affluent middle class parents are able to take on an LEA's decision. Conversely, the Government consider the low number of tribunals in the UK—3,300—to be a measure of policy success. I look on it as a measure of the number of people who can afford to pay. The sad reality is that those from lower socio-economic backgrounds are denied opportunities because the system is out of their reach.

The SENDIST annual report for 2003–04 states that the vast majority of cases that go to tribunal—88 per cent.—are successful and find in favour of the parents.

Of the parents who go to tribunal, 39 per cent. go in an attempt just to get a statement. It seems that parental preference works well and that LEAs respond positively if the parent wishes their child to go to a mainstream school, but not in any other circumstances. That is owing to the reluctance of LEAs, which believe that they are carrying out the Government's wish to place children in mainstream schools.

All authorities are under financial pressure, so it is no surprise that they act in a contrary way whether it is appropriate or not. Minimisation of the extent of a child's needs in the statementing process is without doubt driven by financial pressure and political dogma. The closure of 91 special schools since 1997 compounds the problem. Even if some LEAs wanted to send all the children who needed them to special schools, many no longer have the places available.

The situation is turning ugly and parents are beginning to organise themselves into effective lobby groups. I have been told stories by lay parent representatives of LEAs refusing to supply transport for a child to attend a special school but agreeing to transport the child to a mainstream school in order to force parents' decisions. Parents react to that. Many parents of children with Asperger's or ASD at the higher end of the continuum have SEN problems themselves and simply cannot navigate the system. Even parents who do not have SEN struggle to access it.

There are examples of best practice throughout "Every Child Matters", "Removing Barriers to Achievement" and the new education White Paper. I would like to give three examples of my own. First, I would like to tell hon. Members about a little boy called Jack, whose case is an example of worst practice. It adds weight and brings clarity to the statement by Baroness Warnock that inclusion has gone too far.

I met Jack in my first surgery as a new MP. He destroyed my room. He turned the chairs upside down, banged the door backwards and forwards, took books off cupboards and the desk and put them on the floor, and played with the light switch continuously until it made a fizzing noise. I thought that he would electrocute himself. As well as a hyperactive little boy, I had in my office his concerned, embarrassed and distressed mother, who had accompanied him. It was not a good situation. In order to try to calm Jack down, I made paper planes from some loose notes on my desk. He stopped and watched. He had my one-to-one attention, and that gave his mother five minutes to tell me his story.

Jack was in a local mainstream school. The teachers told mum that Jack was fine with the few hours' support that he received each week. Jack's mum showed me his daily report books: "Jack learned the alphabet today", "Jack communicated well today", "Jack had a good day." Personally, I could not understand how that could be possible. One of the first things that one notices about Jack is his inability to communicate using speech. The second thing that one notices is the amount of effort one has to put in to securing his attention, even for a minute.

Mum told me that Jack was bullied at school. One could understand why: children are not the most patient beings. It was entirely understandable that Jack's behaviour could drive other normally mild-tempered children to the point of distraction. She told me of an incident a few months earlier when a child had pulled the chair out from under Jack as he went to sit down, causing him to fall backwards. She had not sent him to school since. Jack was a victim of inclusion. The policy had, in fact, excluded him from school, and a little boy who needed education the most was receiving none at all. That is a UK-wide problem.

When things go wrong with a child who has Asperger's or a child who is higher on the autistic continuum, things go spectacularly wrong. Children with autistic spectrum disorders and Asperger's find mainstream the most challenging environment imaginable. They struggle with language. Can we imagine that? Can we imagine what it is like to struggle with language and not to understand what people are saying to us?

Such children are confused by noise and by changing faces. They find it impossible to interact socially, but they understand that the inability to make friends and the creation of problems around them are of their own doing. Their behaviour is often extreme and bizarre, yet according to child psychologists, local education authorities refuse to accept the proven research that because of the nature of the condition, which robs the child of an interest in people and the motivation to interact, children with ASD and Asperger's do not learn from other children naturally. They find the noise, stimulation and movement of the everyday world so overwhelming and terrifying that they simply shut down. Some 27 per cent. of children with ASD are excluded from mainstream school at any one time. Today, 27 per cent. of autistic children in mainstream are not in attendance. Some 23 per cent. of that 27 per cent. are repeatedly excluded.

Parents of SEN children talk of common themes: the minimising of needs during the statementing process, closing special schools, and turning those that are left into regional residential centres for those with extreme needs. On Friday, I had a conversation with the headmaster of a special school in the north of England. He said:

> "Two years ago I had about 30 referrals a year. For the last two years I have had 11. All 11 have been children who are in extreme need and were inappropriate for this school. This year we will reach the point of financial inviability. We will have 50 children in the school. When that happens those children will be thrown to the four winds without a care, probably into the new academy, where they will sink. We have been told that the school will either close, or we will become a regional residential centre for the most severely disabled children. We await the department's decision."

The headmaster believes that the lifeblood of his school has been cut off, and that children such as Jack do not reach him now unless the parent has the financial means to go to a tribunal.

Bob Spink: My hon. Friend will not be aware of this, but Cedar Hall moderate learning difficulties school in my constituency, which also serves the constituency of my hon. Friend the Member for Rayleigh (Mr. Francois), has found that its intake has been reduced almost to zero. The school is being throttled. Is she aware that in my constituency, some children who because of inclusion are in mainstream school are taught behind glass screens?

Mrs. Dorries: I was not aware of children being taught behind glass screens, but I am aware that the lifeblood of schools—referrals—is being stopped in order to justify the closure of the school within a short period.

What is so special about a special school? A child with ASD may not want to be a member of society. They have a communication disorder, and if they are to embrace society as adults, they have to be formally taught communication skills by highly trained professionals and adult teachers. Such skills cannot be expected of a mainstream-school teacher who is also trying to deliver a national curriculum to non-SEN children.

None of us wants to return to a society in which children are banished to residential schools, but the stark reality is that the policy of inclusion, which is leading to special school closures, is forcing parents to send their children away from home. If that headmaster in the north is right, and his school becomes a regional centre for the worst residential cases, we will be right back to the point at which Baroness Warnock came in 25 years ago.

Special school closures also mean that we lose the pool from which language and speech therapists come to help and to support the children in mainstream. We are losing the centres of excellence and training. You may not know this, Mrs. Humble, but a teacher spends a maximum of half a day throughout their entire teacher training on special educational needs, and many spend only one hour.

I am pro-inclusion. I am a parent who fought for my child to go to a mainstream school. I believe that children who are able to thrive in the mainstream should be there. There is no reason on this planet why any physically disabled child who is mentally able should not attend a mainstream school. In case the tone of my speech seems to be anti-inclusion, let me stress that I am a pro-inclusionist. What I am arguing is that children on the higher autistic continuum or with Asperger's syndrome are not suitable for the mainstream.

Let me return to my point about teacher training. A teacher from Newcastle who spent his entire teaching career in special schools has suddenly found himself in a mainstream comprehensive school, because of the closure of his special school. He said to me:

"I only actually get to deal with the kids in my own form at any one time. It would be common sense to put the most difficult of these kids together in one unit and use the teachers like me who at least are experienced in special needs to help them. The head doesn't like that, and said it doesn't fit with the inclusion agenda. What it doesn't fit in with is the new zero tolerance in class disruption"

that the head is trying to introduce.

"The majority of kids with special needs are disruptive as a result of their problems and they are being excluded and sent to pupil referral units. It seems to me that the head's way of dealing with the inclusion agenda is to exclude the kids because the majority of the teachers can't deal with them."

Recent research by the Youth Justice Board found that 80 per cent. of young people in young offender institutions have SEN, and the majority of them were never even statemented. There is a frightening prospect that many of the SEN children of today will become the ASBOs of tomorrow.

One of the Government's answers to some of the emerging problems has been the establishment of the parent partnership programme, which I welcome. I applaud it, inasmuch as it helps parents in mediation with schools and teachers, which is a service that they never previously had. However, the parent partnership code of practice clearly states that the programme is not allowed to advocate on behalf of the parent. It reports directly to the local education authority—its line manager is the head of the LEA. That must give rise to a conflict of interest in some areas of the country.

Mr. Mark Francois (Rayleigh) (Con): I congratulate my hon. Friend on securing this debate and I take this opportunity to place on the record my support for Cedar Hall school in the constituency of my hon. Friend the Member for Castle Point (Bob Spink).

My experiences as a constituency MP lead me to believe that many parents of children on the autistic spectrum fall between three stools. They are batted between the education service, the health service and social services departments, and they are constantly frustrated about being sent back and forth from one to another, almost in a permanent loop. Does my hon. Friend agree that we need to reorganise the resources that we have to provide a bespoke service for those parents and children who are badly let down by the current system?

Mrs. Dorries: My hon. Friend has opened up a subject which could be an entire debate in itself. It involves primary care trust deficits, the fact that we have a massive shortage of speech and language therapists and the fact that PCTs cannot afford to do some of the work that the LEAs are asking them to do in order to get reports together and to statement children. That is why special educational needs and disability tribunals cost so much; parents have to pay for a lot of the work themselves. The subject that my hon. Friend raises is of great importance.

To make a real difference, parent partnerships must be independently funded, autonomous of the LEA, and given the teeth to do the job; they must be independent of the LEA and be able to advocate on behalf of parents. I think that the Prime Minister called for a review and Lord Adonis is desperately searching for a third way because they know that SEN in the UK today and the introduction of the education White Paper do not go together. How can they? The Government propose to introduce trust schools, competition and a selection criterion with no statutory obligation via a code of practice. Who will want these children? Who will take them? The answer is no one.

The Government claim that the White Paper is about driving up standards. How can standards in schools that take in SEN children be driven up? When MLD and special schools are closed down, those children will all be in the mainstream. They will be the school's barrier to improvement and to driving up standards.

The White Paper states:

"We are clear that there must be zero tolerance of both serious and low-level discipline and behaviour issues."

The present policy of inclusion forces many children into an education environment in which they are uncomfortable and become disruptive, thereby undermining the Government's so-called zero tolerance on behaviour and discipline issues. Their policy in this respect is clearly contradictory. According to the White

Paper, schools will be free to select by interview if they want to do so. How would Jack fare in an interview? What head teacher would accept a child who wrecks an office in five minutes?

The White Paper mentions SEN children in two dedicated paragraphs, both of which are completely inconclusive and end in a similar way. The first of those paragraphs ends with the phrase:

"We will commission an evaluation",

and the second ends:

"We will undertake a consultation".

Every paragraph in the White Paper is entirely conclusive except those referring to children with SEN. It is time for the Government to come clean. What exactly is their policy with regard to SEN and the White Paper, and how do they intend to manage SEN within the remit of the White Paper? Again, I am referring specifically to children on the high end of the autistic continuum and those with Asperger's.

I think that when the Prime Minister called for a review of SEN he knew exactly what he was doing. He knows that there is an incompatibility between what is happening on the ground and what he wants to achieve via the introduction of the White Paper. I am going to raise myself to the giddy heights of the Prime Minister, Lord Adonis and Baroness Warnock and ask the Minister to call for a review. I know that she is a Minister of good intent and is much admired by hon. Members on both sides of the House for her ability and compassion. I ask her sincerely to consider seriously a review, particularly for the groups of children that I have just mentioned. A review may even help the Government to calm their own malcontents; it may help with the passage of the White Paper.

If the Minister chooses to answer my call, I ask her not to speak in the jargon that the Government have used of late when talking about education. I ask her not to mention effective partnerships because, as I have stated, when it comes to SEN there are none. I ask her not to mention cross-agency co-operation, because agencies do not co-operate when it comes to SEN. I ask her just to talk about how we can make better the education and lives of children with SEN, and to call for a review. How can we prevent SEN children from becoming the people with ASBOs of tomorrow? Why use spin when the truth works so well?

11.23 am

Kelvin Hopkins (Luton, North) (Lab): I am delighted to participate in the debate and I congratulate the hon. Member for Mid-Bedfordshire (Mrs. Dorries) on raising this important issue. I agree with everything that she said. Her speech was intelligent, informed, balanced and infused with genuine concern and compassion for the pupils involved. Towards the end, she referred to malcontents on the Government side—I cannot imagine whom she means.

I have been concerned about special educational needs issues over a long period. Several members of my family have been teachers and have dealt with children with SEN; indeed, my wife was a special needs co-ordinator in her school when she was a teacher. I have also had a number of relevant constituency cases, but I think that it would be inappropriate to refer to them individually now. So I have some background and am informed to an extent on these issues. During my eight and a half years in Parliament, I have become more concerned. The issues are still unresolved and there are still deep differences of view on them. They raise passions because we are predisposed one way or the other. However, I think that the hon. Member for Mid-Bedfordshire, my constituency next-door neighbour, has tried to be objective and not to express a biased view.

Special educational needs cover a range of issues, including physical disabilities such as hearing impairment, that are related to slow learning. Most of them are not difficult to deal with. They are less problematic and we can and do make provision for them. Slower learners are perhaps not difficult to deal with in a mainstream school; we have a setting system. We have special hearing units, sight-impaired units and so on.

The problem, as the hon. Lady said, has to do with behaviour in school and whether we include or exclude pupils with serious behavioural difficulties. There is a spectrum with total inclusion in mainstream schools at one end and special schools and special residential schools at the other. The question is how we deal with those pupils for their benefit and for the benefit of others. The trouble is that the issue is driven by ideology and money. One of the arguments is based on the passionate belief that we should not discriminate between people and that it would be best for them to be involved in the same communities, the same classes and the same schools.

Mrs. Theresa Villiers (Chipping Barnet) (Con): Does the hon. Gentleman agree that treating people equally sometimes involves treating them differently and providing services that are tailored to their needs? It is not discrimination to allow children with special needs the choice of a special school or a mainstream school.

Kelvin Hopkins: That is a strong point. Over the years, I have thought it peculiar that people like me who went to a grammar school had small classes and intensive teaching, while those who attended secondary modern schools had larger classes and less good teaching. It should have been the other way round. Those who are most able should have the least effort put into their education, while those who are least able should have the most effort put into their education. The system should be compensatory.

The liberationist ideology derives from a philosophy that was common when I was young in the 1960s. It was reinforced by psychologists such as R. D. Laing who thought initially that there was no such thing as mental illness, but just different ways in which to perceive the world, and that we were all the same. He was debunked during his lifetime and, like Baroness Warnock, at the end of his life, R. D. Laing recanted. He said that his whole philosophy was an attempt to rationalise his manic depression. He was not well mentally himself, but he had a great mind. Throughout history, many people who suffered from a similar illness have been great.

I appreciate that it is politically explosive to say what I am about to say, but we are now starting to understand that some of our differences are determined by our physiological nature. With the unravelling of the

[Kelvin Hopkins]

genome, we now see that some of the problems that we thought previously were just people being naughty or having been badly brought up are the result of genetic problems. During the past few weeks, it is thought that a gene has been identified that is responsible for dyslexia. Furthermore, it may be not genes but hormonal imbalances that determine autistic spectrum disorders. We are now learning that there are physiological causes for behavioural problems, not social causes. It is more nature than nurture. We have to use nurture as best we can to help people to come to terms with their difficulties and lead good, productive and happy lives like the rest of us.

If we ignore the fact that psychological difficulties stem from nature, we will do people a disservice. It was cruel, but in the past matters were simple; children were beaten until they did what we wanted them to do. We do not beat children any more, and that is absolutely right. However, pretending that children do not have a problem that needs special attention and putting them into mainstream schools in the belief that they will get on with it and be socialised into behaving well is not sensible. It is certainly not kind.

We must challenge our deep feelings about what is right for a child. Dear friends think that I am a wicked person because I suggest that we should have special schools tailored to specific difficulties and that inclusion is not always the right way forward. Inclusion is certainly not the right way forward for teachers and pupils who are trying to deal with children who have serious behavioural problems in class. Attention deficit hyperactivity disorder is another variant of such problems. It is common in my constituency. Many parents are tearing their hair out about it.

It is unkind to imply that children misbehave because they have been badly brought up. There are so many cases of children with appalling backgrounds who have turned out to be perfectly nice people. Equally, youngsters with caring, nurturing parents who have done everything for them have still turned out to be difficult. We must accept that factors in those children's make-up are nothing to do with their experiences. When we recognise that, they can be dealt with properly. Some children are so difficult that they need special schools. Many education authorities still have the ideology that blanket inclusion is the way forward, and that anyone who favours special schools is somehow malevolent and discriminatory, and not a nice person.

Mr. Philip Hollobone (Kettering) (Con): I congratulate the hon. Gentleman on his words. Does he share my concern that 25 per cent. of children with special educational needs in the higher bracket are, as my hon. Friend the Member for Mid-Bedfordshire (Mrs. Dorries) mentioned, being excluded from mainstream education and are being dumped in pupil referral units, which are an extremely poor substitute for the special school that they may require?

Kelvin Hopkins: Absolutely. I have cases in my constituency of precisely that problem. Youngsters are reaching their teenage years, which are complicated by puberty, without their problems having been dealt with. Early diagnosis, early identification, and early attention to their special educational needs are absolutely vital if we are not going to see such people finishing up in prison, mental hospitals or wherever—detained in one way or another. If we can get to them early and provide everything possible to maximise the possibility of a good life in adulthood, we are doing them and society an enormous service. The lifetime costs to the state will be much less if we get it right first. That may mean providing places in special schools that are geared to dealing with particular needs.

We must stand back and review the matter, and take other people's advice. Sadly, even in the world of psychiatry, an area about which I know something as well, there is still a big debate about whether mental disorders are to do with experiences—nasty things that we see in the wood shed when we are young—or physiological problems. Some think that drug therapies are right; others think that psychotherapy is necessary. Perhaps a combination of the two, appropriately tailored, is the way forward. There are even fierce debates about that, and we must shake ourselves out of our prejudices and consider the problems objectively. We must consider what is happening in the real world, and what really works; we must not presume that pushing children into mainstream schools will be to their benefit. I do not think that it is.

We must also take into account the parents' preferences. Many parents initially want their children to be in mainstream schools. They start by saying that they do not want their children to be regarded as abnormal, and they want them in a mainstream school. However, over time, they realise that their child is suffering and they want more special provision for them. They may say, "It's not working. I want them to go to a special school." I have examples of that in my constituency. The parents' preferences must, over time, be taken into account.

Finally, we come to the question of money. The fact is that local authorities' budgets are pressured. There is a temptation for them to say that it is cheaper to put children into mainstream schools and put a bit of extra provision into such schools than to provide special places. Public provision is being reduced, so private schools, which are extremely expensive, are opening, taking children from upper-middle class backgrounds whose parents can afford to pay, or from those authorities that are still prepared to pay for special places. However, we need funding for special educational needs to be separated from local education authorities' budgets, so that they are not pressured, and so that decisions can be made objectively, taking account of children's needs. We should redevelop a network of special schools, capable of dealing with various special needs across the country in the state sector, perhaps jointly run by local authorities, with independent referral systems if necessary. It would be a network of state provision where such children could be given the education that they needed to give them the chance of being happy and productive citizens in the longer term.

11.35 am

Mr. Brian Binley (Northampton, South) (Con): I add my congratulations to my hon. Friend the Member for Mid-Bedfordshire (Mrs. Dorries) on securing this important debate. It is clear that this matter troubles

many people out in the wide world of local government and in the even wider world of parenting. My hon. Friend's comments were helpful, constructive and appealing.

I also pay tribute to the hon. Member for Luton, North (Kelvin Hopkins) for his lucid rendition, which was free of dogma, and just the sort of contribution that is vital to this important subject. I found myself nodding in agreement on many occasions; it was a pleasure to listen to his wise words, which we should all take seriously.

It is no secret that I am a county councillor and the finance portfolio holder in Northamptonshire, or that I have grave concerns about the revenue support grant that will be announced in a few days' time. I know that that revenue support grant, which, in the words of the Minister, appears to be less generous than in previous years, will have a sizeable impact on provision for special educational needs. Certainly in my county that gives rise to great concern.

It might help if I gave the Minister some background on special educational needs in Northamptonshire. My county has a great record in that respect, not least in relation to sufferers of autism. We have a nationally recognised reputation in that area of which we are very proud. We take special educational needs very seriously—as we should. Some 3.1 per cent. of our pupils have statements—that is 3,500 children with special educational needs. We try to offer a sizeable range of provision, which in some respects relates to the remarks made by my hon. Friend the Member for Mid-Bedfordshire and by the hon. Member for Luton, North. We have 1,000 or so children in maintained schools, 350 with designated special provision attached to mainstream schools, 2,020 in mainstream schools without special provision who are part of the normal process, and 130 in independent or non-mainstream special schools, of whom 80 have residential provision. We therefore have a relatively wide menu of provisions for children with special educational needs.

We must also recognise that, as has already been said, many children with special educational needs have other sizeable disabilities, which makes their ability to grasp opportunities in later life much more difficult and makes it equally difficult—but equally important—for us to offer provision to enable them to live a life that they would consider to be fulfilling. Indeed, we have 600 families who work not only with the special educational needs services but with the disabled children's services. Through those services, we provide for and support families in their own homes. Where we can, we provide respite care, which is a very great need for parents who look after and love children with the needs that we are talking about and with those extra disabilities.

We have a family link service, which provides a network for parents who have particular difficulties with their children, and provision for the children themselves. We provide specialised, specifically designed play-schemes and residential placement for children with the most complex and challenging needs within that framework. We therefore try hard, not only to offer a wide provision of care and statemented educational need, but especially to recognise the additional disability which often comes with the need about which we are primarily talking.

Finally, we recognise that some parents want to take care of their children, keep them out of mainstream education and provide that service themselves. We have 28 families who receive direct payment to arrange their own support in that respect. They are very brave and courageous parents who take a difficult decision.

My sister was a teacher, but she resigned from teaching because she had a boy of 15, now 19, who was in a serious road accident. Although that is not an example of special educational needs, there was a special need and she decided that she wanted to look after the boy. She has taken on a lifetime of service in that respect. I am aware of the range of difficulties, and we in Northamptonshire try hard to meet them.

Our number of out-of-county authority placements is also low. We have six out-of-county placements for every 10,000 people, against an average of 8.3 per 10,000 in the country. We believe that that is right. However, we must make as much effort as we can to ensure that we have good provision in our county, because out-of-county placement is so expensive and crippling to a county council budget when it is not controlled. We have a good record on in-county provision, but we want to do more.

It is worth recognising how much the service costs the council tax payer in Northamptonshire. Our budget is £4.7 million and rising dramatically for SEN specifically. Together with the £1.7 million for disability, that is a sizeable part of our social services budget. I want to impress on the Minister that it is that part of the budget that is rising most dramatically—I am sure that I do not need to do so, but it is important to highlight that area of concern, because not only is my county under serious pressure with regard to financing such services, there is a general malaise and problem throughout the country that we must face if we want to provide disadvantaged children with the best possible lifestyle chances. There is not one person in the House or the wider world who would not agree with that objective. The problem is how do we provide the resource to do so? Costs are rising dramatically.

Let me tell hon. Members how out-of-county costs for Northamptonshire have risen in the past three years: in 2002–03 they rose by 16 per cent., in 2003–04 they increased by 8 per cent., and in 2004–05 they rose by yet another 11 per cent. That has a massive impact on children's services, with which the RSG clearly does not keep pace. Indeed, I wonder whether it can in the present funding framework. This is about keeping pace with need in a world that is becoming ever more complicated.

My county has another problem, because although some 5.6 per cent. of all moneys for SEN and disability with SEN needs comes from the health service nationally, in Northamptonshire we have no contribution. That is another problem that we must deal with. Perhaps we should do so locally and be better advocates for those children with our local health providers. I am not laying the charge at the Government's door; I am simply saying that the problem exists and that we must do something about it.

Cost is a major problem and I shall highlight it briefly because I do not want to bore hon. Members with statistics. A 38-week placement for a deaf pupil costs £30,000 a year; a 38-week placement for a pupil with behavioural difficulties costs £45,000 a year; a 52-week

[Mr. Brian Binley]

placement for pupils with profound and multiple learning difficulties costs £84,000; more special cases may cost £160,000 or £170,000 a year. That has a massive impact on local government budgets that are already under pressure and will be under even greater pressure. The cost of placement in our local schools is lower, mainly because of the non-residential element, and varies between £10,000 and £20,000. It makes sense to try to provide the extra help and support that parents need.

I have described a problem, but we are beginning to see it as a crisis. I fear that this year, the prophesised revenue support grant settlement—we have yet to see whether those prophesies are true—will cause even greater pressure. The truth of the matter is that in my county and many other counties, authorities simply do not have enough money to do the job. I know that every Department hears the plea that there is never enough money, but we are losing the race for SEN children, particularly SEN children with disabilities. We are losing the race.

We do not receive enough money because the RSG does not keep pace and we have overspent our children's budget. Every year, we put it up by a sizeable amount, but we cannot keep pace. We have some success, including with people from different counties, particularly in autism, but that success generates a need for further expenditure, which is difficult to keep up with. The Minister knows that money for placement does not flow into the county for about three years. It takes that long for the process to recognise placement. I see the Minister's officials looking quizzical, but that is what my county officials tell me and I can only relay what they tell me. Northamptonshire has been a growth county for some years, as have others, and that makes the cash lag worse. It will get worse, because we are an important part of the sustainable communities programme, which will add heavily to our problems.

I want to move on quickly because I am taking too much time. I shall not talk about medical science saving more children with severe disabilities, about early intervention being a vital part of the process, or about the fact that less out-of-county care means that more respite care is required for parents, but I want to make a plea to the Minister. We are finding more cost-effective ways of dealing with the problem but we are losing the battle for resources. We need help with our higher costs and our growth agenda and with the delay in funding that I have mentioned. I know that it is hard for the Minister when appeals are made to her—we all recognise the serious need in this area—but I appeal to her to use all her skills with her colleagues in the Treasury to recognise that alleviating the problem is important to the wider community and vital if we are to give these children, many of whom have severe disabilities, the opportunity to enjoy at least some of the lifestyle that we take for granted.

11.50 am

Mr. Henry Bellingham (North-West Norfolk) (Con): It is always a pleasure to follow my hon. Friend the Member for Northampton, South (Mr. Binley), who is able to bring his wide experience as a county councillor and his deep knowledge of these problems to bear on the subject before us. I congratulate my hon. Friend the Member for Mid-Bedfordshire (Mrs. Dorries) on securing this important debate. I declare an interest, because I have a son of six who is mildly autistic. As a parent, I know the many challenges that one must face to secure a child's needs. I shall not go into too much detail on that, but I will make one or two points that have been brought home to me through my own experience.

I turn to the statementing process and the assessment of special needs. Most parents assume that once they have secured a statement everything will move forward smoothly and slot into place, and that everything will work out satisfactorily and favourably for parent and child. In some cases, that undoubtedly happens. Some LEAs are very good indeed at implementing statements and ensuring that the child's needs are examined and fulfilled. However, I am afraid that, all too often, the reverse is the case. Every MP and councillor and many parents know only too well that that is only the start of the process and that, time and again, they will have to take the case to a tribunal.

Many constituents have come to me with cases that one would have thought should have proceeded simply, but have not, and they have had to go to a tribunal. I had to take our case to a tribunal because the LEA—which was not Norfolk; I shall not say which it was—did not give us what we needed. Therefore, I know only too well how the tribunal system works. It is not straightforward and the costs are significant; the stress is enormous and the uncertainty is extremely undesirable and unpleasant.

Mrs. Dorries: My hon. Friend is a capable and able person who is intelligent and of means. One main issue is that many parents who do not have such ability or means cannot take a case to tribunal. The chair of the tribunal says that cases cost between £2,000 and £10,000, which puts it out of the reach of people who do not have the advantages of my hon. Friend.

Mr. Bellingham: I am grateful to my hon. Friend for not only making a flattering remark but anticipating precisely the point that I was coming to. If people such as we have a child who has special needs, we have the motivation and, probably, the financial muscle to take the case to a tribunal, but the vast majority of parents are not in that position. Dozens of parents have come to me in absolute despair because the statement that they have secured from the LEA is not delivering. Their only way out of the quagmire is to plead with officials or go to county councillors or MPs, or to take the case to tribunal. Very often, the latter course of action is completely beyond their financial resources. The Minister should consider funding for parents to take cases to tribunals because, as far as I am aware, no legal aid is available. Perhaps it should be possible in extreme circumstances for legal aid to be granted to parents. That would be for the Department for Constitutional Affairs to examine in some detail. I would like the Minister to comment on that matter when she winds up the debate.

It is not even the end of the process when a tribunal award or recommendation is made, because what it recommends must be implemented by the LEA. Some LEAs are very proactive, sympathetic and professional at implementing a tribunal's recommendations and

judgment, but others put every possible obstacle in the way of implementation. Parents in my constituency have come to me saying, "Well, this is what the tribunal said but the LEA is not acting on it." Far from acting on it, in some cases the LEA is extremely difficult, and obstructs the parents.

My hon. Friend the Member for Northampton, South, who drew on his substantial and wide experience as a county councillor, talked about funding, a matter also raised by the hon. Member for Luton, North (Kelvin Hopkins), who made a very fair and balanced contribution to the debate. Funding is at the root of the dilemma, because every LEA will look at its budget and at what a tribunal may recommend and ask how it can afford the extra provision, time and support that the tribunal may insist on. LEAs know that the only way that they can afford that is by taking money from other services in education.

I think that the hon. Member for Luton, North suggested ring-fenced funding for special needs provision, which the Minister should consider carefully, proactively and with imagination. Drawing on my experience of the many constituents who have come to my surgery over the years, I believe that the problem will not go away until there is some ring-fenced funding for the LEA to make a commitment to parents and families that special needs assistance will flow to the child and follow them to give them the help that they require.

I am very concerned about the closure of special schools. If those schools close, the present situation will get worse and worse. There are two excellent special schools in my constituency: the Alderman Jackson school, which caters for children with very severe physical and mental difficulties, and the Ethel Tipple school, which caters for children with mild and slightly more serious autistic and learning difficulties who may go into mainstream schools or who may have come from them.

If the Minister visits the Ethel Tipple school, she will see for herself that many of the children will have a chance to go into mainstream education, as many of the parents, and the school, hope they will. However, some will not; there is a pattern that some children start off in mainstream primary schools, find that they cannot cope in a secondary school and then go across to the Ethel Tipple school where they are given a lot of extra help. The school caters for their special needs in a caring, imaginative environment. If those children stayed in mainstream education they would become disruptive, lose concentration and damage the progress of the whole school. That is why special schools are needed so badly.

I hope that the two schools in my constituency will stay open, but throughout the country more and more of those schools are closing. I am in the same position as my hon. Friend the Member for Mid-Bedfordshire: I am not in any way against mainstream education, but some children cannot cope in mainstream schools. That is the point.

The Minister must respond to the criticism levelled at the Government: why does the White Paper not address the problem relating to the future of special schools? It contains little about special needs education or the Government's policy towards special schools. Why are they closing? What will happen to the children who are then put in mainstream schools? What will happen to children who do not have statements or whose parents cannot take them to tribunals? What will happen to those many children in mainstream classes who will suffer the disruption and all the associated problems that flow from a lack of understanding of a small minority of pupils' special needs?

I hope that the Minister will be able to answer those questions. Once again, I congratulate my hon. Friend the Member for Mid-Bedfordshire on instigating this important debate, which I hope will be the start of some real progress by the Government. I have to say, however, that I am not holding my breath.

12.1 pm

Mark Williams (Ceredigion) (LD): I also pay tribute to the hon. Member for Mid-Bedfordshire (Mrs. Dorries) for securing the debate.

This is the first occasion on which I have spoken officially for my party. I am therefore lucky that there is a huge amount of consensus across the Chamber—although that consensus is a result of the merits of the case that the hon. Lady made.

We have heard about Members' experiences as parents and on local authorities, particularly Northamptonshire. Before I was elected, I was a teacher for 12 years, so I have some front-line experience of these matters. My experiences do not lead me to deviate from any of the messages that we have heard, but they are useful.

I reiterate our thanks to the hon. Member for Mid-Bedfordshire. I find it difficult to disagree with much of what she said. The hon. Member for Luton, North (Kelvin Hopkins) summed up the issue of special needs when he said that it is governed by ideology and money. Like many others, I consider myself a proponent of inclusivity in the mainstream, tempered by the reality of the situation.

The hon. Member for Northampton, South (Mr. Binley) spoke about his frustration as a county councillor who wants to deliver what needs to be delivered but is unable to do so. The hon. Member for North-West Norfolk (Mr. Bellingham) spoke about his frustration with the statementing and tribunal processes, and many people's inability to access those. I shall focus on the failures of the statementing system, which all too often does not have the confidence of parents and, ultimately, does not benefit pupils. I shall also focus on the need for increased capacity and training for teachers to deliver special needs education.

The hon. Member for Mid-Bedfordshire spoke about the vagaries and inadequacies of teacher training, to which I can relate. Before I embarked on a career in the classroom, I had two hours' special needs training. Many issues that we have discussed did not cross the lecturer's lips. It is as stark as that.

I have read in "Removing Barriers to Achievement" what the Government intend to do, but the proof of the pudding is in the eating, and it is clear that the statementing system is not working as it should. If it is not working in the mainstream, it is not working in special schools. The Government rightly talk about early intervention. That phrase conjures up the right motives from the Government. Early intervention is essential, yet parents still experience delays of months and even years in getting initial assessments.

[Mark Williams]

Increasingly there are problems with the text of statements. Local education authorities often word statements imprecisely, with the result that statements do not provide the entitlement to provision that parents expect. Campaigners also point to the huge volume of paperwork involved in getting statements. All those factors present a parent of a child with special educational needs with huge hurdles.

I want the statementing system to be reformed. In particular, we must counter the adversarial relationship that it creates between parents and local authorities—parents somehow blame local authorities when funding is at stake—between schools and local authorities and between parents and schools. The teachers are left in the middle. They know the direction in which those children should go, but they are denied the support and the means to achieve that. That was very much the evidence of a recent report in *The Times Educational Supplement*, in which teachers spoke of the need for special schools.

Statements provide a right for children. Local authorities all too often become involved in battles with parents in tribunals. The money argument that the hon. Member for Luton, North raised is all too often the governing motivation. Those scenarios are not as extreme as we might think. We are talking about 3 per cent. of the children of this country potentially being involved in such situations. The Government have to make parents clear on all their rights. We need to consider making the process simpler.

Kelvin Hopkins: I am interested in the hon. Gentleman's reference to 3 per cent. of children, which represents an enormous number. Would he be surprised by the recent suggestion in a survey that one in 10 of our children suffers from a degree of mental disorder? So, we are talking about a third of those.

Mark Williams: I am grateful for that intervention. The other telling statistic is that 20 per cent. of children in the mainstream will have some requirement for special needs provision. That is very important.

The Government policy of early intervention is crucial, yet there remains considerable concern that the resources and the capacity still are not in place. That financial point was made effectively by the hon. Member for Northampton, South. My professional experience leaves me in no doubt that in the mainstream a huge number of children are working at school action and action-plus levels of the special needs register when they should be further up the register and should have access statements. Whether or not that is the position on children with moderate learning difficulties, it is, as we heard, certainly the case for those with severe learning difficulties.

There is no stark choice and there should not be one. We need the mainstream option, special schools attachment units and residential homes. We could go down the line of a moratorium, which I know is being proposed by other Opposition Members, but I would caution against that. I empathise and I am against closure, but I am concerned about whether such an option could damage some of the sensible reorganisations that local authorities are undertaking.

Inclusion, of course, makes sense, but it cannot be the universal option. Nevertheless, a policy of inclusion without teacher training and dedicated funding will encounter, and has encountered, considerable problems. Teacher training must improve if teachers are to be able to cope with the unique demands of special needs education.

I remember one of my first few days in a particular school. I was summoned to the head teacher's office and told that in a few minutes' time I would acquire a little boy who was profoundly deaf. I had no background in sign language—I have catalogued the inadequacies of teacher training, particularly post-graduate courses. I had had no training, and nor was it forthcoming. In time, I was blessed with a special needs assistant and incredibly supportive parents who fought hard to ensure that the terms of the statement were adhered to. There were times when we muddled through, but muddling through was not good enough for that little boy. By rights, he should have had more, and the system let him down.

That was borne out by the Ofsted report on special needs and disabilities, which talked of schools being committed to the needs of pupils but their not having the experience, the skills and the resources to make the provision that they wanted. What work has been undertaken to ensure that newly qualified teachers and teachers in colleges are receiving the professional development and training that they initially need? That subject was catalogued in "Removing Barriers to Achievement".

I support the expansion of the numbers of SEN centres of excellence. The hon. Member for Mid-Bedfordshire quoted the example of the special school in the north. I hope that it will not be turned into a centre of excellence; such work should not militate against existing special schools where they are working.

I agree with the comments of the hon. Member for Luton, North about a review of whether the whole statementing process should be managed by an independent organisation. Such an organisation would never be free from the shackles of financial control, but it would be far stronger than local education authorities. Such a measure would also help us to get rid of the conflict of interest that LEAs face and, in particular, it would allow speedy decisions to be made.

The big thing that emerges in my dealings with parents and LEAs is frustration. We could jazz this debate up in technical jargon, but at the end of the day it is all about the children.

12.11 pm

Mr. Mark Hoban (Fareham) (Con): I congratulate my hon. Friend the Member for Mid-Bedfordshire (Mrs. Dorries) on securing the debate and on the way in which she opened it. She set out clearly the context of the debate, and recognised that inclusion is to be welcomed—it is something to be positive about—but that in some cases it has gone too far, to the detriment of many of the children in our schools.

The Times Educational Supplement conducted a survey of professionals in this field in October. Its findings were interesting. Two in three secondary heads and one in three primary head teachers said that some of their pupils should be in a special school and that they have been let down by the system, and four out of five

teachers and heads in mainstream schools favour an end to further closures of special schools. There should be a recognition that the landscape is changing. The barriers that existed when Baroness Warnock produced her report in the early '80s have come down, and there is more inclusion in mainstream schools, but the process needs to be looked at again.

The Ofsted report "Special educational needs and disability: Towards inclusive schools" was quite critical of the way in which some schools tackled the education of children with SEN. One of its comments was:

"A minority of mainstream schools meet special needs very well".

Sadly, that comment was reserved for a minority of schools, not the majority.

Mr. Francois: May I bear out what my hon. Friend is saying from my experiences as a constituency MP? That issue has increasingly cropped up in my visits to schools, particularly in the last year. Many teachers in mainstream schools want to try to include children whom they think they can help, but they also realise that there are some children who cannot practically be helped in mainstream schooling. Resistance is growing among teachers. They are increasingly having foisted on them children whom, despite all their best efforts, they do not have adequate resources to help.

Mr. Hoban: As ever, my hon. Friend makes a valuable point. We need to listen to professionals and parents who recognise that the environment is changing and that what might have been appropriate five or six years ago might not be appropriate now. Government and LEAs need to be much more nimble about understanding the way in which the environment has changed.

My hon. Friend the Member for Mid-Bedfordshire rightly pointed out that the presumption in favour of mainstream schools in the 2001 Act is leading to a systemic bias towards the mainstream, and working against providing a greater choice of special schools for parents and their children.

Mrs. Villiers: Does my hon. Friend agree that securing SENs that are tailored to the child—they might be in the mainstream or in a special school—is important not only for reasons of social justice but to tackling antisocial behaviour, because, sadly, many SEN children who are failed by the education system end up on our streets causing trouble?

Mr. Hoban: My hon. Friend makes a valid point. A high proportion of people in prison suffer from some form of SEN—such as dyslexia or autism—which limited their progress in school and led to antisocial behaviour.

The hon. Member for Luton, North (Kelvin Hopkins) made a thoughtful speech. I wish in particular to pick up on his point about nature versus nurture in respect of behavioural issues. A disappointingly large proportion of young people in pupil referral units have statements and might be better placed in an EBD school—a school for children with emotional and behavioural difficulties—where they can get support that is tailored to their needs. In looking at behaviour in schools, we need to be careful to understand the root cause and what the correct solutions to the underlying issues might be. We must continue to have a debate about this matter.

My hon. Friend the Member for Northampton, South (Mr. Binley) made a powerful speech, which highlighted one of the issues touched on by all contributors to the debate: the tensions that local education authorities face in providing sufficient resources to meet the needs of children with SEN. I will deal with that shortly.

Stephen Hammond (Wimbledon) (Con): My hon. Friend touches on the point made by my hon. Friend the Member for Northampton, South about resources. Does he recognise what I am seeing across my constituency and what I think is happening in other London boroughs, which is a change in the number of statements given—a restriction on statements? That is perhaps a way of controlling resources. It leads on to what my hon. Friend the Member for North-West Norfolk (Mr. Bellingham) said, which is that a number of people experience the problem that they need to go to a tribunal because of a lack of flexibility in the statement, particularly if they want to keep their children within the inclusiveness of the school, but they need to pull them down a year and the statement does not allow that.

Mr. Hoban: My hon. Friend makes a powerful point. Interestingly, the number of new statements made has fallen since 1997. At a time when many of us have seen an increase in need in our constituencies, perhaps involving children on the autistic spectrum, we have seen a decrease in the number of statements, from 35,650 in 1997 to 26,000 in 2004. We need to understand why there are fewer statements when most people's expectation is that the number should have gone up in that time.

My hon. Friend the Member for North-West Norfolk demonstrated his interest and expertise in this matter. He was right, as was my hon. Friend the Member for Mid-Bedfordshire, to remark on the barriers to taking a local education authority to a tribunal. I am thinking of the cost barriers. There was an account of a parent in Hampshire who spent £2,000 on obtaining reports for a tribunal. That illustrates the adversarial nature of the statementing system, to which I shall return.

I congratulate the hon. Member for Ceredigion (Mark Williams) on making his debut speech from the Front Bench. We agreed with much of what he said and I hope that the consensus in the debate so far will continue when the Minister speaks shortly.

Many see the process of statementing as adversarial. Parents see the LEA as assessor, funder and provider and see the tension and conflict in that relationship. That undermines in their minds the integrity of and trust in the statementing process. That is why I am delighted to say that, this morning, a commission set up by my hon. Friend the Member for Witney (Mr. Cameron) set out suggestions on how the statementing process could be reformed to take the decision about funding and assessment out of the hands of the LEA by setting up a national body to tackle the issue. That would enable parents to have confidence in the outcome of the

[Mr. Hoban]

statementing process, and LEAs would not feel trapped in the tension between in-county and out-of-county placements, to which my hon. Friend the Member for Northampton, South referred.

This morning's publication by the commission is an important contribution to the debate, particularly on statementing, which I think for many parents causes the most problems. They want a statementing process on which they can rely. LEAs would welcome, I hope, a statementing process that takes some of the conflict out of the system, so that they can focus on the principal task of providing for children's needs. Such a process would also increase the choice available to parents, an issue on which we campaigned at the election. We believe that choice is important for children with special educational needs. It is important that there is a choice of a mainstream school or a special school and that parents can find the right support for their children wherever they live and do not face a postcode lottery in respect of provision.

A lot of common sense has been spoken by the participants in this valuable debate. I hope that the Minister recognises that the debate on special educational needs must move on if we are to meet the needs of parents and children, particularly the growing needs in relation to Asperger's and to behaviour, where more support is needed rather than less.

12.20 pm

The Parliamentary Under-Secretary of State for Education and Skills (Maria Eagle): I am glad to be able to contribute to what has been a very good debate. I congratulate the hon. Member for Mid-Bedfordshire (Mrs. Dorries) on securing it and on the way in which she expressed her views. The debate has clearly created a lot of interest among hon. Members on both sides of the House and it has been positive. It behoves us all to try to secure what consensus is available on the way forward on this issue. All those who have contributed to the debate have said that it is not easy. There are never enough resources, no matter how much they increase. Even since the Special Educational Needs and Disability Act 2001, there has been an increase in spending from £2.8 billion to £4.1 billion. We are talking not about declining resources—far from it—but of a recognition in society more generally of the rights of those young and older children who have been ignored and at the poorer end of provision in the past.

We are trying to put right the historical anomalies of lack of support and help over the years. Such matters are neither easy nor cheap. We should do what we can to promote a consensus across parties, when that is available. In that spirit, I welcome the reference by the hon. Member for Fareham (Mr. Hoban) to the commission. I shall read with interest its interim findings and suggestions. It is not and never has been the Government's policy to force children into mainstream schools. I welcome the fact that parties have recognised—

Mrs. Dorries: Will the Minister give way?

Maria Eagle: I will, if the hon. Lady lets me finish my sentence. I welcome the fact that there has been a recognition across parties that inclusion can be good and right for many of our children. It is a matter of where the line is drawn, which has come through in contributions to the debate.

Mrs. Dorries: It is kind of the Minister to give way. I understand the Government's position, but LEAs interpreted the 2001 Act as the Government's intention that all children should be included in mainstream schools. That is the LEAs' interpretation, not necessarily the way in which the Act is written. Perhaps more guidance needs to be given to LEAs.

Maria Eagle: I am rarely asked to provide yet more guidance to LEAs. The hon. Member for Northampton, South (Mr. Binley) might have something to say if I did. There is a code of practice. We also produce substantial elaboration of the Government's policy and set out how it should be implemented at local levels. Things are then left to local authorities. I do not doubt that some interpret provisions differently, but none of them should interpret them to mean that the Government's policy is to include all children in mainstream education. That is nonsensical and not sensible. It is not the Government's policy.

We want choice for parents. As the hon. Lady said, some parents want mainstream education. For many parents, it is absolutely possible and right that their children should be educated in the mainstream, and we support that. It is clear, however, that the population of children with special educational needs is changing. There are increasing numbers of children with profound and complex impairments and learning difficulties. She referred specifically to Asperger's and autistic spectrum disorders. Local provision has to change to meet those changing needs and it is doing so.

Since the School Standards and Framework Act 1998, local authorities—not Ministers—make decisions about school reorganisations and closures. That is right. They have to secure sufficient schools for the children in their area. They must pay particular regard to the need for the provision of special educational needs. They have to listen to parents and consult. If there are proposals to close a special school, they must be published and consulted on widely, as well as discussed with parents. If there were a dispute, the school's adjudicator, who is independent of the Government and of the local authority, would make a decision. That is the right way in which to deal with such issues; it is not for Whitehall to revert to type pre-1998 and decree which schools should open and which schools should close. Good as they are at many things, my officials are not in the best position to do that. In local areas, such matters should be decided on the basis of national policies, but decided by local people. That is the current position.

It is true that special schools have closed over the years, as the population of children with special educational needs has changed. Some 234 closed between 1986 and 1997; 122 have closed since then. Local arrangements have led to fewer special schools closing. I should also make the point that special schools often close because they are moved to new buildings or premises or because there is new mainstream provision with attached units. Such provision might be better for some children; they would be close to a mainstream

school and have experience of both types of schooling. The issue is not just one of special schools closing, bad; special schools opening, good.

However, I accept the point made by my hon. Friend the Member for Luton, North (Kelvin Hopkins) and others: special school provision is vital. My hon. Friend referred to ideology; I have never heard him do that before. It is clear that there is ideology both ways in the disability movement. However, in the Government we do not allow that to sway us too much.

Kelvin Hopkins: The way to find out what happens at local level is to compare what happens in different local authorities. Perhaps different chief education officers have different ideologies and approaches. The Minister might see that in the pattern of references.

Maria Eagle: I see that my hon. Friend really does think that ideology and money drive everything, and perhaps there is a grain of truth in what he says. The point that I need to make is that we do not intend to close special schools. That sometimes happens in school reorganisations, but the law is clear that local authorities must have regard to the needs of special needs pupils and make sure that there is sufficient provision to meet those needs. How that is done will change over time and that is why some of these things occur.

Before I run out of time, I want to respond to one or two of the points made by the hon. Member for Mid-Bedfordshire. She suggested that the schools White Paper and the increasing choice agenda in schools would mean that children with special educational needs in particular would be disadvantaged. She also said that disabled children were being excluded on grounds of disruption or whatever. I do not deny that that happens sometimes; in individual cases, it does. However, under the duties in the Disability Discrimination Act 1995, which were extended to include schools under the Special Educational Needs and Disability Act 2001, it is not—

Mrs. Dorries *rose*—

Maria Eagle: Will the hon. Lady let me finish? Under the 2001 Act, schools are not allowed to discriminate against disabled people by excluding them on the basis of behaviour arising out of their disability. I am not saying that that means it never happens; I am not naive enough to think that a change in the law is never broken. However, if such an exclusion happens, there are routes that families ought to take to get redress. It is not right to discriminate against a child on the basis of their disability; that is illegal.

Mrs. Dorries: For the purposes of clarity, I should say that when I made those comments, I did not mean physically disabled children. My comments were made in the context of zero-tolerance behaviour management in the classroom. The education White Paper clearly states that schools are to take a new route towards discipline in the classroom. Children with special educational needs, such as autistic children or those with Asperger's syndrome, find it difficult to behave in such an environment. That is the context in which I made my remarks.

Maria Eagle: The hon. Lady is making my point for me. No children should be excluded on the basis of behaviour shown as a result of their disability—that would be a breach of the 1995 Act. I know that she is trying to have a dialogue with me. I have told her that I am saying not that such exclusions never happen because the law has changed, but that they are illegal and that redress is available that needs to be taken up by Members of Parliament, parents or whoever until the teaching profession and others in education realise that it is now against the law to exclude in that way, notwithstanding any push on behaviour in classrooms and schools. Such a push would not justify discriminating against children with special educational needs.

Unfortunately, I have nowhere near enough time to deal with all the excellent points made. However, I should like to make it clear that we have had an excellent debate on an issue that we will come back to. I agree very much with Members who said that there are difficulties with the statementing process particularly the tribunals. They are quasi—

Mr. John Cummings (in the Chair): Order. We must now move on to the next debate.

Midspan Project

12.30 pm

Ann McKechin (Glasgow, North) (Lab): I am grateful for the opportunity to speak about the Midspan studies, which are centred in my constituency at the university of Glasgow's division of community based sciences, which has just celebrated 30 years of follow-up studies.

Since the creation of the Scottish Parliament, it is a bit unusual for a Scottish MP to speak here about health issues, but not every aspect of health is devolved. There is significant cross-border interest regulation in the medical professions, terms and pay rates for NHS staff and medical research.

The Midspan studies are as worthy of analysis by politicians in this place as they are in Holyrood, not least in the debates over the next few weeks as the Health Bill passes through its legislative programme. As I will explain today, I have more than a passing constituency interest in those studies.

The Midspan studies based in Renfrew, Paisley and workplaces in the west of Scotland are the largest long-term health studies ever carried out in predominantly working-class areas and they were, importantly, the first such studies to include women. It is amazing to think that major research into cardiac problems and lung cancer routinely did not include women until this study commenced in the 1970s.

The driving force behind the studies was Dr. Victor Hawthorne, who entered medicine immediately after world war two and still takes an active role in the studies in his present position as emeritus Professor at the University of Ann Arbor in Michigan. He arrived in Glasgow in the 1950s and recalls that parts of the city reminded him of the deprivation he observed when serving as an artillery officer in India. His future career was to be marked by his work in tackling the persistent pockets of tuberculosis that remained in Glasgow in the late 1950s and taking part in the TB campaign from 1957 to 1959, which involved a large number of volunteers, one of whom was my mother.

By the late 1950s, the service had identified those populations at high risk and its success in effectively tackling the problem encouraged Professor Hawthorne and his colleagues to extend their gaze to a wider range of chronic diseases and examine a whole population. Based on a small study on the island of Tiree in the Western Isles, and in collaboration with the team behind the famous Whitehall study, Professor Hawthorne's team developed the methodology that would subsequently be used in Midspan, particularly the use of community involvement. Community involvement was key to the success of the studies and the team chose an ideal location in the towns of Paisley and Renfrew, which are a short distance from the university. I am pleased that my hon. Friend the Member for Paisley and Renfrewshire, North (Jim Sheridan) is here today.

A total of 23,000 local people have been involved over the history of the studies, which is a wonderful example of civic public spirit and community involvement in an age when it is often assumed to be dead and buried. Both those towns and the Midspan team deserve credit for their efforts. Paisley, my home town, is Scotland's fifth largest centre of population, but it is often said with justification that it is also Scotland's largest village. That is one reason why it was not difficult to get everyone in the town talking about this study. As a young child, I remember the launch of the Midspan project as a huge event in the town, where local people from all backgrounds—but particularly from the working-class areas—were keen to volunteer for a study that they believed would hold real benefit for future generations. The council, the local newspaper, community groups, Churches, as well as local doctors, were all engaged in promoting the scheme.

My parents, who fell within the 45–64 age bracket being examined, were among the 15,400 men and women who participated at that time. They had their height, weight, respiratory function, blood pressure and cholesterol measured, had an ECT, chest x-ray and tuberculin tine test, and answered questions on smoking habits, social background and medical history.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): I congratulate my hon. Friend on securing this worthwhile debate. Currently, I am the Member of Parliament for Paisley and Renfrewshire, North, but at the time of the survey I was at primary school.

On Saturday, I had the pleasure of visiting the Midspan reunion and it was heart-warming to watch the people who took part in the study some 30 years ago meeting again. I pay tribute to the people of Paisley and Renfrewshire, North for doing that, particularly my hon. Friend's family, who are well respected in Paisley.

Can I ask how the survey identified the dangers of passive smoking?

Ann McKechin: I thank my hon. Friend, and I will come to the issue of passive smoking later.

Of the original participants, more than 8,000 were women, and there were more than 4,000 married couples involved, making the study unique in providing a general UK population sample of women, and long-term follow up. Although coronary heart disease killed a quarter of the women in the study, women tended not to feature when people talked about their understanding of the disease.

All the participants were invited for a further visit between 1977 and 1979, in which the same round of tests was used. More than 50 per cent. of the original participants took part—again, a significant tribute to the dedication of the local community. Computer linkage was established for data on Scottish hospital discharge and cancer incidence, and follow-up on mortality figures was established with the General Register Office for Scotland.

In recent years, some survivors involved in the original survey have been recontacted and asked to take part in studies on healthy ageing and cognitive functioning. We have become much more aware, as medical science has developed, of the generational links to health problems. The Midspan studies had the good sense to include women and, in particular, couples, and that allowed the Midspan team to enlarge its work by looking at the health of the children of the original participants. In 1996, the team, now led by Professor Graham Watt, conducted a similar round of tests involving 1,040 sons and 1,298 daughters aged between

30 and 59 from 1,477 families. I can disclose that I was one of those later participants. Although trying to get blood from me is a real struggle, and although—like most—I am not too keen on the idea of testing, I knew that many could benefit from the study.

I am impressed that, over such a long time, the Midspan team has been able to achieve such a high response rate. That, in turn, means that their findings are reasonably representative of populations living and working in areas characterised by high rates of socio-economic deprivation and early mortality. For many years, our policy makers lived under the delusion that there was no clear link between ill health and poverty; in fact, I remember well that the Tory Administration refused point blank to admit the correlation and the consequent need to prioritise health spending accordingly. The study conclusively proves that link and it continues to assist us in our understanding of how to tackle the most entrenched health problems affecting our society.

Of the 150-plus research papers in a wide variety of journals that directly use the data, the majority have been produced in the last seven years. I shall give just one example of how the Midspan data show up the failings of standard risk assessment criteria still in use. Research by Dr. Peter Brindle, working with the Wellcome foundation at Bristol university, published just this month in the *British Journal of General Practice*, shows that people from deprived areas are less likely to receive medical treatment to prevent heart disease. That is because the method used to assess an individual's risk of getting heart disease underestimates the true level of coronary heart disease risk associated with elevated risk factor levels in some social groups.

The recommended way of preventing heart disease involves using the Framingham risk score to identify high-risk patients, but the relevance of the score to the British population is uncertain. That is partly because the US data on which it is based are more than 20 years old, and partly because the original study did not include areas with high socio-economic deprivation. The original Midspan survey involved 12,304 men and women who were free from cardiovascular disease at the time of testing. During the next 10 years, 696 died from cardiovascular disease; the Framingham score predicted only 406 deaths.

Although cardiovascular disease mortality was underestimated across the study population as a whole, for people in manual occupations the risk was underestimated by a significant 48 per cent., compared to by 31 per cent. for people in non-manual work. The same effect was observed when people living in affluent areas were compared to those in deprived areas. Crucially, the Midspan data show that in addition to scoring systems based on cholesterol, blood pressure and smoking, there is another measurement that predicts how long people will live, namely, how hard they can blow—that is, their lung function. That last test was shown by Midspan to be the strongest predictor of long life.

In the light of the report, can my hon. Friend confirm whether her Department will consider adjusting national agreed clinical guidelines to take account of those higher risks? If that is done, what additional resources will be provided to general practices to treat, monitor and review the additional patients to ensure that they receive the benefit of life-saving treatments?

My hon. Friend the Member for Paisley and Renfrewshire, North mentioned smoking. The Midspan results show that lung function was decreased by smoking, air pollution and poor childhood circumstances. I am sure that, in the light of current debate, the Minister will be interested to know that Midspan was one of the first studies to demonstrate the harmful effects of passive smoking by examining the health of non-smokers living with a smoker. Passive smoking cast a long shadow, not only in terms of increased coughing, chest pain, lung cancer and heart disease deaths in non-smokers, but through reduced lung function of the non-smoking offspring of parents who smoked, which is a prediction of reduced lifespan spreading down generations. Perhaps in her response my hon. Friend. can give some indication of how her Department intends to tackle the problem of the home environment in relation to passive smoking, which is likely to be the main indoor location for smokers after changes in legislation, both here and in Scotland. In particular, what efforts can her Department make to highlight the effect on children's health of passive smoking in the home?

As for generational changes in health, the good news is that the Midspan offspring had greater social mobility, smoked less and were taller, which is another predictor of longer life. The bad news is they had twice the rate of asthma and obesity, with the horrific statistic that obesity affected one in five adult sons and daughters.

I am delighted to highlight the excellent work of the Midspan study at Glasgow university and thank Professor Watt for his assistance in providing me with information about the research results. However, the history that I have outlined shows the importance of funding long-term research to ensure that our health priorities are based on reliable, relevant and up-to-date statistics. The data take time to bear fruit; most of the information coming out of this particular study has been of use only in recent years. Sustained investment and engagement with our communities is required.

I urge the Government to commit themselves to tackle the deep-seated causes of socio-economic deprivation by continuing to fund such work and ensuring that its conclusions are put into action in as we deliver a health service fit for the 21st century.

12.43 pm

The Parliamentary Under-Secretary of State for Health (Caroline Flint): I congratulate my hon. Friend the Member for Glasgow, North (Ann McKechin) on securing this debate. I welcome the presence of my hon. Friend the Member for Paisley and Renfrewshire, North (Jim Sheridan), and thank him for his contribution.

I thank the Midspan project for the work that it has done over a considerable length of time, but I also give thanks—as my hon. Friend the Member for Paisley and Renfrewshire, North (Jim Sheridan) mentioned—to the people who took part in that project. I imagine that it would be daunting to be part of such an experiment,

[Caroline Flint]

particularly when one is asked to come back for monitoring at various periods of one's life. It must be especially daunting for mums and dads to be asked whether their children will form part of the project. That is a sensitive and difficult area, and the stark reality of the link between poverty and ill-health is hard for families to cope with—knowing that one is in poverty and finding out that that links to the health of oneself and one's family. I am sure that my hon. Friends and you, Mr. Cummings, agree, that a Labour Government understand this issue more than any other. The driving force of all the pioneers of the 19th century who tackled issues of public health and working conditions led to the formation of the Labour party.

Jim Sheridan: On the question of working conditions, my hon. Friend will be aware that, in many working-class communities, the participants in Midspan were involved in using products such as asbestos. Even today, they and their families are suffering the consequences. On that basis—and on behalf of my right hon. Friend the Member for Paisley and Renfrewshire, South (Mr. Alexander)—I invite the Minister to meet some of the participants in the Midspan project so that she can see for herself what has been happening.

Caroline Flint: I am interested in that because there are some lessons to be learned across the United Kingdom from the work that is being carried out. I hope that my hon. Friends, the people who took part in the project and the people running it are reassured that the Government are keen to tackle health inequalities. My constituency, Don Valley, is a former coal-mining constituency. I see all the people who come forward with their coal-mining health claims for vibration white finger and respiratory disease. There is no doubt about it—the consequences are generational. The consequences of unemployment are also a problem for health. However, we are learning more and more about those links. In addition to the Midspan project, we have what we learned from the Black report in 1981 and the Acheson inquiry in 1998, which we set up to look at the links involved in health inequalities. That has shaped our thinking in England and in Scotland, as well.

As my hon. Friend the Member for Glasgow, North indicated in her speech, there was a time, not long ago, when we could not even discuss the idea of health inequalities in public. The approved phrase was "variations in health". I am glad to say that since 1997 we have been able to face up to the realities of health inequalities across the United Kingdom—partly because of the research evidence generated by this and other projects.

As my hon. Friends have said, the Midspan project has had an interest in systematic, long-term studies, including of the health of middle-aged people in deprived areas. Alongside other work, it has highlighted the necessity for policy to be underpinned by sound evidence. I am afraid that that is even more necessary in Scotland than in England. The health consequences of deprivation are stark in terms of the impact on life and lifestyle, and on life expectancy. The latest figures show that average life expectancy at birth is almost three years longer for men in England than in Scotland and almost two years longer for women in England than in Scotland. Eight out of 10 areas in the UK with the shortest male life expectancy are in Scotland.

We need to share the research and learn about the key issues across the UK and elsewhere that provide important lessons for us when it comes to delivering policy. In identifying the policy, we need to think about what sort of practical delivery should be happening on the ground. A lot of work has been done in Glasgow, for example. Record levels of resources have been put into the Greater Glasgow NHS board. We are talking about more than £1 billion this year. The Glasgow Centre for Population Health has been established. It will help to consider action to improve health and to tackle health inequalities in Glasgow and the rest of Scotland. As in England, the information and the studies are being used to try to provide practical, long-term solutions to improve the situation.

We have tried to reflect that work in the health inequalities themes of our EU presidency. All the home countries have worked together to promote the issue, most notably at the presidency summit last month. We hope that we will continue to inform ourselves on good practice and on the work that is being done across the UK and the European Union, and we will share that information so that we can have a discussion that lasts beyond our presidency.

In England, we have been trying to develop a cross-Government approach to improving health and tackling health inequalities. We hope that a national health inequalities target for 2010 on life expectancy and infant mortality has helped us to galvanise action in that area. A national health inequalities strategy, the programme for action, has engaged partners on the health inequalities agenda across Government and elsewhere. Scotland has the prevention 2010 initiative, in which the issues will be considered in a more serious and concerted way.

There are three key lessons to be derived from the work. There is the need to lay bare the evidence. That is the first step in challenging the assumptions that exist in many communities about ill health and chronic disease and about their being the norm for people in early middle age. There is also a need to revise expectations about what constitutes a healthy life. I hope that that will encourage changes in the way in which health and other services are delivered and used. In England in particular, we are considering the link between health services and local government in tackling health inequalities.

Jim Sheridan: Does my hon. Friend agree that it would be wrong for anyone to underestimate the role that the Labour Government have played in the past by protecting people's health and safety in their workplaces? We have to remember the role played by the Health and Safety Executive, particularly in the Midspan project, in helping people to understand the dangers of working life.

Caroline Flint: I agree with my hon. Friend. I am thankful for the past eight years that we have had in government. When we look back over the past 100 years, it is undoubtedly the case—I know I am partisan in saying this—that Labour Governments have been the

most progressive and thought-provoking in the legislation they have introduced concerning education and health and safety in the workplace. We should be very proud of that.

As times change, we have to adjust to the changes in people's lifestyles and the way in which they work and live. As the Minister with responsibility for public health, I am concerned with the issue of diet. In some respects, our diet in the 1940s was better than the diets today of some in our poorest communities.

Ann McKechin: I am sure that my hon. Friend will welcome the initiative of Glasgow city council—unfortunately it has the worst health statistics in Scotland—to give free fruit to primary school children and set up breakfast clubs in primary schools in an effort to tackle diet and its links with ill health in children. Poor diet is also a major cause of ill health in later adult life.

Caroline Flint: I certainly do welcome that initiative. In parallel, there is a scheme in England that supplies fruit and vegetables to children in schools. I am pleased to say that just this week in Devon and Cornwall we have launched a reform of the welfare food scheme, which will for the first time give parents from lower-income families vouchers to exchange not just for milk or infant formula but for fruit and vegetables. Importantly, in order to be part of the scheme many families will have to discuss nutrition and food with their health visitor or midwife. We are taking the earliest opportunity to address the health of pregnant mothers and their children, which leads to the work we are doing in schools with free fruit and vegetables, breakfast clubs, after-school clubs and that important meal in the middle of the day. We have an opportunity to get that right in the next few years, I hope.

We have recognised that we can target intervention on some of our poorest communities. In England, we have the spearhead group of 70 local authority areas with the worst health and deprivation indicators. They are leading our work in this sphere by testing out different ways in which we can reach communities. Earlier, the identification by GPs of patients' health problems was referred to. We are looking at better ways of reaching those who are not coming forward to GPs in communities, as well as considering the way in which people are treated when they visit GPs and the sort of things GPs should be looking out for. A point was made about clinical guidelines, and England has separate ones from Scotland, but I shall write to my hon. Friend the Member for Glasgow, North on that issue from an English perspective.

In the spearhead areas, we are focusing on deprived and vulnerable groups and examining the health needs of the over-50s in particular. That group is crucial if we in England—it is probably the same in Scotland—are to meet our 2010 target because of the differences in the health and life expectancy of men and women of this age in spearhead areas and in the rest of the country. I am pleased to say that we have seen some startlingly good work in some spearhead areas that has already had an impact. Services and how they are received have been considered and they are getting better in providing a health service that is fit for purpose.

We shall need extra effort in the spearhead areas, such as the new health training scheme announced in the "Choosing Health" White Paper, to support local people by improving health and preventing diseases such as cancer and coronary heart disease, and by providing support for the management of people's health when they have had treatment in one of those areas. That is an important part of the process as well. Identifying the post-treatment support that will enable people to take advantage of diet and exercise, which will make treatment sustainable and allow it to work for longer, is also an element of the process. There is the matter of prevention, but people can change their lives even if they have had a heart attack or cancer.

My hon. Friend referred to clinical guidelines. We try to consider the best available evidence of clinical effectiveness and cost-effectiveness. I have heard what she has said, and I shall make some inquiries. In Scotland, clinical advice is provided by NHS Quality Improvement Scotland.

We have announced extra support for primary care for many of the spearhead areas. In relation to obesity, we are discussing guidance and support for GP practices and health professionals to engage with people about what can be a sensitive issue. We are also getting better data about obesity levels among children in schools. We are working through that, and there will be more information on it in the months ahead. In Scotland as well, schools and weight management in schools are being considered.

Ann McKechin: May I add to that equation the issue of alcohol, which is also included in the Midspan data? The relative cost of alcohol has made it much more available throughout our society, but it has had a detrimental effect on health. I am sure that that is the same in England.

Caroline Flint: Returning to our founding fathers, one of Kier Hardie's five ambitions was to ban the sale of alcohol. I think that we covered four of his ambitions, but not quite that one. However, my hon. Friend makes an important point. Children learn from parents. Alcohol is one aspect; smoking is another. From some of our evidence, we know that the likelihood of children smoking is greatly increased if their parents smoke. With alcohol, we need to send out messages that explain how it contributes to one's long-term health.

I have watched a couple of episodes of a programme called "Honey We're Killing the Kids", which gets in a couple of parents and, using computer technology, analyses their children's health profile to show the parents—not the children—what their children could look like aged 40, if eating, exercise and learning issues are not tackled. The programme is quite thought-provoking for parents. I am pleased to say that it gives some simple steps that any parent can take to improve things. We preach, but too often we set goals that are difficult for families to deal with in one go. They need some simple steps to take.

We are concerned about smoking throughout the UK. Smoking is the biggest cause of avoidable death, and we have run adverts—the campaign about children has been particularly effective—about smoking in the home and in the car. I am afraid to say that even if

[Caroline Flint]

people pull down the window in the car, they are not thinking about what is happening to baby in the car seat in the back. We are trying to do some more work on that. In England, we are launching a major quitting education campaign to extend the work of smoking cessation services, particularly in deprived areas.

I saw an article describing how some young mothers felt that if they smoked, their baby would have a low birth weight and the birth would be less painful. We must find out how people think about such matters and what they are prepared to do. We can do that only if people are responding to the health service. We must investigate the reasons why some people act on health advice and others do not. That needs some radical thinking.

I am pleased that we have had the opportunity to discuss the matter. There is more work to be done. I have no doubt that smoking proposals throughout the United Kingdom will have an impact during the next few years. Importantly, within our deprived communities, services must be fit for purpose, meet needs and not only provide information about what constitutes better health; if we are to make real inroads, we must go beyond that. We shall make more advances in the 21st century only if we base our work on the major advances that we made in the 20th century.

Civil Service (Northern Ireland)

1 pm

Mark Durkan (Foyle) (SDLP): Civil service employment and procurement is probably not normally the most riveting of subjects; however, in Northern Ireland when there was devolution, probably the most frequent question that I faced as Minister for Finance and Personnel throughout constituencies, and across parties in the Assembly, was about how the Northern Ireland civil service would make moves to decentralisation. People across all parties recognised that there was a gross over-concentration of civil service employment in the greater Belfast area. In that context the Executive established an accommodation strategy review, which was aimed not just at getting a one-off round of decentralisation offers from Departments, although we asked for that, but at creating a permanent policy framework that would take long-term account of the changing strategic accommodation needs of the civil service and would build in a clear preference and possibility for decentralisation into that policy. That was the shared policy goal of the Executive and the Assembly.

Well over three quarters of civil service jobs in Northern Ireland are concentrated in Greater Belfast. Most of the jobs in other locations are there only because there is a need for local offices in those areas. The only attempt at decentralisation during the periods of direct rule—there were none during the life of the old Stormont regime—was in the early 1990s when a few hundred jobs were transferred or decentralised to Derry. That was sponsored by Richard Needham who was then a Northern Ireland Office Minister. It was meant to be the first wave of an ongoing policy of decentralisation, but basically the civil service shut up shop thereafter.

It is not just in terms of civil service employment that we face a picture of geographic inequality in Northern Ireland. It comes through in practically every sector of employment. Recently the Equality Commission produced "Fair Employment: A Generation On". Chapter 6 of that report contains several maps which show the distribution of economic inactivity across different districts in Northern Ireland, in terms of sickness, of jobs within a 5 km radius and a 15 km radius and the changes in job numbers. It shows the distribution of new employment as well as the distribution of employment and long-term unemployment. Map after map shows in a very graphic way a picture of inequality and disparity.

If we are to be true to the Government policy of trying to achieve balanced regional development in Northern Ireland and equality in Northern Ireland, those maps set out the depth and strength of the challenge. Anyone who claims that a strategy to deal with inequality and unacceptable disparities in Northern Ireland can be location blind cannot be serious about tackling and reversing the picture of inequality as it stands, where it happens and where it hurts.

It is for that reason that the statutory equality commitment is placed on all Departments under section 75 of the Northern Ireland Act 1998 as a result of the Good Friday agreement. It is for that reason that we have policies of targeting social need. The Government are meant to be committed to ensuring that in everything they do, in all that they spend and all that

they set out to do, they think about equality and achieving equality outcomes. This is about thinking about social need, targeting social need and reducing social need where it bears down hardest on people. That is what those policies are meant to add up to. They are not just token declarations. The test of those policies comes when particular decisions are made in relation to public expenditure, public procurement and civil service employment.

I referred to some of my experiences as Minister of Finance and Personnel in Northern Ireland in the power-sharing Assembly under the Good Friday agreement. As well as setting up the office accommodation strategy review, the Executive agreed at my behest to set up a public procurement policy review. Among the issues that we tried to test and establish in the review was how far wider public policy factors could be considered in the context of the procurement process, and what latitude there was in standard Government guidelines and EU law to give some weight and consideration to policy commitments such as targeting areas of social need, targeting the long-term unemployed, and in respect of the environment and equality.

The advice that I as a Minister received from the civil service was that such matters could have no part in public procurement consideration. But the independent experts that we appointed to the review established that the civil service advice was nonsense, and that it was consistent with EU legislation to give due weight and consideration to such factors, provided that the outcome was not anti-competitive and that the way in which the issues were addressed did not of itself prevent firms or areas from making offers or being able to compete fairly. We established in that review that intelligent consideration could be given to wider Government policy commitments, and that we needed to be able to do that if Government policy commitments were, in fact, to mean anything.

However, I have since learned from various direct rule Ministers that they were never briefed on the review. The current Minister with responsibility for finance and personnel did not know what I was talking about when I asked him about it only a couple of weeks ago. He said that such matters are not for Ministers. If a public procurement review established by a power-sharing Executive is not a matter for Ministers, I do not know what is.

I want to come on to a particular procurement project, but first I note that this team of Ministers recently made announcements about an exercise called Workplace 2010. I know that some other parties, and certainly some other party leaders, have expressed misgivings about selling various Government properties and leasing them back, which is the Government's intention so far. Those properties accommodate the bulk of the civil service. My point to the Government and the current Minister with responsibility for finance and personnel is that those buildings should not be sold on the basis of leaseback. Instead, the Government should tell the market that they will sell them on the basis of leasing accommodation elsewhere if the people who come in with bids for them can either directly provide accommodation elsewhere or can broker provision through somebody else.

Such an initiative would open up potential for decentralisation. Areas in and around Belfast would benefit if buildings that are locked up with civil service occupants were occupied instead by people who could bring other multipliers to the premises, and other areas would be able to compete. The property market across Northern Ireland would be stimulated and challenged to come up with offers to accommodate civil service jobs. Only something like that will open up the real potential of decentralisation.

When I discuss decentralisation in that context, clearly I am talking not just about my own constituency but about the whole of the north. Decentralisation does not have to be at Belfast's expense. The alternative uses that those buildings could be put to would, obviously, bring benefits to Belfast as well.

The procurement project that I wanted to touch on is the Government electronic human resources contract for the Northern Ireland civil service. That project has been running for a long time. Indeed, it was meant to be at best and final offer stage in the second half of 2004, but it did not get there until summer this year. There have been various delays in and around the process.

Recent interest in the matter followed publication of a peculiar statement from the Department of Finance and Personnel on 19 October, which indicated not that it had appointed a preferred bidder from the two remaining bidders but that it would talk to one bidder, Fujitsu Services Ltd., on the basis that it hoped to bring it forward as the preferred bidder, leaving aside the other bidder, Accenture. There has been a lot of public interest since then and a lot of misinformation, some private and some public.

The Fujitsu Services bid included itself, PricewaterhouseCoopers and Capita. The procurement process, which has a history, had a pre-qualification stage back in September 2003. The companies that came through that were Logica with PricewaterhouseCoopers, Accenture with BT and Oracle, and Fujitsu with Capita and Baxter Neumann. Logica withdrew and before that PricewaterhouseCoopers had to withdraw from the Logica bid because Government sources suggested that it was inappropriate for PwC, as Logica's auditor, to be in the bid with Logica. After pre-qualification if pre-qualification means anything, surely it means that recognition is given to companies as they are at the time PwC asked to join Accenture's bid. Accenture sounded out the Government on whether that would be appropriate and was advised by a Government official that it would be problematic for a number of reasons. PwC is now part of Fujitsu's bid and Baxter Neumann has left the bid. It creates a strange impression of exactly what pre-qualification was all about if bidders could chop and change, rejig and hop between beds. Were the new consortiums subject to any re-qualification criteria?

That is not the only question arising from PwC's role. I am not hostile to PwC and recognise the quality of its work for many good firms and Departments and the good public money that it receives for that work. However, PwC has been advising a number of Departments on their e-business strategies and that work continued during the procurement process. Its advice to seven Departments has included reference to their e-HR requirements. PwC is an adviser to Departments on e-business requirements and e-HR at the same time that it is bidding for an e-HR contract. We

[Mark Durkan]

are told that we can rely on Chinese walls. I have never believed in Chinese walls. It is not enough when dealing with a major public procurement contract—a pathfinder, the like of which has not been done before in Northern Ireland or elsewhere—to rely on the flimsy assurance of Chinese walls. It can be seen in documents that PwC has been involved in helping to anticipate budgets for e-HR for the civil service.

The assurances that we are being given now—that any advice provided by PwC to the Department of Finance and Personnel was provided before the contract came up—do not stand up. We are told that it could be coincidence that PwC won all the contracts with Departments, but many of the civil servants with whom it is dealing on the e-business strategy contracts are also on the project board for the e-HR contract. It is working directly with and has the confidence of the civil servants in those Departments who are sitting on the project board.

I cannot accept that there are no prima facie issues of conflict of interest. When I was a Minister in Northern Ireland the ministerial code was clear about conflict of interest and that action should be taken not just when there was a conflict of interest but when there might be a perception of a conflict of interest. The civil service has not acted in that way in this regard.

Some people in the recent controversy surrounding these issues have suggested that my interest in the matter is as MP for Foyle, representing the city of Derry, and that Accenture, the company that has not been currently negotiating with an eye to going into preferred bidder status, had indicated that it would locate the jobs in Derry. Fujitsu indicated that it would locate in Belfast. The Government said that the process had to happen in a location-blind way. If so, why do the best and final offer requirements include that people have to say where the jobs are to be located? If it is location-blind, why do firms have to provide security assessments and guarantees in respect of their sites and locations? That was taking place back in June.

There is a Derry interest in the matter, and not just because Accenture was proposing to take the contract, if it wins it, to Derry. As I indicated earlier, Derry benefited from a small decentralisation effort in the early 1990s, which included the recruitment service of the Department of Finance and Personnel. That service will, in effect, disappear, with the out-sourcing that will result from e-HR, so Derry will lose those jobs. Other out-sourcing initiatives and other changes—some are being pursued by Government as a result of a review of public administration—will also threaten the other jobs that were decentralised to Derry in the early 1990s. That was recognised, yet the Department of Finance and Personnel claims now that there are no issues about location. In its equality impact assesament document—the consultation document; it never produced a final document—the Department said:

"There could be particular consequences for non-mobile staff and the recruitment branch located in Londonderry where there is a high percentage of Roman Catholics, women and young people."

It goes on to say what the impacts might be on other groups:

"As a result of the analysis of data and research and assessment of impacts, we have identified a concern about the impact of the policy"—

the human resources out-sourcing policy—

"on employees in the recruitment branch in Londonderry. The issue of additional public sector jobs for Northern Ireland is the focus of work currently being undertaken by the Department of Enterprise, Trade and Investment and Invest Northern Ireland following publication of the Lyons review, which recommended the dispersal of public sector jobs from the south-east of England. Londonderry is considered to be the principal location for this type of investment and this would be an extremely beneficial element of any redeployment plan."

There we have, in that consultation document, the Government telling us, "Be assured, we recognise the potential impact this has on Derry. Be assured, Government, in the context of the potential jobs that could come from England in the Lyons review, are particularly trying to favour Derry." However, we are being told, in relation to Northern Ireland civil service procurement, that there can be absolutely no indication of a preference or allowances made for any particular locations. As I said, we never got a final analysis of that equality impact assessment. However, what we got recently in a letter to Derry city council from the Permanent Secretary of the Department of Finance and Personnel, in response to questions about why there has been no outcome to the equality impact assessment and why the contract is now proceeding apace and is about to be allocated, was:

"We acknowledge that the public has the right to know the outcome of the equality impact assessment and there is a general public interest in the openness and transparency of the operation of Government. However, there is no final EQIA in existence. In carrying out the public interest test, the Department took into account that it intends to publish the EQIA and expects to be able to do within the next three months."

And this is a contract that is about to be offered, possibly tomorrow. It goes on:

"The draft EQIA remains a working document and to release it now would inhibit the development of the draft and the orderly administration of the process."

That is an insult in terms of the public confidence issues involved, which involve civil servants taking decisions on the project work and their relationship with some of the companies that are bidding. I am not going to go into the issues that have already been brought to the Department's attention, such as the fact that people in PwC were able to quote the price difference and all sorts of other figures that they should not be in possession of.

A senior figure at PwC said that Fujitsu was not committed to putting the jobs in Belfast and that it would talk to me about putting them in Derry. He said that he would get back to me. I have never received such a telephone call. It was clear to me, however, that the idea of Chinese walls inside PwC is not robust, when one of its senior figures was making approaches to me about something in which he was not supposed to be involved.

This major contract has not been subject to an independent peer review. A Gateway review has been conducted at several stages, but I do not regard that as having the status of an independent peer review. A Gateway review is due in December. I have asked the Minister of Finance and Personnel to change the Gateway review into an independent peer review of the

entire process. There is a smell and that smell should not only affect people who are on the end of the cold wind that is blowing into the north-west.

None of us, no matter where we are located in Northern Ireland, want major procurement exercises conducted in a shambolic way, with equality impact assessments hidden where people do not accept scrutiny. Yes, it can all be put down to the coincidences of a small society, but since the controversy started on 19 October, another coincidence is that a series of documents that were available on websites have now disappeared. The Department of Education's e-business strategy has disappeared from the website. Department of Enterprise, Trade and Investment documents have been altered. Parts of the Department of Finance and Personnel's equality impact assessment, from which I quoted, have been removed from its website. The Northern Ireland civil service information system strategy appendices have been dropped. That all may be a coincidence, but such matters only corroborate the many suspicions that people have something to hide. Ministers should challenge such matters and not hide behind the assumption that the civil service can be trusted and relied on for everything that it does.

1.22 pm

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. Shaun Woodward): I congratulate the hon. Member for Foyle (Mark Durkan) on securing the debate. In the barely more than six minutes that remains to me in the debate, I shall cover as many points as it is realistic to cover. Having taken the bulk of time available to us, I am sure that the hon. Gentleman will understand that it will be impossible for me to deal with every one of the issues that he raised. He will therefore have to accept the fact that I shall write to him about such matters.

The new Northern Ireland policy on procurement was announced at the Northern Ireland Assembly in May 2002. Its primary objective is to achieve best value for money over the lifetime of a contract. It means securing a procurement that meets the user's needs and achieves a balance between quality and costs throughout the life of the asset. However, as the hon. Gentleman knows, that must comply with the United Kingdom's European Union and international obligations. However, the procurement process must not discriminate directly or indirectly against tenderers from other member states.

In that context, European law obliges the Government to recognise beneficiaries only in general terms, such as unemployed people, trainees or young people. The objectives in respect of location can be linked only to the product, service or subject matter of the contract. There is scope to take wider policy objectives into account when defining the requirements of a contract, but the requirement must be relevant to the subject matter of the contract. It must be non-discriminatory to tenderers from other member states, and transparent and consistent with the rules governing each stage of the procurement process.

The hon. Gentleman referred to the need for fair play. He is right, but to ensure fair play demands regulations. While I have complete understanding of the case that he makes, he must understand that it is also an obligation on the Government to ensure that fair play meets the regulations that are laid down to ensure that it can take place. As for the specific issue of the particular project of the e-HR procurement process involving Fujitsu and Accenture, I shall deal with one or two of the points he made. However, as I said, he has left me little time to cover them in detail. I hope that he will understand why I shall have to write to him to answer all his questions.

The contract procurement process has some history. It dates not from September 2003, but January 2003 when the requisite notice was first published in the *Official Journal* of the European Union. Let me remind the hon. Gentleman that such criteria can be lawfully included only if they are linked to the subject matter of the contract, do not confer an unrestricted freedom of choice on the authority, are expressly mentioned in the tender documentation or the tender notice, and comply with all the fundamental principles of community law, in particular the principle of non-discrimination. Location was a matter solely for the bidders in determining the most economically advantageous solution.

Best and final offer responses from the two bidders, Accenture (UK) Ltd. and Fujitsu Services Ltd., were evaluated using objective qualitative and quantitative criteria, which were made known to the bidders. On 19 October, it was announced that the evaluation was complete, and as a result the DFP intended to enter into further discussions with Fujitsu Services Ltd. with a view to it being selected as preferred bidder.I should like to emphasise to the hon. Gentleman that the procurement process has been extremely robust and has followed best practice as recommended by the Office of Government Commerce and the DFP, including gateway reviews.

On the role of PricewaterhouseCoopers, which has been mentioned in this debate and elsewhere in the media, I should like to state clearly that PwC has not provided any consultancy or other role in respect of the e-HR programme since its initiation. I am assured that the question of a conflict of interest does not arise.

On the issue of equality, I can confirm that an equality impact assessment has been carried out on the policy of e-HR which relates to the provision of human resource services for the Northern Ireland civil service and the Northern Ireland Office. An equality impact assessment consultation document was circulated for consultation in 2004, and the process of finalising the report continues. The DFP is satisfied that it has fully discharged its legal obligations in relation to the Northern Ireland Act 1998 and its statutory equality scheme.

Finally, I can confirm that the discussions with Fujitsu Services Ltd. are continuing and at this stage no preferred bidder has been selected and the contract has not yet been awarded. The hon. Gentleman will appreciate, therefore, that any procurement process in Northern Ireland must adhere to, and be consistent with, European law.

Taking all those factors together—I remind the hon. Gentleman that we have considered them carefully—while it may disappoint him, the Department is entirely satisfied that the procurement process for this significant project was robust and adhered to EU requirements.

On the wider question of the location of civil service jobs that was raised, Ministers are fully committed to considering the dispersal of civil service jobs where

[Mr. Shaun Woodward]

opportunities arise and where value for money can be demonstrated. Current dispersal policy is that it should be linked to accommodation planning, but that it should also have regard to other policy imperatives, such as the new targeting of social needs and the regional development strategy.

I appreciate the concerns that the hon. Gentleman raises about the relocation of jobs. While some 65 per cent. of NICS staff in the 11 Departments—nearly 18,000 civil servants—are located in the Greater Belfast and North Down area, nearly 35 per cent., or about 10,500 staff, are located elsewhere in the Province.

The outcome of the review of public administration, to which the hon. Gentleman referred and which was announced by the Secretary of State last week, will clearly have an impact on the wider distribution of public sector jobs. I expect significantly more jobs to move out across the Province as a result of the changes, not least within the new health and education authorities.

In conclusion, we take the hon. Gentleman's concerns and demands seriously. We are concerned about any question of whether or not a robust procedure applied throughout this, in particular the specific issue that he raised. I would simply say that the Department is satisfied that we have met our obligations. We take them and the issue of equality extremely seriously and we are determined that, where possible, more jobs will move out from Belfast across the Province, ensuring greater equality and addressing the issues of inequality in employment.

Cash Machines

1.30 pm

John Robertson (Glasgow, North-West) (Lab): May I say what a pleasure it is to have you in the Chair today, Mr. Cummings? I am delighted that my hon. Friend the Economic Secretary to the Treasury is replying to this debate. He was good enough to attend the meeting that I organised on this subject a few weeks ago. I know that he will use a constructive approach, listen to the concerns felt by me and many other hon. Members, and furnish me with the answers that I seek.

I would like to begin by telling a couple of stories that illustrate why I became involved in this issue. I will then fill in the background on the work done in the fight for free cash machines, and finish by saying what I want to happen, and by putting a series of questions to the Minister.

A constituent in Yoker in my constituency came to see me, and told me what had happened to him. He received a benefit payment of £41, and later he went to his nearest ATM in Dumbarton road to take out some money. That ATM is just round the corner from his flat, so he did not have to travel far. He put in his card, but although he had £41 in his account he could not withdraw the £40 that he had requested because the machine said that he had insufficient funds. At that point, he took more notice of what the cash machine was saying, and he discovered that there was a charge of £1.75. That meant that he would be 75p short of £40. In the end, he was allowed to withdraw only £30, because it was necessary to withdraw sums in multiples of £10. My constituent was rightly upset at being allowed to take out less than 75 per cent. of his money, but he was more upset that the cash machine that was nearest to where he lived was no longer a free machine; without public notice, it had become a fee-paying machine.

My second story is about a corner shop in the Knightswood area of my constituency. The shop used to provide a free cash service to its customers, many of whom are elderly as there is a large elderly population in the area. The shop did that as a service to its customers, but it also did well out of that, because when people came in to get some money they bought goods at the shop. Therefore, the shopkeeper was in a win-win situation, until an ATM man visited him and explained that if he installed one of his machines he could charge £1.75 every time that somebody took out money. The shopkeeper installed a machine, and thus the service that he gave to his local customers was no longer free; they now had to pay £1.75 for the honour of buying goods in his shop. Fortunately, another shop has opened nearby which does not have a charging cash machine, and I have noticed that it has been used a lot more than the other shop. Needless to say, the owner of that shop was persuaded by the ATM company to agree to the deal on the grounds that he would make money, and that the sums received for the use of the machine would be his.

That was the point at which I decided that I had to do something about this matter. I tabled some early-day motions, and I want to read them out, as they tell part of my story. My first early-day motion was number 451 of 10 January. It was

"That this House condemns the policy of high street banks to sell off their non-branch based ATM machines; notes that many have been replaced by ATMs which charge an average of

£1.50 per withdrawal; further notes that fee-charging ATMs are disproportionately located in poorer areas where few people can afford to travel to free alternatives; is concerned that this is a particular problem for people whose state benefits are paid into their bank accounts, and who are therefore charged simply for receiving their benefits; is disappointed that the Royal Bank of Scotland has not done more to alleviate this problem since it acquired Hanco, which operates around a quarter of all fee-charging ATMs; concurs with the Citizens Advice Bureau and the National Consumer Council, who have criticised the Royal Bank of Scotland for effectively levying a tax on the poor through their actions."

It goes on further to attack the Royal Bank of Scotland.

On 3 February 2005, my early-day motion 651 was

"That this House views with concern the increasing number of fee-charging ATMs in post offices; notes that up to 78 per cent. of ATMs in post offices now levy a surcharge; is concerned that many people on fixed and low incomes rely on ATMs for access to their state pensions or benefits."

In relation to ATMs in post offices, it also noted that

"the major suppliers of ATMs to the Post Office are the Alliance and Leicester and Hanco; and calls on the Post Office, the Alliance and Leicester and Hanco to guarantee free withdrawals from ATMs in post office premises."

The use of fee-charging ATMs is an attack on those who can least afford it. They are also often sited in areas where the elderly draw their pensions and where people draw their benefit.

After the general election, on 5 July, I tabled early-day motion 417, which was

"That this House expresses its concern that nearly half of all cash machines charge a fee for withdrawal; notes that five years ago almost all cash machines in the UK were free, and believes that this trend represents a real and current threat to the UK's network of free cash machines."

It goes on to say that the cost to UK consumers is £2 billion per annum in charges and

"welcomes Nationwide Building Society's Free ATM campaign."

With that, I shall move on from my early-day motions. I note that other hon. Members have tabled early-day motions on the same subject.

Mr. Jim McGovern (Dundee, West) (Lab): I congratulate my hon. Friend on securing this debate and on the fantastic work that he has done in campaigning on this issue. I agree with him entirely about the disproportionate impact on those on low incomes. Does he also agree that there is a double whammy, inasmuch as people on low incomes tend to withdraw smaller sums and therefore the percentage of the withdrawal that the fee represents is disproportionate?

John Robertson: My hon. Friend highlights a problem that is well known. If I withdraw £20 and am charged £1.75 for it, that is a much greater proportion than if I withdraw £100 and am charged £1.75. That is unfortunately what occurs with people who have little money, because they withdraw only the money that they need.

Moreover, the siting of fee-charging ATMs attacks the poor. There is no competition because the banks have closed and moved their premises into areas where there are many people, such as town or city centres or areas where there are shopping complexes. Banks no longer go to the former small shopping areas where the shops have now closed, such as Anniesland Cross, which used to be the centre of my constituency and where everything that was anything in the area happened. Anniesland Cross is now a very quiet place, and the banks have closed up and moved. Unfortunately that leaves only fee-charging ATM machines.

I asked the Deputy Prime Minister, when he was substituting for the Prime Minister, the very same question. I received the usual sympathy that we get at Prime Minister's questions. Unfortunately, not much has happened since then.

I also made a submission to the Treasury Committee's when it was drawing up its Fifth Report of Session 2004–05 on cash machine charges. I gave the Committee a Glasgow view of the problem—the problem that I have laid out to hon. Members today—using the facts and figures that I had at my disposal at that time. I made some recommendations, and I will be interested to see whether the Minister will care to consider those or even take them up.

My first recommendation was for a code of practice that would build on the Link agreement on early warnings. In other words, if someone complained enough, they could go to Link and it would look at the problem. Nationwide has developed that idea; the Minister and I went to a reception that it held to launch its idea of red and green stickers. A green sticker would mean a free machine, and a red sticker a fee-charging machine. The one thing that has been missing that I have been trying to get is up-to-date information from the banks that can be verified.

I shall read out a few recommendations in the report; perhaps the Minister could comment on them. In its conclusions, the report mentions regulation and the banking code. It says:

"There is a lack of openness about the way LINK rules are decided and there is no comprehensive enforcement of the LINK rules on transparency ... cash machines need to be brought within the Banking Code so that the system of voluntary regulation is responsive to the needs of consumers and is effectively enforced."

The report goes on to talk about the financial exclusion, and says:

"Cash machine charges may have a disproportionate impact on low-income consumers"—

the very comment that my hon. Friend the Member for Dundee, West (Mr. McGovern) made.

The report goes on to mention post offices, and a pet hate of mine. The Government did a lot to change the way in which pensioners receive their pensions when they did away with pension books, and we have encouraged people to get bank accounts, but now when people want to withdraw money, they get charged for it. The recommendation on the role of post offices said:

"75% of cash machines in post offices charge a fee, and consumers are paying over £10 million a year to use these machines. A number of factors may have been involved (including the Direct Payment programme). This runs counter to the Government's policy goals of tackling financial exclusion and improving the quality and efficiency of public services. There is a need for a fundamental change of strategy: the current arrangements are not in the best interests of sub-postmasters, benefit recipients or the local community."

[John Robertson]

During our meeting the other week, some information was given out by Nationwide, and I have also received information from Link. Nationwide says that between September 2004 and September 2005, the number of fee-charging machines increased by 16 per cent. and the number of free machines was reduced by 0.3 per cent. The proportion of charged transactions has increased by nearly 40 per cent. since the Treasury Committee's report.

According to Nationwide, if the UK has the same trends as the United States, the proportion of charged transactions will go up from 3.6 per cent. to 40 per cent. by 2007. We should remember that the banks are using our money and are charging us to retrieve it. Link has contacted me; it disagrees with some of Nationwide's figures. It disagrees about the number of free cash machines—there is a difference of 600 between the two bodies' figures—and on percentage numbers, but if the total numbers are considered, the difference between their figures is less than 1 per cent. However, that emphasises the need for the Government to take the lead and ensure that there is an open and accountable review of standards.

Can the Minister tell me how the banking industry can be regulated on cash machines? Is there a place for more than a voluntary code of practice and a general Office of Fair Trading eye on banking? There has been a worrying trend of high-street banks selling off their cash machines—which are free—to charging companies. HBOS sold 816 machines to Cardpoint, Abbey sold 50 to Moneybox, and Alliance & Leicester is reported to have appointed Citigroup to explore selling its ATM network. Those sales and possible sales must be looked into, and I ask the Minister to look into those companies, and others like them who are misrepresenting themselves as free cash machine operators while selling them off to charging companies.

I understand why Alliance & Leicester would want to sell its cash machines off, as it already charges at post offices and the publicity is damaging to it. Its 600 charge machines in post offices are a disgrace—an attack on pensioners in particular, and on the less well-off, who use their post office either because it is the only one in town or because it is nearest to home.

The Royal Bank of Scotland is probably the worst example of double standards, but it is only an example of a growing trend. It makes a big play about its ATM coverage and the fact that its machines are free to customers, but it forgets to tell us about its purchase of Hanco. Surely there is a need for more than a code of practice. If a company can get away with that, what chance is there for the ordinary customer?

Citizens Advice has been in touch with me and asked for the following suggestions to be considered. It said that ATM charging should be restricted and possibly capped, that machines should display warnings before a card is inserted—although labelling would solve that—and that all current card holders should be able to withdraw cash over the counter at post offices without having to pay.

What does the Minister believe is the correct role of the Government in regulating cash machines? Does he believe that the state has a responsibility for ensuring that everyone has access to money, irrespective of income or geographical location? What recent assessment has the Minister made on the effectiveness of Link rules on signage? Would he at any point deem self-regulation to be ineffective and further Government intervention to be required? In what circumstances would he consider the direct regulation of the retail prices of the machines? Do the Government have the power to impose that, or would further legislation be required?

I hope that I have been able to give the Minister an understanding of the problems of a constituency such as mine, which has a large number of elderly people—around 17,000—two social inclusion partnership areas and many first-time buyers. Such people's needs and aspirations should not be determined by whether they can afford to withdraw their own money from an ATM. People should not be charged to get their own money, particularly by a company that uses it to make even more money but gives its depositors a fraction of what they are entitled to. The Royal Bank of Scotland alone made £3.7 billion in profit in the first six months of this year. It is reckoned that next year, ATMs will charge consumers £250 million, which is a drop in the ocean for the banks.

If we, the investors, had a say, we would not be charged for withdrawing our own money. I should like to thank *The Times*, *The Guardian*, the *Daily Mirror*, *The Sunday Times* and in particular the *Evening Times*, my local evening paper, for all their help and support.

The poor, the elderly, members of the armed forces—they have charging machines where they live—and those who live in rural areas should not have to pay for who they are or where they live.

Mr. McGovern: In my constituency, a fee-charging machine has recently been installed on the university campus and is obviously directed at students, who are also on low incomes.

John Robertson: My hon. Friend has made another good point. I wish that we had had a longer debate, in which he could have taken a greater part.

Perhaps this is the time for people power and for those of us who just might influence those greedy banks to think again; we could move our money into banks or building societies that think of us first, not themselves. I hope that the Minister has listened to my questions, and I look forward to his reply.

1.49 pm

The Economic Secretary to the Treasury (Mr. Ivan Lewis): I congratulate my hon. Friend the Member for Glasgow, North-West (John Robertson) on securing this debate and on the work that he has done on these issues nationally, and, as we have heard today, in his constituency. The examples from Yoker and Knightswood were important and telling and they have probably been a significant influence on his airing of this important issue.

The Government believe it essential that the ATM industry should be as competitive, transparent and efficient as possible. We therefore see cash machine charges and the ATM market as important areas of public policy. We welcome recent interest during

debates on these matters and the Treasury Committee's recent inquiry into cash machine charges. Without any doubt, withdrawing cash from the hole in the wall is the most common method of cash acquisition by consumers. In 2004 alone there were more than 2.5 billion withdrawals, an increase of 155 million withdrawals over 2003. An APACS figure shows that ATMs supplied more than half of all cash to individuals, and that 32.9 million adults were regular ATM users.

I shall outline some of the principles of the Government's position. People should be able to access their cash for free, especially those on low incomes, but like the Treasury Committee, we also believe that charging cash machines are a legitimate business model. There are more than 20,000 charging cash machines in the United Kingdom, the majority being new machines in locations where previously there had been no cash machine. Most are in places where there are few transactions and where a free ATM would not be commercially viable. That is shown by the average number of withdrawals per day at different types of ATM. APACS figures show that in 2004 there were on average 204 withdrawals per day at each bank or building society ATM, virtually all of which are free, compared with an average of 19 withdrawals per day at independently operated ATMs, most of which have a surcharge. However, I stress that when charges are applied, we strongly insist that they should be transparent, so that consumers can make an informed choice about whether to use that ATM.

What are we doing in response to hon. Members' concerns? We are considering two areas of work: first, in our response to the Treasury Committee's recent report on cash machine charges, we reaffirmed our commitment to monitor the ATM market closely, and we continue to do so. The Treasury maintains close contact with Link and receives regular updates on developments. Secondly, it is hugely important that vulnerable and low-income consumers in all communities can access their cash for free. As hon. Members know, financial inclusion is a very important priority for the Government, which is why, when we monitor the ATM market, we also examine the impact of charges on vulnerable and low-income consumers.

It should be remembered that ATMs are not the only way for people to access their cash for free. All basic bank account holders, and many current account holders, can withdraw money for free over the counter at the post office. For example, in December 2004, approximately £30.5 million was withdrawn for free over post office counters. Many banks, including Barclays, Lloyds TSB, Alliance & Leicester, the Co-operative Bank and recently Nationwide, signed contracts with the Post Office to enable their customers to use post office counters for cash withdrawals.

Ninety-nine per cent. of people in urban areas and 84 per cent. in rural areas live within one mile of a Post Office branch. Overall, more than 93 per cent. of people in the United Kingdom live within one mile of their nearest post office. Cash back is also increasingly available in supermarkets and shops, and benefit recipients can have their benefits paid into accounts at credit unions. However, we would—and should—be concerned if people on low incomes incurred a disproportionate cost in accessing their money. That is why work is focused on discovering the evidence base for that contention.

The financial inclusion task force will explore how financially excluded citizens access cash and transmit their money. Among other things, that work will identify the extent to which fee-charging ATMs are disproportionately used by the financially excluded. The results are due next year and, depending on the outcome, we will consider which further steps may be appropriate. I hope that that will reassure my hon. Friend. I expect him to maintain the pressure on the Government when that information becomes publicly available.

It is important to put the debate in context. There have been improvements in the ATM market over the past five years; we welcome the fact that the industry has been opened up to independent operators. It has brought greater competition to the market and has led to a substantial increase in the number of cash machines in the UK; there are now well over 50,000 ATMs.

At the time of the Cruickshank report on competition in UK banking in 2000, people using the ATM of a bank other than their own were likely to have to pay. Each bank generally had agreements with only some of the other banks to offer free ATM withdrawals to their customers, and if people made a withdrawal at a bank other than their own they risked being charged. The charges were complicated, opaque and discriminatory. Consumers frequently did not know whether they were being charged and found out only when they searched their monthly statements. The charges could be set at between £1 and £1.50. However, the latest Link figures show that there are now more than 32,000 free ATMs in the UK and 96 per cent. of cash withdrawals are free.

The number of ATMs in non-bank branch locations has also increased by 2 per cent. in the past year. Virtually all banks and building societies now offer free ATM withdrawals to other banks' customers, and the banks have abolished card-issuer charges for Link cash withdrawals. That is all a great improvement in the situation. Consumers now have a far greater choice of ATMs that they can use for free. They do not have to hunt around for an ATM belonging to their own bank.

Let me be clear that, at this stage, we are not convinced that free cash machines are under threat. However, it is equally important to state clearly that we will remain vigilant. My hon. Friend asked about regulation, codes of practice and so on. Vigilance from a Government point of view means that we stand ready to take appropriate action if there is any evidence that it is required. Public policy has moved forward as a result of pressure from the Government and hon. Members.

John Robertson: Will the Minister allay my fears that fee-charging machines will always be placed in poorer areas? There are plenty of charging machines in poor areas in my constituency, and no free machines.

Mr. Lewis: I hope that the work being done will begin to establish the facts around that. Financial inclusion is central to the Government's commitment to creating a more economically vibrant country and a fairer society. If putting financial inclusion at the heart of that commitment is jeopardised by what we find when the evidence emerges, we will be obliged to consider the most appropriate response. My hon. Friend will be one of the first people with whom I discuss what action would be appropriate.

[Mr. Lewis]

It is still vital that we argue for the maximum possible transparency. People must be able to make informed choices about whether they should use a particular ATM. We believe that there have been significant improvements in transparency. Link agreements have banned double charging, which means that a customer cannot be charged by both their card issuer and the ATM operator. New Link rules in place since July are a good step forward for increasing transparency. They have introduced stricter requirements on the location and size of signs—that relates to another point that my hon. Friend made. A clearly visible warning sign must be on the machine itself. It must be at a normal eye-line, of at least font size 14 and must state that the machine will charge for Link cash withdrawals. All surcharging ATMs must also carry a message in the idle sequence specifying the exact amount of the charge, and any other signage directing people to a surcharging ATM must warn that it will charge. The font size, the colour and the background must be such that the message is clearly visible to anyone reading the sign.

The Government intend to monitor the effect of those new rules. We expect them significantly to increase consumer awareness of charges. We believe that the Treasury Committee was right to raise the issue of enforcement of Link rules. Sadly, we are aware of examples of charging ATMs that do not display the required signs. I welcome the Link agreement last year to strengthen sanctions for non-compliance. We are pleased to note that a Link-commissioned independent survey to monitor the situation is already under way.

In conclusion, let me make this clear: free access to cash is vital, and a transparent, fair and easily understood market is more than desirable—it is the level playing field that our citizens deserve. We also have a responsibility, of course, to be proportionate in how we deal with the matter, but we must be steely in our resolve to ensure those most in need and most at risk of exploitation do not suffer as a consequence of decisions that are made. That is why I said earlier that we are considering specifically the challenges facing people on low incomes, including the disproportionate costs of ATM charges.

Let me end by saying to my hon. Friend that I welcome his continued campaigning on the issue. The Government will continue to work with him and the Treasury Committee on these matters—

It being Two o'clock, the motion for the Adjournment of the sitting lapsed, without Question put.

Westminster Hall

Wednesday 30 November 2005

[MR. EDWARD O'HARA *in the Chair*]

Light Rail

Motion made, and Question proposed, That the sitting be now adjourned.—*[Frank Roy.]*

9.30 am

Paul Rowen (Rochdale) (LD): I thank the House for agreeing to debate light rail. The subject is certainly timely, given yesterday's Government statement, which effectively killed off the Liverpool and the south Hampshire light rail schemes. Although it is not what I originally envisaged, the debate might more appropriately be entitled "What future for light rail in the UK?".

As I am the Member for Rochdale, my constituency has in it the Oldham-Rochdale loop line, which is included in the Manchester Metrolink phase 3 scheme. I seek an assurance from the Minister that that scheme will not be next for the chop. Since the Transport Committee reported earlier this year we have seen several light rail schemes picked off and dropped—those in Leeds, Merseyside and south Hampshire. Outside London, only the Manchester Metrolink and the Edinburgh scheme—the latter is funded differently—remain on the table. No doubt many hon. Members will want to comment on that.

How different that is from the 10-year transport plan of 2000, which envisaged 100 per cent. growth in the number of people using light rail, with Government support for 25 new schemes. Since then, we have seen the abandonment of the Department for Transport's 2002 growth target, the 2004 National Audit Office report on light rail, and the White Papers on rail and transport policy. The Government used the National Audit Office report selectively in order to justify retreating from giving approval to new light rail schemes, as yesterday's announcement demonstrates.

The prime reason cited in all cases is cost. The Secretary of State for Transport has repeatedly said that tram schemes cannot be funded at any cost. Why does the Department not apply the same logic to other transport schemes? The Hampshire and Liverpool light rail schemes are scrapped because of cost overruns of 26 per cent. and 40 per cent, yet I understand that trunk road schemes are now averaging a 53 per cent. cost overrun, and local authority approved schemes have an average 42 per cent. cost overrun. For example, the Kiln Lane link in Epsom showed a 76 per cent. increase on its 2001 approved cost, and the costs of the Rugby western bypass increased by 32 per cent.

Peter Viggers (Gosport) (Con): I want to follow up the point about Government encouragement for light rapid transit system schemes. Is the hon. Gentleman aware that local authorities in Hampshire—Gosport and Portsmouth—were encouraged to spend many millions of pounds developing a light rapid transit system? It would have been extremely viable, and was widely regarded as being one of the most cost-effective schemes in the country. Road schemes were delayed while that system was being discussed.

Paul Rowen: Yes, preparation for light rail schemes is often expensive, and local authorities and passenger transport authorities are expected to undertake a great deal of preparatory work. Why are the standards and criteria being applied to light rail not applied to road schemes? The same argument could be applied to many heavy rail schemes, welcome though they are. The Department for Transport does not seem to subject them to the same rigorous cost-benefit analysis.

The Select Committee on Transport concluded in April that

"light rail has the potential to be an important part of the transport mix . . . It needs to be part of an integrated transport system."

I hope that in the light of recent announcements, the Select Committee will have another look at the Department for Transport's support for light rail schemes. Why is the reverse happening on the continent? More light rail schemes are being developed there, yet in the UK we seem to be going backwards. The reason is partly cost, but some bureaucratic obstacles are being placed in the way of developing light rail schemes.

South London Trams has listed some of the advantages of the tram system in Croydon. Unemployment has been reduced; in New Addington, for example, it was reduced by 40 per cent. Congestion has been reduced, with about 20 per cent. of journeys being taken by tram that were previously taken by car; and road traffic has been reduced by 4 per cent. Trams can carry more than 200 passengers, which is the equivalent of three double-decker buses or two bendy buses. Trams use less fuel and do not emit fumes, so air quality is improved. More importantly, all sections of the community like them, unlike buses. Greater Manchester passenger transport authority has produced similar arguments to show the benefits of Metrolink—a subject to which I shall return.

South London Trams has produced a costing annualised over 30 years comparing the cost of conventional buses, bendy buses and trams. A conventional bus works out at £46 million, a bendy bus at £32 million and a tram at £20 million. There are different ways of measuring the cost, but although the initial cost of trams is higher, trams are cheaper over 30 years.

Kelvin Hopkins (Luton, North) (Lab): The hon. Gentleman rightly talks about the long-term costs and benefits, but other social, environmental and wider economic costs must be taken into account, and when they are, trams seem to be a very good buy.

Paul Rowen: I agree with the hon. Gentleman. There is no doubt that where trams are used regeneration has occurred and, as in Manchester, areas have been developed and improved.

Before considering what action should be taken to put light rail back on track, I want to look at the Manchester Metrolink scheme. As I said during my maiden speech in the House, the Rochdale-Oldham line was first proposed in 1987 and was expected to be completed and

[Paul Rowen]

running by 1992, but we are still not there. Since their election in 1997 the Government had given every encouragement to the development of the Manchester Metrolink. Indeed, the Deputy Prime Minister, and then the Prime Minister, suggested that the passenger transport authority should submit all three schemes at once. However, that changed on 20 July 2004, when the Secretary of State effectively withdrew funding for the Metrolink scheme. Many hon. Members will be aware that that produced what has probably been the most successful all-party, all-community campaign in Greater Manchester, which resulted in the Secretary of State putting the £520 million back on the table in December 2004. I also understand that he has confirmed that the budget could be supplemented with additional local resources and with bidding under the transport innovation scheme.

Since then, Greater Manchester passenger transport executive officers have worked hard with Department for Transport officials to produce a viable scheme. The transport plan was submitted in June 2005 and funding has been agreed for phase 1 and 2 renewals. The original plans have been reworked and a detailed assessment of the non-transport innovation fund and the transport innovation funding implications of phase 3 expansion is reaching a conclusion, which includes a new approach to procurement and risk sharing.

I have no doubt that the plans for the Oldham-Rochdale loop line are sensible, and the costs stack up. For example, the heavy rail line currently has a £5 million annual subsidy which, if costed over 30 years, produces £150 million. The line needs urgent upgrading of track and signalling, some of which would not be needed if it were converted for light rail. That cost has been estimated at up to £60 million. Putting those two costs together would bridge the gap and make the line viable.

I want to ask the Minister three questions. Is the Department for Transport committed to the three Manchester Metrolink lines? Does he accept that the scheme is now an integrated transport solution, which will require additional transport innovation fund resources, and is the Department committed to giving the authority those resources? Finally, when does he expect an announcement to be made on when the third phase can proceed?

What can and should be done to get light rail back on track? Five things could improve the viability of light rail. First, the procurement method should change from design, build, run and maintain to splitting up the contract so that more companies and more people can be involved. Secondly, we should allow ROSCOs—rolling stock leasing companies—or similar operating companies to purchase and lease rolling stock, spreading the cost over the life of the tram rather than treating it, as we do currently, as an up-front cost. Thirdly, we can achieve economies of scale by commissioning two standard tram designs, low-front and high-front, and ordering enough of them to make it worth while. For example, Madrid recently ordered 70 Citadel 302 trams and got a 15.7 per cent. reduction, bringing down the cost of each tram to £1.4 million. That was a considerable saving.

Kelvin Hopkins: I am very supportive of the hon. Gentleman, but he talks about ROSCOs buying trams, and on the railways ROSCOs charge extortionate amounts—up to 30 per cent. per year. Surely trams can be bought by the public sector at a reasonable return. It would just take the Government to agree that that borrowing could go on the public account rather than the private account to overcome the problem. The charges that ROSCOs make to the railways are out of all proportion.

Paul Rowen: I agree that the costs are high. However, I am trying to suggest a way forward in case the Government are not prepared to commit any more public money. I would far rather they treated light rail as they treat road schemes, on which it does not seem to matter how much costs overrun, but if they will not do that, we need some alternatives.

The fourth matter to consider is the cost of the public works. At the moment, a promoter has to pay 92.5 per cent. of such costs. For the Manchester Metrolink scheme, that is £45 million. In France the limit is 30 per cent. and in Germany it is zero. Public utilities are expected to bear the cost just as we here expect them to bear the cost of restoring any roads that they dig up.

The final change needed is to reduce the time that the Department for Transport takes to approve a scheme. We need a speedier and simpler process with more support from the Department for Transport so that, as the hon. Member for Gosport (Peter Viggers) suggested, some of the expenses that authorities currently incur could be saved and used in other areas where the money might be better spent.

Everybody wants to see the inexorable rise in road traffic halted. Light rail is popular with the public, and can deliver if the Government have the will to support it. I am in no doubt that many hon. Members want that to happen, as we can see from the recent formation of the all-party group on light rail. Now I seek a similar commitment from the Government—or has everything that we have heard recently been just warm words?

Several hon. Members *rose—*

Mr. Edward O'Hara (in the Chair): Order. Given the great interest in the debate, I ask hon. Members to bear in mind the fact that the winding-up speeches must start at 10.30.

9.45 am

Graham Stringer (Manchester, Blackley) (Lab): I congratulate the hon. Member for Rochdale (Paul Rowen) on having secured the debate. Let me remind the House that in October last year we held a similar debate on the future of light rail after the Secretary of State announced the cancellation and withdrawal of funds from three tram systems.

Since then, two important things have happened. First, during the general election, the Prime Minister announced in the hon. Gentleman's constituency that the big bang solution, as it is known in Greater

Manchester—the three and a half extensions to Metrolink—would go ahead. I have no reason to doubt that the Prime Minister will ensure that that happens. Secondly, in April this year the Transport Committee presented its report, "Integrated Transport: the Future of Light Rail and Modern Trams in the United Kingdom". It is worth going over some of its conclusions, because it puts into context many of the hon. Gentleman's comments.

Six important conclusions came out of the evidence presented to the Committee. The first, which will surprise hon. Members, is that Metrolink, trams and light rail are a million times safer per billion passenger miles than either buses or heavy rail. That surprised me when I worked through the figures.

Secondly—the hon. Gentleman made this point—if we look properly at the figures, we see that although the up-front capital costs of light rail have been increasing, over the period of use light rail is actually cheaper than buses. There are two ways of working that out. The first is in the Select Committee report. The cost per passenger mile for trams is 2.4p; for buses, it varies from 3.5 to 6.5p, so trams are cheaper. The second way, which hon. Members will not find in the report unless they look very hard, is that if we capitalise all the subsidy that goes into buses annually—the bus service operator grant, the money that subsidises fares for the elderly and children, and other public money going into buses via county councils and passenger transport executives—we find that it is more than all the capital investment that has gone into trams and light rail so far. What do we get at the end? No capital, and not the transport infrastructure that we need, but fat bottom lines for the major bus operating companies.

Thirdly, light rail and trams have been the most important transport facility in getting people out of cars and on to public transport; they have been much more effective at that than buses. Fourthly, all the Committee's evidence showed that cities and major conurbations want trams, and that trams lead to regeneration. Shockingly, the Department for Transport and Ministers admitted that they were considering spending between £10 million and £15 million on a study enabling us to understand how regeneration works with light rail. That work really should have been done beforehand, because any city leader or mayor will tell you that light rail is vital to regeneration and future investment in cities.

Fifthly, the hon. Gentleman made it clear that trams are environmentally better, and that is absolutely true. Sixthly, people sometimes say that buses can do the job of trams more cheaply; however, they cannot provide the same capacity. Ten trams running at six-minute intervals will take between 3,000 and 4,000 passengers to the centre of a city. Buses simply do not have that capacity.

Tony Lloyd (Manchester, Central) (Lab): On my hon. Friend's point about regeneration, if we take a city or conurbation such as Greater Manchester, it is obvious that the existing Metrolink has had a regenerative effect there, and that it is a vital part of plans for the future. The lack of joined-up government on this issue is always a bit of a paradox; the Government, who are genuinely investing heavily in the regeneration of Greater Manchester, have not seen the logic of making Metrolink an integral part of the regeneration process.

Graham Stringer: My hon. Friend makes a profound and important point, which the Transport Committee has made to Ministers a number of times. Local transport plans have four objectives, and not one of them is regeneration. It clearly should be, because the people who run our great cities say that regeneration is their top priority, and transport should be fitted into that.

My next point is about an interesting connection. The Secretary of State and other Ministers have explained that the costs of tram systems have increased, and that is true. However, during its study the Committee found that the Department was part of the problem. It had persuaded and supported a procurement system that, as the hon. Member for Rochdale says, is expensive. The cheapest system would have been public sector procurement.

The Department had been a problem because of its response times to different tram schemes. There were two delays of more than 18 months in its response to one scheme, and all the time inflation was increasing in the building industry, and the banks and finance houses were getting more and more risk-averse because of the problems with Network Rail and one or two of the tram systems.

When we looked at the Department's evidence to the Select Committee, it was almost impossible to come to any conclusion other than that there was serious bias in the Department in favour of deregulated buses and against trams and light rail. I refer hon. Members to the evidence from FirstGroup, on page Ev 173 of the Select Committee report, and the Department's evidence on page Ev 185: the criticism of light rail is almost identical. However, most of the other evidence across the board presents a much more balanced view of where trams and light rail are appropriate. They are not appropriate in every case, but trams provide solutions that cannot be provided by anything else where there are heavily populated corridors in large urban conurbations.

While the Department was delaying its responses, in Greater Manchester it was encouraging FirstGroup and Stagecoach, in a deregulated bus system, to run in competition with trams. That was unhelpful. When there is such encouragement via quality bus corridors, that often means that feeder bus routes, both to the tram system and into those corridors, get worse.

I am aware of the time, so I want to finish with three quick points. Where has all this left us? As the hon. Member for Rochdale said, the £520 million is back on the table and the passenger transport executive in Greater Manchester is now going through a bidding process for the first phase of what would have been the big bang solution, which is refurbishment. However, the tram system in Manchester is not working as it has done and is not attracting so many passengers.

I phoned the deputy director general of the Greater Manchester passenger transport executive yesterday, and he said that the system works better when there are 32 trams, although they can get by with 28. However, because of the delays, often only 25 trams are in service, which means that my constituents—the people whom I

[Graham Stringer]

represent—often have to wait in the cold weather at rush hour, finding that trams are not turning up. I ask my hon. Friend the Minister whether the process can be speeded up.

I shall suggest how that could happen. There is a £102 million contract; 10 trams that could move on to the system and improve the situation would cost only £16 million. What sort of centralised country are we living in? Not only can a great city such as Manchester not make such decisions itself, but it has to wait for the Department for Transport and the Secretary of State to make a decision to invest in a relatively small number of trams. We need those trams now. We need the final decision as soon as possible, because the travelling public are getting impatient; they like the system, but it is not operating as well as it could, because of the delays.

The hon. Member for Rochdale, in a comprehensive speech, made the point that we must ask ourselves about the centralisation in this country. Not only that, he said that we should consider how things happen in Lyon in France, and why a relatively small place in France—Clermont Ferrand, whose exact population I do not know—can put together a £190 million, 14 km tram system in four years from the decision to finance it, not the 15 years it is taking us to put tram schemes together in this country. That indicates that we have too much centralised decision making, which delays the process and is bad for the cities and regions of this country.

I will finish with a point that will not be controversial in Manchester, but might be here in London. The last time we had this debate, a number of us made the point that this subject illustrated the fact that the north-south divide existed, because at the same time as the money was stopped for the three tram schemes, one third of a billion pounds was announced for London transport—and since then, there has been the decision to hold the Olympics in London. I think that that is a disastrous decision for the cities and regions of England.

The Minister has a terribly difficult job, and is regularly conveying bad news to parts of England. I want assurances that the £3.5 billion now being talked about for a new sewerage system for east London and the Olympics will not—as *The Guardian* reported last Friday—influence the financing of the Manchester Metrolink. I would also like the assurance that none of the other extra resources going into transport in London that we have heard about on the Transport Committee will come out of the Manchester scheme.

9.58 am

Peter Viggers (Gosport) (Con): My constituency of Gosport is based on a peninsula, and the neighbouring town of Fareham is rapidly developing. The link between Gosport and Portsmouth is across a narrow 4,600 yd channel. The whole area is regarded as being ideally suitable for a light rail transit system, because road access is difficult. For decades some have thought that there could be a tunnel under the harbour at Portsmouth and some form of special transport system.

Such thinking was encouraged in 1997, when the present Government came to power, and there was much talk of integrated transport systems. Hampshire county council, Portsmouth city council, and Gosport and Fareham borough councils were encouraged to spend many millions of pounds of council tax payers' money investigating the possibility of a light rapid transit system.

Eventually the scheme was proposed, and it was indeed expensive. However, it was thought that it would comply with Government requirements, because the Government were talking so much about environmental issues being taken into account in cost analysis. Therefore, the local authorities felt justified in continuing. There was a public inquiry in Portsmouth, at which I made the first speech. I stressed that while there was the short-term disadvantage that roadworks in the area would cause congestion, the longer-term impact would be considerable, and future generations would have the benefit of this long-sighted planning, which the Government were encouraging and which the local authorities were undertaking.

Eventually, the scheme was given approval and was put through to Government. There was a long delay, at the end of which the Government rejected the scheme as too expensive. The local authorities went back to the drawing board and cut the scheme back to make it affordable. It went back to the Government for approval a long time ago. We were hoping for approval at the beginning of this year, and then we were pressing for it in July. I have tabled many parliamentary questions and written many letters to the Minister pleading for an answer, because all the time the local authorities are incurring expense. There have been months of delay. I tabled a question on Monday for priority answer next Wednesday—and now we have the announcement that the Government will not back the south Hampshire scheme. That will be greeted with great disappointment and anger in south Hampshire.

Hampshire county council—all credit to it—understands the problems of south Hampshire. The residents of north Hampshire have supported those in south Hampshire in putting forward this imaginative scheme, and the whole county has put a large number of eggs in the basket of light rapid transit in south Hampshire. As a result, all local road schemes, such as the Stubbington bypass and the improvements to the A32, have effectively been put on hold. Everything has been hanging on the decision on the light rapid transit system, and now we get this slap in the face.

I find it deeply disappointing that the Government have encouraged local authorities to spend so much money on such schemes. I find it equally disappointing that the Government failed to give the answer earlier, for I know not what reason. It would even have helped if they had been brave enough to give a negative decision earlier, rather than allowing the local authorities to continue to waste so much time and energy. Time and money have been lost. It is deeply and profoundly disappointing, and I can only ask the Minister whether he will take account of all those factors, and what special circumstances he will take account of to help south Hampshire come back to a new system of transport now that he has rejected our preferred option.

10.2 am

Mr. George Howarth (Knowsley, North and Sefton, East) (Lab): I shall confine my remarks to Merseytram line 1 and lines 2 and 3, which would have followed had

it gone ahead. The line has been in the making for the past five or more years, with strong support from Liverpool city council—in principle, at any rate—and huge support from Knowsley metropolitan borough council. A enormous amount of work, most of it imaginative, went in from Merseytravel, the passenger transport authority for Merseyside. After a great deal of work, we were told yesterday by my hon. Friend the Minister that the scheme would not get Government approval.

It is important to get the context right. Line 1, which would have had a profound effect on my constituency, was routed in a particular way for particular reasons. Of the 20 most deprived electoral wards in England, 11 are in Merseyside, and Merseytram line 1 would have run along six of those. As a result of that deprivation, Merseyside has qualified for European Union objective 1 status since 1994 and 81 per cent. of the people in the catchment area of Merseytram line 1 live within the objective 1 area. It was deliberately sited along that route for that reason.

In figures published in July 2004, unemployment in Liverpool and Knowsley were, respectively, 96 per cent. and 59 per cent. above the average for the north-west. There is a clear need for the tram to make employment and education much more accessible for people in some of the poorest areas on Merseyside. Access to health and shopping facilities would also be a benefit. It is not just me saying that. The inspector at the public inquiry that was held last year recorded in his report:

"Line 1 would have a very significant impact in socio-economic terms, greatly enhancing the prospects, networks and life chances of people living in areas of extremely high social and economic deprivation."

He also said:

"especially for the majority of Line 1 corridor residents who are without a car, the presence of the tram would significantly improve access to jobs, opening access to the additional 12,000 city-centre jobs which are an Objective One target and improving access to 55,000 jobs overall."

Line 1 would have had a huge impact on the local economy, especially in some of the poorest areas of Merseyside. The route would have hugely enhanced Kirkby in my constituency. Indeed, line 2, which would have terminated in your constituency, Mr. O'Hara, would have had a similar effect, and line 3 would have had a huge effect on south Liverpool.

Where are we now? I find the whole thing bitterly disappointing and I am perplexed by the way in which the Government have dealt with the main local authorities and Merseytravel. Back in June, when the Government started to get cold feet about the scheme, we had meetings with the Minister. There were also many discussions between the local authorities and Merseytravel. He set certain conditions, which were fair. With the benefit of hindsight, I understand why he did so.

The principal condition was that the local authorities would agree to fund any cost overruns, and a lot of work was done on that. However, I take slight issue with something that the Minister said in an interview on Radio Merseyside yesterday, at which I was also present. He said that no due diligence work had been carried out since June, but that is simply not true. Investec was commissioned by the local authorities to carry out that work and it came up with a figure that it felt reasonably represented the likely quantum of any cost overrun.

The Parliamentary Under-Secretary of State for Transport (Derek Twigg): May I make it clear that that reflected Liverpool city council's legal advice? It said that it could not rely on assurances from the PTA without further due diligence work. It was in respect of that that I made my comment.

Mr. Howarth: I am grateful to the Minister for that clarification, but if he goes back to the transcript of his interview on Radio Merseyside, he will see that he did not give that qualification and that he incorrectly said that no due diligence had been carried out since June. If I am wrong about that, I shall apologise, but I followed him on the radio and clearly heard what he said. In fact, due diligence work was carried out, and the scale of likely cost overruns was identified as £24 million. A great deal of work went into finding a way to fund that overrun, and the consequence was that Knowsley council and Liverpool city council gave an undertaking to take out loans of up to £24 million to bridge the likely gap.

That still was not enough for the Minister and the Department for Transport, which asked for guarantees over and above the amount identified by Investec. The scheme's promoter, Merseytravel—it had the idea and put in all the work—then gave an assurance that it would meet any costs over and above the likely £24 million overrun. Indeed, it also gave an undertaking to do so within its £250 million annual budget. The likely cost overrun over the £170 million made available by the Government would therefore be covered by a loan guaranteed by Liverpool city council and Knowsley council, and Merseytravel undertook to meet any costs above that £24 million.

That was about as reasonable an offer as one could get. Although I have a slight criticism of Merseyside's attitude in general, which I shall discuss in a moment, I strongly feel that the guarantees offered to the Department should have been acceptable. Indeed, if the scheme had been proposed elsewhere, they would have been. A prejudice against Merseyside, or at least Merseytravel, seems to be at work in the Department, although that is not necessarily true of the Minister. That prejudice has played a part in this outcome, and that is wholly unacceptable. I am concerned that the Department will not allow us a fair crack of the whip in the future.

Criticism can be levelled at Merseyside, as the Minister will no doubt point out, and I share that criticism to some extent. Like you, Mr. O'Hara, I have been an elected politician for part of Merseyside for a very long time—in my case, almost all my adult life. I used to argue that we have always been unfairly compared with Greater Manchester. However, when Greater Manchester's section 151 officers—that is, officers with financial responsibility—were asked to give their assurance that it was within the means of the local authorities to meet any costs involved, they did. When Merseyside was asked the same, two of the local authorities—St. Helens and Wirral—turned their backs on it completely. They were not prepared even to risk

[Mr. Howarth]

any cost falling on the levy, and therefore on the council tax payers in the case of Wirral. They were not prepared to let anything affect tunnel tolls.

Sefton was far more generous, but in the end it did not think that it could go along with what was being asked of it. It was left to Knowsley, the smallest local authority on Merseyside, Merseytravel and Liverpool city council to provide as much guarantee as possible. Liverpool city council undertook to guarantee to meet most of the £24 million, but the officers of the council, as distinct from its members, have done everything possible to sabotage the scheme, even to the extent of commissioning legal advice on the eve of the end of the decision-making process, which in effect blew the whole scheme out of the water. I do not know why those senior officers set out to do that. Nor do I know why they defied the wishes of their elected Labour and Liberal Democrat members.

I am sorry to say that that shows yet again that Merseyside is politically dysfunctional compared with Greater Manchester. I am not blaming any one political party, because no one political party was pitted against another. Without being offensive to Conservative representatives in the Chamber, there are no Conservative representatives on Merseyside, so they did not figure in the decision-making process.

I conclude by making two criticisms. First, the Government should have accepted the case, which was a strong one, and the assurances that they were given. Secondly, Merseyside should have united to back the scheme, as Manchester did in the case of the Metrolink, instead of doing everything that they could in some quarters to undermine it.

10.15 am

Greg Mulholland (Leeds, North-West) (LD): I congratulate my hon. Friend the Member for Rochdale (Paul Rowen) on securing this debate, on an occasion that is more timely than he could have possibly known when he requested it. That leads me to offer my condolences to the people of Liverpool and south Hampshire for the very bad news that they received yesterday about their two schemes. We in Leeds can empathise, after the decision to turn down the supertram a few weeks ago. One of the only positive things to have come out of that very disappointing process in the past few months—a process that was probably very similar to the experiences of the people of Liverpool and south Hampshire—is that it led to my first appearance in *Private Eye* as a result. Unfortunately, however, it was in "Colemanballs".

My parents live in Altrincham, which is at one end of the Metrolink. In 1992 I saw commuters start to take shiny new trams into Manchester, as they never would have taken buses. Since I have been in Leeds, I have been a proponent of the Leeds supertram scheme, first as a member of the West Yorkshire passenger transport authority, Metro, and more recently as an MP. The decision itself has been a bitter blow, as has the way in which the city and its people have been treated. The decision was delayed and delayed, until finally it was made.

One of the top 10 most congested roads in the country, the A660, is in my constituency. In fact, there was much ironic hilarity when speed cameras were put in on a section of the road in Headingley where, even outside the rush hour, people are lucky to do more than 5 mph. There is a pressing and urgent need for a light rail system to deal with the ever worsening congestion problems in Leeds. Such a system has the support of the council, the local business community, the local trade unions, the public sector, the hospitals trust and the general public. More significantly for Government finance, its cost-benefit analysis ratio was 2.5:1. According to Department for Transport guidance, that means that the scheme should probably have been granted approval, as the guidance says that at that level,

"most if not all schemes should be approved".

The hon. Member for Manchester, Blackley (Graham Stringer) touched on the divide that we in the north of England perceive. I share his view that there is something of a north-south divide. However, we as northerners must be careful to point out that in fact, the divide is between Greater London and the regions. I tabled a question yesterday to ask the Secretary of State if he could give categorical assurances that the granting of the Olympics to London had not and would not impact on transport and other infrastructure systems in the rest of the country. Perhaps we will get the answer a little earlier than I had expected, but the fact that the Government would not grant £355 million to Leeds, the fastest growing city in this country, but are prepared to invest £11 billion in Crossrail, speaks for itself.

I need to pick up some of the issues surrounding the supertram bid, as the Government's arguments and figures simply do not add up. It was decided in 2001 that the supertram scheme would be a private finance initiative scheme. A public allocation of £355 million was approved but, because of the complexity of the scheme and the length of the contract—in this case, 32 years—and the complex concept of net present value, revised costs of £348 million were presented on the same basis as for the original funding. The Department said, entirely inaccurately, that the costs had risen by nearly 40 per cent. The reality is that the call on central Government funding was not above the original sum approved in 2001, yet the scheme was turned down.

Notably, the promoters, the PTA and the local authority offered to provide £30 million. The idea was that that would delay the call on central Government funding for another few years, but the offer was not even acknowledged in the announcement telling us that we would not get our tram.

The Department for Transport said that the supertram figures were seriously misleading. There was much that was seriously misleading, but it was in the Department's conclusions. I am concerned that the Government are seriously failing on transport.

The 10-year transport plan announced in 2000 boldly proclaimed that we would have 25 new light rail schemes in this country. At the recent CBI conference, the Secretary of State said:

"One of the biggest threats to economic expansion . . . in the next 10 to 15 years is congestion".

That is exactly what we have been saying in Leeds, and I am sure that people have said it in Manchester, Liverpool, south Hampshire and the other areas where congestion is being ignored by the Government. In Leeds, developments are already under threat since the

decision to turn down the supertram was made. There is a feeling that that decision makes a mockery of regional economic policy.

My hon. Friend the Member for Rochdale touched on the crucial point: we are talking about how we do things in this country. I have to explain to people in Leeds why we did not get the supertram. They say, "I believe it was too expensive." I ask them, "What do you think was too expensive?" They reply, "The tracks and digging up the road, and the vehicles." I have to explain to them that those things were not too expensive; the expense was the fact that the Government are forcing 30 years of risk into the cost. People find that very hard to understand, and I find it very hard to understand, too.

In Lyon, which was mentioned by the hon. Member for Manchester, Blackley, two light rail systems were provided in less than four years. In this country it took 15 and a half years to get one in Sheffield, and in Manchester, after 28 years, we still do not have a line to Oldham and Rochdale—18 years after parliamentary approval was given for it. There is clearly something wrong in the way we do things. Our system does not allow local people and local authorities to borrow or to take risks in their cities. We have split responsibilities: PTAs are asked to come up with money, but if schemes do go ahead, they lose all control over them.

Under this Government, Isambard Kingdom Brunel and George Stephenson would probably have given up and taken jobs in the City. In this country we have lost sight of what public transport is for. It is there to provide the best possible transport for local people to get around their areas as cost-effectively as possible. We need integration, re-regulation and vision.

In conclusion, the transport policy of this Government has been probably the biggest area of failure. We have seen road building but little in the way of integrated, modern, 21st-century public transport systems. Policy has been categorised by short-termism, over-centralisation and timidity; we need long-term vision, local control and accountability, and courage. We need those qualities before our regional cities clog up. I am pleased to be taking part in this debate, and I am sure that the House, including MPs from all parties, will not stand by waiting for transport improvements that will not happen. Otherwise, the economic cost will be too dear for the Government to bear.

Mr. Edward O'Hara (in the Chair): With a reminder about the time, I call Mr. Betts.

10.25 am

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): I shall be brief, Mr. O'Hara. I am a complete enthusiast for light rail, because of the experience of Sheffield. Before the Liberal Democrats get too critical of the Government, I remind them that it was the Lib Dems in Sheffield who petitioned Parliament against the Sheffield Supertram, and they opposed it for a number of years. At least the Labour party in South Yorkshire has been consistent on the matter.

Greg Mulholland: Will the hon. Gentleman give way?

Mr. Betts: No. I am sorry, but I will not give way, in view of the time.

On funding, the Supertram in Sheffield covers its costs in terms of revenue, but it will never cover its capital costs. I agree with the comments of my hon. Friend the Member for Manchester, Blackley (Graham Stringer): we should see those capital costs as permanent long-term investments in the infrastructure of our cities, facilitating the economic and social life of those cities. Unlike other forms of subsidy, at least that brings a long-term benefit.

If the Department for Transport believes that the costs of some schemes are over the top, perhaps it should take the lead in doing an analysis, with transport authorities, of the comparisons between costs in the United Kingdom and costs on the continent. Some of the transfers of requirements from heavy to light rail may be forcing our costs up, and we should take a look at that.

As for the benefits of the Sheffield Supertram, people regard it as a quality form of transport. Passenger numbers are going up on the tram, as they have dropped by 30 per cent. on buses during the past 10 years. There is regeneration; one can see it happening. There is even a major landowner who wants to pay to reroute the tram and increase regeneration benefits. The tram is environmentally friendly, too.

In South Yorkshire we are considering extensions to Rotherham, the Royal Hallamshire hospital and Broomhill. One benefit of extension is that it opens up the tram not merely to other areas and other potential passengers, but to existing areas and passengers, who have more routes and more areas to access. It is important to bear in mind the fact that capacity and passenger use goes up on those routes.

I understand the Government's concerns about the cost. They have to bear down on costs and be vigilant about them, but one gets a sense that the mood music in the Department for Transport has changed—that it was pro-tram and willing to consider schemes favourably, but it is now resistant to the idea. Given the likelihood that there will always be long lead-in times for the development of tram schemes—although I hope that future lead-in times will be shorter—we need a certainty and consistency in Government policy that has been lacking in recent years.

I have two final points to make. The Supertram was built for an integrated system with buses linked to it. We ended up with a tram that was built in a deregulated environment in which bus routes changed to compete with the tram. Because First runs the buses and Stagecoach runs the trams, there is not even any proper through-ticketing policy in South Yorkshire, 15 years on. If the Government are saying that there will be no bus regulation and no tram extension, what public transport policy are the Government offering cities such as Sheffield?

Mr. Edward O'Hara (in the Chair): There is just time for a cameo from Tony Lloyd.

10.27 am

Tony Lloyd (Manchester, Central) (Lab): Thank you, Mr. O'Hara, I shall be watchful of the time. May I also congratulate the hon. Member for Rochdale (Paul Rowen)? This is an important debate, as we have

[Tom Lloyd]

heard from today's contributions, and this is an important matter throughout England and the large conurbations.

Manchester has demonstrated that its own Metrolink is a success, and I want to refer to the remarks that my hon. Friend the Member for Manchester, Blackley (Graham Stringer) made about the regeneration impact. I am bound to find this frustrating, representing as I do the inner-city constituency in Manchester, where regeneration, inspired by this Government—frankly, it would not have taken place without the efforts of this Government—has been frustrated by the slowness and delays in bringing forward the Metrolink scheme.

Metrolink is a vital part of that regeneration. It brings to bear part of the infrastructure that is necessary to deliver the high-quality transport links that that regeneration needs. We have seen in Greater Manchester how existing Metrolink schemes have impacted on places that would have traditionally been seen as less than fashionable. Those places are now economically and socially successful, and Metrolink has played an important part.

My question to the Minister is whether we can break through the "departmentalitis" on this matter. I share the concern expressed by my hon. Friend the Member for Sheffield, Attercliffe (Mr. Betts) that the mood seems to have changed—and changed perversely and paradoxically. The benefits of Metrolink, even relative to other transport systems, seem to be fairly obvious—at least to a lay person such as myself. Because of the inability to compare like with like in terms of the total spending, we have come to the illogical conclusion that Metrolink is too expensive.

I am at one with the Minister about wanting to bear down on the costs of the Metrolink scheme. It is in the interests of the taxpayer and the council tax payer. However, when the greater benefits of the Metrolink scheme's wider impact are added, the case for tram schemes in Greater Manchester and elsewhere is proven. I hope that we can grapple with that idea both in Manchester and in general, so that we can force through the rapid development of light trams. I have tried to keep within your time frame, Mr. O'Hara.

10.30 am

Dr. John Pugh (Southport) (LD): I congratulate my hon. Friend the Member for Rochdale (Paul Rowen) on securing a timely and important debate. I shall begin with a slight declaration of interest, because my grandfather was an inspector when Liverpool had trams, and my great-grandfather played a part in building them.

We are all aware that the period from the 1950s to the 1990s was a bad one for such transport. We seem to be on the cusp of a new dawn, however, because people have realised the benefits in terms of a modal shift: getting the business man out of his car, the reduction in pollution, the regeneration, and the reduction in congestion. But to many of us, that new dawn is turning out to be a false dawn. The Leeds scheme has gone belly up, the Hampshire and Liverpool schemes are not to proceed, and Metrolink is still in some doubt. The supposition is that that is all a response to escalating costs and a new tough Treasury stance, which, as my hon. Friend the Member for Rochdale pointed out, does not apply to road transport schemes.

On average, the costs of local transport plan schemes are 42 per cent. more than what was predicted. Only one recent Highways Agency scheme has come in under cost. None the less, it must be acknowledged that some newer schemes are more expensive than some of the initial ones. The estimated cost per kilometre was about £10.2 million for completed schemes and it is about £13.2 million for those that are projected. That is a real difference. However, it is not a linear difference—an obvious, continuous escalation. For example, there is a significant difference between the cost per kilometre for Sheffield and Manchester. There is no clear pattern at the moment.

The Minister is on record as saying something to the effect that we must find out why it costs twice as much to build trams—

Kelvin Hopkins: I am interested in the parallel with the railways in this context; Railtrack's cost per mile has risen by four times since privatisation. The costs are not to do with problems inherent to tramways, but are something to do with the way we build things.

Dr. Pugh: Yes, there is a genuine reason to drill down into the costs and find out why they are as they are. My hon. Friend the Member for Rochdale wants the Department to go down that route. However, perhaps we should consider simple continental comparisons for capital costs. I mentioned the figure of £13.2 million per kilometre for projected costs in the UK. The Bordeaux tram scheme is coming in at about £18 million per kilometre. The Paris scheme, the T3, is coming in at about £15.4 million per kilometre. Even quite modest schemes in Portugal and Barcelona are coming in at between £8 million and £10 million per kilometre.

Across the board tram schemes are pretty expensive, and the British ones do not necessarily compare as unfavourably as we might think with those on the continent. The Merseytram scheme was to be 19 km in length and the projected Paris scheme is much shorter. Were it to be extended to the same length as the Mersey scheme would have been, it would come in at about £400 million. That will give hon. Members an idea of the comparative costs—even with the high consultancy costs and utility costs for British schemes, and the significant local subsidies that go into continental schemes in addition to Government subsidies.

Some of the schemes that we are developing have, none the less, unique features. I want to dwell briefly on an aspect of the Merseyside scheme that died the death yesterday. It was unique in some ways compared with many of the continental models, because it would have joined a series of wards and constituencies where there are large numbers of people who might be described as socially excluded in many ways. It was advanced primarily as a regeneration scheme. Many of the continental schemes do not do that, but tend to link together areas of high economic activity.

While we are going through the blame-laying exercise for the Merseyside scheme we may ponder what the Department's take on that would be. The right hon. Member for Knowsley, North and Sefton, East

(Mr. Howarth) put forward the view that the local authorities in Liverpool were not united. I have been present at some meetings at which they were very united, but had slightly different takes on the matter. Authorities such as Knowsley and Liverpool city council, which stood wholly to benefit, would obviously be, on balance, more enthusiastic than those such as Wirral, which needed to worry about the repercussions such as the cost of tolls and so on.

I reject what the right hon. Member for Knowsley; North and Sefton, East said about Merseyside political culture being dysfunctional, because that is not true across the board in relation to all kinds of schemes.

Mr. George Howarth: The hon. Gentleman should be more accurate about what I said. My comparison was specifically with Greater Manchester, where each section 151 officer gave the assurances necessary. That did not happen on Merseyside, although there may be good reasons why it did not.

Dr. Pugh: There were extra expectations of the Merseyside political community that did not exist in Manchester, but I will come to that later.

There is another view of the Merseytram scheme: that the Government are looking for a way out of a scheme that they are not convinced provides value for money. The Northwest Development Agency would have preferred the projected route to Liverpool John Lennon airport to be the first route, because that would have guaranteed obvious regional benefits, but it would also have lost some of the equally obvious social exclusion benefits. Such a scheme might have been more broadly supported across the political community. I simply do not know.

I would like to know what advice the Government offered at the early stage about how to proceed. The Government's tone throughout the scheme has been largely that of a bank manager rather than a partner. They have not taken a proper partnership approach. The supposition that local authorities, which are, after all, capped, can take on board whatever liabilities come their way, and that the Government are just stuck at the figure of £170 million does not reflect, for example, the experience in Edinburgh with the Scottish Executive.

The experience on Merseyside has been traumatic, wearing and deeply discouraging. People on Merseyside want to know where the £170 million is actually going to go, because at the moment Merseyside is a net loser in real terms. Significant amounts of money have already been spent on the scheme, with no result so far.

Many Members, including the hon. Member for Manchester, Blackley (Graham Stringer), have said that there is a north-south split in the debate, and there genuinely is. Most Members present are from the north. Looking ahead, do we really think that schemes such as Crossrail, and the billions that will be spent on them, will be subject to the same rigour as schemes that are far less expensive in real terms? Why, for example, did the Government change their attitude in the negotiation with the Merseyside passenger transport authority and the Merseyside political community and insist that the local authority, not the PTA, underwrite the scheme? Was that advice given right at the start, and if not, should it have been?

That leads us to the big question: are the Government trying to give up on trams, full stop? What will they do to make tram schemes proceed better in the future? What will they do to reduce the costs of such schemes—the cost associated with the utilities and so on? What will they do to respond to the criticism made of them in April 2005 by the Public Accounts Committee? Why are they taking such a non-negotiable stance on tram schemes? That stance is not applied to road schemes, and it is not found in Scotland, where the Scottish Executive consider light rail and other schemes. How will the Government evaluate and weight subsequent schemes? What advice will they offer? Why does it take them so long to give a clear steer to local authorities that are progressing the schemes? That refrain has been repeated many times during the debate. There are appreciable transactional and contractual costs involved.

What do the Government expect of future schemes? How do they think that they will be progressed? Will they all be progressed as part of a regional priority list? I saw a speculative list for regional transport for the north-west quite recently, and £825 million—of an overall figure of about £1.4 billion, I think—was allocated for future transport schemes. Will transport schemes in the future require the assent of the region rather than being progressed through PTAs? For example, what is the future for major projects not in the Minister's in-tray, such as the Blackpool tram scheme? What of future schemes? What about alternatives to our big-scale schemes? Is there any future, for example, for trolleybuses and the like?

With so much confusion and uncertainty around, we need specific answers from the Minister. At the moment, there is collective unhappiness across the north-west region—and the north region in general—which I hope that the Minister can do something to assuage.

10.41 am

Mr. John Hayes (South Holland and The Deepings) (Con): Trams were once used extensively in the UK, and at the peak there were 300 systems, but by the modern age the number had reduced and eventually only the one in Blackpool survived. I congratulate the hon. Member for Rochdale (Paul Rowen) on bringing this matter to the attention of the Chamber, and I congratulate all hon. Members who have contributed to this important debate.

Seven new systems have opened in England since 1980, with an average of 138 million passenger journeys being made each year on approximately 235 km of track. However, there has been a degree of pathos about this debate—frustrated hopes, faded dreams, disillusioned communities and disappointed representatives—because there is doubt about the Government's commitment to light railways, and about their understanding of how such systems can play a vital part in regenerating communities. We heard about that from hon. Members from all parties.

The six new systems outside London are the Tyne and Wear Metro, Manchester Metrolink, Sheffield's Supertram, Midland Metro, Croydon Tramlink and the Nottingham Express Transit. In April 1991, the Select Committee on Transport pointed to six main advantages of light rail: it reduces traffic congestion, has positive environmental impacts, conserves energy, assists urban regeneration, generally provides a high-quality service, is often conducive to better access for disabled people, and has a prestige value for a host city.

[Mr. John Hayes]

Light rail schemes should be encouraged where they will be of particular benefit—that is, in busy city centres. The great advantage of light rail is, as the Transport Committee said, that

"it can increase the number of people coming into a"

city

"centre without increasing congestion."

According to the Committee, light rail and tram systems could carry more than 3,000 passengers per hour in vehicles containing up to 350 people. Trams are more environmentally friendly than buses and cars and they are safer, as well.

There are also regeneration benefits. The docklands light railway and Manchester Metrolink have boosted the prestige of their cities and are attractive to visitors. The experience of the Nottingham Express Transit in its first year of operation, with 8.5 million passenger journeys above target and a £23,000 operating profit, shows the potential of good light rail schemes. The Nottingham scheme has applied to the Government to be able to construct an additional line. No doubt the Minister will give us some information on that application when he winds up.

The main barriers to light rail schemes are affordability, and the potential of the system to integrate with the rest of the local transport network. The only reservation that I have about tramways is the question of their beauty. I wonder why, in the modern age, we cannot build more beautiful things. One thinks of the Routemaster bus and trains from ages past. Why can we not make trams look better? We should not strip life of all its elegance and style, should we, Mr. O'Hara? I offer this small caveat in relation to my general support for these schemes.

Cost is the most significant factor discouraging further development of light rail, but as the hon. Member for Manchester, Blackley (Graham Stringer) said, when cost comparisons are measured in terms of passenger journeys, they are more positive than might generally be suggested. The emphasis is often on the construction cost—the infrastructural up-front capital cost—but when one takes into account costs over time, which the hon. Member for Rochdale mentioned, those considerations can be seen in a different light.

More could be done to overcome that barrier. For example, there are no Government grants available to develop innovative, energy-saving light railway technologies, because that tends to cost less than £5 million, which is the qualifying threshold for a scheme to receive financial support.

There are other issues that the Government must address, and I hope that the Minister will touch on them: the poor financial performance of some existing light railway systems, which is discouraging interest in future schemes, and how the Government can assist in respect of that; local authority funding for schemes; the issue of time, and uncertainty over the granting of powers to local authorities; and insufficient in-house expertise.

Above all, as the Public Accounts Committee recommended in March:

"The Department should develop a strategy for the development of light rail as part of an integrated transport network. The Department has maintained an arm's length approach to the development of light rail, leaving local authorities to decide whether light rail was appropriate for their areas, and not prioritising in value for money terms which schemes should be allocated funds and built. It should take a more active role in the development of light rail by, for example, indicating the types of urban areas where it would be most receptive to local authorities' proposals."

As a Transport Committee report this year stated:

"The Department has failed to give a strategic lead in the development of light rail."

In 2000, Labour pledged to double light rail use in England by 2010, measured by the number of passenger journeys. In 2000–01 there were 124 million journeys, and in 2003–04 there were 147 million journeys—an increase of 18.5 per cent. It seems unlikely that the Government will achieve their target. Since 1997, only one new system has commenced outside London—the Nottingham Express Transit Scheme. I know that scheme well. As the Minister is aware, like the Sunderland extension to the Tyne and Wear Metro and other lines that have opened since 1997, the Nottingham scheme was a proposal whose funding and planning were inherited from the Conservative Government.

Only yesterday we learned from the Government that they have cancelled funding for two light rail schemes—Merseytram and the south Hampshire rapid transit scheme. My hon. Friend the Member for Gosport (Peter Viggers) made a strong and bold case for that scheme; he is a great champion for local people in that respect, as in many others.

The Government have now spent £284 million developing rail projects that have come to nothing. That was revealed by a question asked by my hon. Friend the Member for Rutland and Melton (Mr. Duncan). I will mention each of those schemes, because they have been repeatedly defended in this Chamber by the right hon. Member for Knowsley, North and Sefton, East (Mr. Howarth), the hon. Members for Manchester, Central (Tony Lloyd), for Leeds, North-West (Greg Mulholland) and for Manchester, Blackley, and by my hon. Friend the Member for Gosport. The following sums were spent on them: £199 million on Manchester Metrolink phase 3; £36 million on Merseytram; £39 million on the Leeds supertram; and £10 million on the south Hampshire rapid transit scheme. All that money was invested in schemes that will not now go ahead; hence the pathos, disappointment and disillusionment that I described earlier.

I have several questions for the Minister. Does the extension to the Nottingham Express Transit have Government approval? If so, when will we know? Will local authorities be entitled to money from the transport innovation fund for light rail schemes if they are not accompanied by road charging proposals? There was something about that in the national press yesterday; the Government's enthusiasm for congestion charging is clear. I make no point about that, except to ask how it would be integrated with applications for light rail schemes. What guarantees can the Government give that light rail remains a priority, and that they will meet their target of passenger numbers doubling by 2010? What proportion of the transport innovation fund does the Minister envisage offering to light rail schemes, given the other priorities that the Government have announced?

What is the Government's response to the recent urban task force report? It argued:

"the root of the problem is that decisions on urban transport are taken piecemeal, in apparent isolation from their impact on regeneration; indeed, there appears to be next to no evaluation of the broad regeneration benefits that investments would help bring about."

There are competing public priorities, which often obscure the holistic benefits of this kind of innovation. The Government need to engage in joined-up thinking; the only thing that is joined-up at present is the traffic on congested roads. They have created a debilitating culture of encouraging schemes into the development and planning stage and putting in taxpayers' money, then pulling the plug before construction begins. The Minister needs to make it clear where the Government stand on future projects, and how committed they are to light rail. I described the pathos that has characterised this debate; the Minister now has an opportunity to prove that neither he, his Department nor the Government are pathetic.

10.51 am

The Parliamentary Under-Secretary of State for Transport (Derek Twigg): I congratulate the hon. Member for Rochdale (Paul Rowen) on securing this important debate. It is not possible to deal with all the points that have been raised in the short time available, so I will try to deal with as many as possible in my speech. I ask hon. Members to be patient.

From what one or two Members have said, one would think that we had done nothing for transport, but we have seen record investment in public transport after years of neglect, major regeneration of our main cities, and major success stories in transport generally.

I shall use the short time available to deal with the issues before us, and I welcome the opportunity to debate this matter and set out the Government's position. As we all know, and as hon. Members have said, we have had a difficult time in the past few weeks in terms of taking decisions. I want to make it clear that light rail has a future in Britain in the right places and as part of the right overall package, but that we will not support schemes at any cost. The success of light rail has been partly due to the Government's contribution of about £700 million to light rail schemes since 1997. Six such schemes have opened across the country.

Light rail journeys have increased by 130 per cent. in the past 10 years. In 2005, journeys increased by 8.4 per cent. compared with the previous year—more than on national rail and London Underground. In all, 155 million journeys were made on light rail systems in England last year. Light rail is a small contributor, given the increasing use of public transport, but its share is increasing.

Obviously, lessons can be learned from past experiences. Too many light rail schemes have seen their costs increase substantially after we have approved them. With the Manchester Metrolink phase 3 extensions, the public sector funding requirement almost tripled between our first approval in 2000 and the end of 2004. For the scheme in south Hampshire there was a 50 per cent. increase, and for the Leeds supertram and Merseytram, the public sector cost increased by 40 per cent. We need to have full confidence in a scheme's cost, viability and cost-effectiveness before giving it the go-ahead, and we must be satisfied that the procurement approach proposed is appropriate and offers the best value for money.

If light rail is to be successful, it needs to be part of an integrated approach. As my hon. Friend the Member for Manchester, Blackley (Graham Stringer) and others have said, last year light rail came under the scrutiny of the National Audit Office. Recent reports by the Select Committee on Public Accounts and the Select Committee on Transport have made several valid suggestions about how the Government's role in light rail might be strengthened.

Under the new approach, we will be more rigorous, and will not give final approval until final prices have been received through a competitive procurement process. That will mean that schemes' promoters will need to develop more robust proposals, and provide evidence of their certainty regarding the risks and estimated costs and of the fact that the scheme is deliverable on time and on budget. They will also have to demonstrate that it is a high priority for the region.

The Department has been considering how success can be built upon and best practice shared. It has been working closely with promoters through a programme of work streams and with the passenger transport executive light rail group. We are working to ensure that better specific guidance about developing a light rail scheme is available to promoters and local authorities, and have recognised the importance of working with industry. We are also working closely with UKTram, which has set up working groups to take forward streams of work, which include the development of technical, operational and safety management standards and best practice guidelines. We will continue to support UKTram in that work.

We also want to improve project delivery. We will make sure that, where necessary, major transport schemes go through the formal gateway process run by the Office of Government Commerce, to ensure that projects at critical stages are in a fit state to move forward.

I reiterate the fact that light rail does have a future in the UK. In areas of heavy traffic it might be the best solution to transport problems, as it can be the most effective way of getting people out of their cars.

Mr. John Leech (Manchester, Withington) (LD): In my constituency, a major benefit would be the resulting modal shift from car to tram. A local developer developing a site in the constituency has been heavily promoting the fact that people will be able to use the tram to get to and from the city centre—but now, given the uncertain future of Metrolink, the same developer is offering people cars as an incentive to buy flats in that development. Surely the fact that Metrolink has been delayed in south Manchester is increasing congestion in the area.

Derek Twigg: I will come on to Metrolink in a bit more detail later, but it is clearly an attractive way to get people out of their cars. That is part of the strong case that Members of Parliament for Manchester have made to me.

Given its high cost, light rail will not be the right solution in every location. We expect scheme promoters to explore all the options for meeting their transport

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problems, especially the possibility of delivering better bus services, before they approach us for funding for a light rail scheme. For instance, work that we did with Leeds suggested that high-quality buses could deliver most of the benefits, and at a lower cost. We look forward to working with Leeds to develop a showcase high-quality bus system that may well provide a model for other cities.

Where light rail is the best solution, it will need to be developed as part of an integrated approach to tackling an area's problems. Light rail schemes will need to be supported by commitments to complementary measures that will deliver the benefits of increased public transport usage and reduced congestion, and that will support the viability of the light rail system.

Mr. Hayes: Will the Minister give way?

Derek Twigg: I will not, if the hon. Gentleman does not mind, as time is limited.

Through the transport innovation fund, we have undertaken to provide support for such innovative packages of measure. Those packages should combine demand management and better public transport, which might include light rail in some cases. The funding will be available from 2008-09, and on Monday my right hon. Friend the Secretary of State announced seven areas that have been successful in securing pump-priming funding to help with the development of schemes. They include Greater Manchester, which will assess the potential for demand management measures to complement its tram extension proposals.

The existing Manchester Metrolink has been a success. The first phase opened in 1992, and the second in 2000. Today it carries more than 19 million passengers a year, and there are times when it suffers from overcrowding. I am in no doubt that the system has helped in Manchester's economic success, and that improvements to the system are worth making. The plans for extensions to the system were dogged by cost increases, as I said earlier. Last year, the Department worked closely with the Manchester authorities to understand what the proposals would now cost. In December 2004, the Secretary of State announced that he was committing more than £500 million—the sum previously agreed for funding phase 3—to Manchester's transport network.

Manchester could also bid for additional funds from the new transport innovation fund. In June, I went to Manchester and announced that the Government were committing £58 million to enhancing capacity and refurbishing parts of the existing system. We are continuing to work with the Greater Manchester passenger transport executive to finalise details of the scheme. As my hon. Friend the Member for Manchester, Blackley, said, we are still discussing those proposals with it. We will be in a position to say something about that when those discussions are completed.

The Department is also in discussion with the PTE about its strategy for extensions to the system as part of an integrated transport package for the area. That includes the extension to Oldham and Rochdale. The GMPTE has given us an integrated transport strategy document as a basis for dialogue on a transport innovation fund bid that would incorporate the extensions and other measures. Discussions are at an early stage, and we are working closely with the PTE to take them forward.

We will continue to support tram schemes if they are the right solution for a particular area, and if their costs can be justified by bringing wider benefits. Certainly, we expect to fund some light rail schemes in future, but only as part of an integrated approach, to maximise the benefits.

Mr. Hayes: Will the Minister give way on that point?

Mr. Edward O'Hara (in the Chair): Order. There is no time left.

Altrincham Hospital

10.59 am

Mr. Graham Brady (Altrincham and Sale, West) (Con): I am grateful for the opportunity to raise the plight of Altrincham general hospital. I am sorry that it is the second occasion on which proposed closure of this well-used and much-loved hospital has prompted me to seek such a debate. I believe that the Adjournment debate that I secured on the subject in July 1999 was instrumental in saving the hospital. I hope very much that the same will prove true today.

Since 1870, when Altrincham general hospital was built through the generous support of local people, it has served the community well. In recent years its services have included intermediate care beds for the elderly, located in a convenient place where friends and relatives, who are frequently elderly and dependent on public transport, can easily visit in-patients. There is also a busy minor injuries unit, serving 11,000 patients a year, and a large number of clinics providing 20,000 out-patients with blood tests, diabetes services, cardiology, audiology and much more.

For 20 years or more, there have been questions over whether to refurbish the existing buildings or to build a new hospital for the people of Altrincham and Sale. Under the previous Government, a clear commitment had been given that no closure would take place unless and until a new hospital was in place. As recently as July this year, the local NHS was giving clear commitments that a review of community hospitals would not mean closure of Altrincham general hospital.

Mr. David Cain, the Trafford Healthcare NHS Trust chief executive, sent a letter to Councillor John Lamb in July, in which he said:

"I write to confirm that the board of the Trafford Healthcare NHS Trust have no plans to close the wards at Altrincham General."

He went on to say:

"I understand that my Chair has responded to a letter from Councillor Susan Fildes, as leader of Trafford Metropolitan Borough Council in an email of July 15, to advise that our board has no plans to close Altrincham General Hospital or individual wards."

That followed the statement from the primary care trust last November, when consultation was launched on how to invest in the community hospitals in Altrincham and Stretford. Leslie Robertson, the then chairman of the Trafford South primary care trust, said:

"This exercise is not about closing the hospital but developing our services on the site. We know that many people have a vital interest in the future development of services at Altrincham general hospital. We want them, as well as staff and other partners, to take a full and active role in the development of proposals for change. These options will then go forward to formal public consultation."

The chief executive of the Trafford South primary care trust, Dr. Tim Riley, added:

"We are delighted with the response from local people, staff and others. We know that both these hospitals are much valued by the local community and we are pleased to be working so closely with everyone to gather your ideas for change."

It was all very positive and consensual.

Just six weeks ago, I met the trust's chief executive to discuss concerns about local health care provision, including ways in which services at Altrincham general could be expanded. I left that meeting feeling optimistic and positive. I felt that Altrincham had a good, expanding future with investment, refurbishment and more services. It came as a sickening blow on 15 November when, faced with a public interest report regarding the trust's deficit, the board adopted an emergency proposal that included the closure of the hospital.

On Friday of last week, I had further discussions with David Cain and Professor Robert Tinston, who has been asked to conduct a rapid review, to be concluded by Christmas, of the options for health care provision in the area. I urged Professor Tinston to take a genuinely open-minded approach and to try to find a better solution than that proposed on 15 November.

What do I seek from the Minister? I do not want to be over-simplistic and I do not want to be drawn too far into the wider financial problems of some NHS trusts, including Trafford. It seems astonishing, however, that with all the extra money being pumped into the NHS, we face hospital closures and service cuts rather than expansion and improvement.

I have two straightforward objectives. First, the trust is consulting the public regarding its cost-saving proposals. I want to leave the Minister in no doubt whatever: my constituents and people elsewhere in south Trafford are united in their determination to keep our local hospital. A few days ago, I saw more than 3,000 people sign a petition to save Altrincham general in the space of just three hours. I have never before seen people queuing to sign a petition in that way. In the two weeks since the trust board proposed closure, 720 constituents have contacted me by post or e-mail to support the hospital.

If Ministers and NHS bosses are serious about consulting the public there is only one message that they can possibly take out of the consultation: my constituents are not mildly irritated by the proposed closure of Altrincham general; they are furious. They insist on keeping the excellent local facility that was built by the local community and for which our taxes now pay.

My second objective is to ask the Minister to intervene to ensure that the trust moves away from its knee-jerk panic response to its deficit. On calm reflection, there are many reasons why it would be counter-productive to close Altrincham general hospital. The figures speak for themselves. Tens of thousands of patients make use of a local health facility. Altrincham general is not just an asset for the community; it also brings a revenue stream into the trust, as the Minister well knows. Its closure could therefore exacerbate the problems of the deficit rather than help to solve them.

The problem with Altrincham hospital is not that it is inherently unviable, but that it needs a significant capital sum spent to update it. The trust and the health authority should be examining ways to secure the necessary capital and to increase the revenue streams coming through the hospital. The trust tells me that that primary care trust has approximately £2 million of capital funding available, which could be directed towards the project. The recent closure of St. Anne's hospital in Altrincham also raises the prospect of a

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significant capital receipt in due course, which could, and should, be spent within the community to ensure proper health provision in Altrincham and Sale.

I mentioned the 20,000 out-patients using clinics at Altrincham, but further possible services could be brought to Altrincham to increase the revenue flows. Perhaps the most obvious would be to use Altrincham as the location for a local breast care unit, for which there is a desperate need, as the Minister knows, following the recent closure of the unit at Trafford general. We were told that that closure was temporary, but in the current climate of the deficit at the trust, I am concerned that it might get lost in the midst of the wider problem.

However, that does not remove the fact that there is a need within the Trafford and south Manchester area for a proper dedicated breast care unit that brings together all the services and facilities needed for patients suffering from that type of illness. Given the amount of space available at Altrincham general, it would be possible to have such a unit there rather than shoehorning it into other facilities, such as those at Wythenshawe hospital, which might be the alternative.

When the local NHS published its proposals to close Altrincham general, local people felt shocked, angry and betrayed. It is not a failing hospital, but a much-loved, well-used hospital which has dedicated staff and massive reserves of good will in the community. I hope that the Minister can reassure my constituents that the fate of their hospital will not be decided by a panic reaction to the trust's deficit and that, instead, real efforts will be made to find an imaginative solution to secure the long-term future of this vital institution.

11.10 am

The Parliamentary Under-Secretary of State for Health (Mr. Liam Byrne): I congratulate the hon. Member for Altrincham and Sale, West (Mr. Brady) on securing a debate on the future of Altrincham general hospital. He has taken an interest in it over a number of years, and I welcome that.

I want to separate three different lines of argument. The first is the future funding available to the global health economy. The second is how we take forward and build stronger services in the hon. Gentleman's constituency. The third relates to the process for making decisions about health services in his constituency in the future.

The starting point for the debate must be to reflect on how far we have come. I read, with some interest, the *Hansard* of the hon. Gentleman's Adjournment debate in 1999. He attacked remorselessly what he described as spin on investment and waiting lists. I hope he will now join me in congratulating the NHS in his area on the way in which local health professionals have gripped record investment and the opportunity offered by our reforms.

I looked at some of the figures late last night and, along with the rest of England, fewer people in Altrincham have to wait for treatment. In September, 336 people waited more than 13 weeks for their first out-patient appointment, compared with 968 in 1997. There is also some pretty impressive progress on in-patient treatment. In September, only 112 patients at the trust had to wait more than six months, compared with nearly 1,000 in 1997.

When we consider the number of people who have to wait more than nine months for in-patient treatment, we see some of the great strides that have been taken. In 1997, 380 people had been on a waiting list for more than nine months in the trust that serves the hon. Gentleman's constituency. As of September this year, no one was waiting more than nine months.

There is a similar story to tell about the improvements in access to health care in the case of primary care. In September, every patient in the Trafford South primary care trust area could be offered an appointment to see their GP within two working days. The result of the extra investment and of bringing down waiting lists is quite simple: more lives are being saved in the hon. Gentleman's constituency. Cancer mortality rates in the Trafford local authority area have fallen by around 15 per cent. in the period between 1995 to 1997 and 2001 to 2003. That is higher than the national average of about 13 per cent. Death rates from circulatory disease in the same period have fallen by around 28 per cent. The extra investment is not only delivering better front-line care but saving lives. Those are examples of how one community is benefiting in the same way as the rest of the country.

Mr. Brady: I am happy to respond to the Minister's invitation to congratulate local health care professionals. I also want to be able to congratulate him after the debate, which I will do if he gives some reassurance that we will keep our excellent local hospital and have a proper breast care unit in south Trafford to serve my constituents.

Mr. Byrne: I shall come on to that question directly. I am glad that the hon. Gentleman is able to join me in congratulating local NHS staff. It is, after all, their hard work and dedication, backed by the reform and extra resources secured by the Government, that have been harnessed to such good effect.

The debate is not about the past; it is about the future. The Government do not plan to sit on their laurels. We want to take the services provided by local health care in Altrincham much further, much faster. Let us start with the money. Further progress will be made. In the current financial year, Trafford South primary care trust is receiving an allocation of about £128 million, which is nearly 6 per cent. up on last year. By 2007–08, that will have increased to £164 million. With that level of funding, we fully expect the local health service to continue to improve and NHS organisations to deliver substantial changes for the better in front-line care.

The increase in money over the next two years is £36 million. That is four times the projected year-end deficit of Altrincham general hospital. Although about 25 per cent. of NHS trusts up and down the country are currently in deficit, when we set those deficits against the projected increases in funding, we see that they are a small part of the picture. The real question and the quite fantastic choice that confronts the local NHS in the hon. Gentleman's constituency is how it is going to spend that unprecedented increase in resources over the next couple of years. What should it spend on hospitals,

primary care and community services? How best can it spend that extra £36 million to benefit his constituents? How much should be spent on, for example, Altrincham general hospital?

Let us consider the hospital in some detail. As the hon. Gentleman says, it was built in 1870. It is currently used by about 20,000 out-patients a year, across a range of specialties. There has been a fall of about 14 per cent. in out-patient activity at the hospital over the past three years. There is a nurse-led minor injuries unit that treats 10,000 people a year and a 26-bed rehabilitation unit for elderly patients. However, the beds are based in two Nightingale wards and there is no resident medical support for those patients. The doctors that support the service are based at Trafford general hospital. Last year, 242 patients were admitted to the ward. In-patient activity at Altrincham has declined by about 30 per cent. over the past three years. The hon. Gentleman will probably know this, but about three quarters of Altrincham residents receive their in-patient treatment at neighbouring trusts.

Mr. Brady: I do not dispute the Minister's figures, but I am sure that he knows that the reduction in in-patient activity is due to the fact that wards were closed by the trust in previous years and that the reduction in out-patient activity is not because of a reduction in demand, but because of the way in which patients are being channelled and directed to clinics at Trafford general which are less convenient and less local.

Mr. Byrne: The backlog maintenance costs at Altrincham general hospital amount to about £5.8 million. It is the trust's view that the hospital is not suitable for the provision of modern health care. Dr. Frank McKenna, the divisional clinical director of medicine in Trafford, said of Altrincham:

"The inpatient wards are no longer an acceptable standard for the treatment of our patients. We have a superb, modern rehabilitation unit at Trafford General which is not only more comfortable for patients, but is also safer. Transfer of the rehab beds from Altrincham General Hospital is long overdue and should be welcomed by patients or relatives who need this service."

So the hospital is providing services for which there is a strong case for a different kind of provision.

More importantly—this is the real point—when we are putting more money into the NHS and writing cheques for £36 million, it is not unreasonable to say that we need that money to be spent well, in the way that best benefits the hon. Gentleman's constituents. We are happy to write a big cheque, but we are not happy to write a blank cheque. There is potentially a strong case for the alternative siting of services that are based at Altrincham general hospital. Under any scenario, however, I have to be assured that the out-patient services, clinics and minor injuries units currently based at the hospital will be provided in alternative accommodation in Altrincham.

It is important that any reforms are seen against the backdrop of our commitment to community hospitals. As the hon. Gentleman will know, we made a manifesto commitment to develop a new generation of modern NHS community hospitals and to bring on line 50 new or refurbished community hospitals over the next five years. Those need to be state-of-the-art centres because we made a big promise in our manifesto to cut waiting times from the scandalous year and a half that we inherited to just 18 weeks. That means that the new centres have to provide diagnostics, day surgery and out-patient facilities much closer to where people live and work. That is essential if we are to deliver our manifesto commitment.

We made that commitment because we know about the potential of community hospitals, which will help us to move care and diagnostic services outside acute hospitals and much closer to where patients live—they will provide care around the clock and around the corner. The Department is working out how to deliver that manifesto commitment in detail, and the outcomes of the major consultation exercise "Your health, your care, your say" will be fed into the process around the turn of the year. We are listening to the public to develop health services in a direction that is set by them.

What does all that mean for the hon. Gentleman? The third line of argument that I promised to discuss was the process by which decisions are made. He referred to commitments made earlier this year and cited a letter based on comments from Trafford Healthcare NHS Trust about investing in Altrincham general hospital. I am told that those plans, which were at a preliminary stage, must now be considered against the question of how to spend the extra £36 million in his constituency in a way that strengthens front-line care in Altrincham. The right approach is surely for the local health economy to have the opportunity to review the provision of services across not only his constituency but the whole of Trafford. It is vital to stress that, at this stage, any proposals to re-site services are only proposals for debate.

The local health economy accepts that it has to take the actions set out in the auditor's report. Greater Manchester strategic health authority has announced, and has informed local MPs, that it will take a lead in the process of outlining a way forward for the Trafford health system. That will build on the work carried out to date and will involve the local NHS, local politicians, patients and other stakeholders. That work has started and will continue over the next two months.

The SHA has commissioned Robert Tinston to undertake that work, and I am glad that the hon. Gentleman has met him. He is a former NHS manager and was the regional director of the north-west office of the Department of Health until 2002. He has been tasked with producing a report that will unpick different levels of support for different options. He will also set out options for further consideration and decision, as well as making recommendations about the way forward. His report will be used for further discussion with the SHA and with the NHS in Trafford and Greater Manchester as a precursor to any public consultation. Such consultation is, of course, statutory and will be undertaken by Trafford PCTs in spring next year.

I am grateful to the hon. Gentleman for bringing the debate to the Chamber. It is an important issue and there are great opportunities ahead.

Mr. Brady: I have a sense that the Minister is moving towards a conclusion and I am keen to press him on a couple of points. I think he has given a commitment that

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the closure of Altrincham general hospital is not a foregone conclusion and that it is possible to avoid it. I also think that he has given a commitment that the local NHS may choose to spend the money that he says is available in whatever way is deemed to be appropriate locally, including the possibility that it may keep Altrincham general hospital. If he is prepared to confirm both those things, I shall be very happy.

Mr. Byrne: It would be quite wrong for any Minister to prejudge the results of any consultation. Robert Tinston was given the job of coming up with options, of testing different degrees of local support and of making recommendations. That will form a working document, which must be subject to a consultation thereafter. I do not rule any option in or out at this stage. It would be wholly inappropriate to do so.

The hon. Gentleman referred to the importance of breast screening to his constituents. I am advised that the SHA has temporarily suspended the service at Trafford, and patients go to Withington hospital for diagnosis and to Wythenshawe hospital for treatment. A review of that service is being conducted, and it should be completed in the new year.

Important consultations will be carried out in the next three or four months. This is a time of extraordinary opportunity to strengthen front-line care yet again in the NHS. I am glad that the hon. Gentleman will, I am sure, bring this debate to his constituents' doorsteps in Altrincham.

11.27 am

Sitting suspended until half-past Two o'clock.

2012 Olympics

2.30 pm

Meg Hillier (Hackney, South and Shoreditch) (Lab/Co-op): May I welcome you, Mr. O'Hara, to the Chair and thank you for chairing today's proceedings? I am delighted to have the opportunity to open this debate on London and the 2012 Olympics. We all remember that great day in July when we won the Olympic bid. I was at Stratford with my hon. Friend the Member for West Ham (Lyn Brown) and our legs nearly collapsed beneath us with surprise and delight that we had won. We now know, however, that there is a large challenge ahead. *[Interruption.]* I hope that that was not a rude comment from the hon. Member for Bath (Mr. Foster). It is obvious that I shall have to visit Weight Watchers.

We all now know the importance of the next steps for London to ensure that we secure the long-term benefits. To summarise what the Olympics are about, if we think of the five Olympic rings, we also think of the five key challenges of the London 2012 Olympics for our capital city and our nation. We need world-class venues. We need world-class, record-breaking Olympic and Paralympic games. We need a step change in local employment opportunities so that the east end of London in particular is transformed once and for all. We all look forward to a leap forward in participation in sport and physical activity in the United Kingdom from now on and, crucially, after 2012. The most important thing is a living legacy for the 21st century both for my area of London and the wider nation.

I want to highlight some of the issues and challenges within those five themes, and then I will touch on the key issues for east London and Hackney in particular. First, great venues are clearly a must. We now have Jack Lemley and David Higgins, formerly of the channel tunnel rail link and English Partnerships respectively, as chair and chief executive and bringing their useful and welcome experience to the Olympic agencies. We also need to see the London Development Agency's procurement and job brokerage schemes working for local people so that now, up to and beyond 2012 local people and businesses gain from the jobs that are available and we do not lose contracts to the wider world. I will touch more on that later.

Secondly, we will have a great games. I have no doubt about that. Rightly, that is the major focus for the International Olympic Committee and the London Organising Committee of the Olympic games. We have a good team in Lord Coe, Lord Moynihan, Keith Mills and their colleagues to ensure that the games are an enormous success. I wish to raise a local issue, however. I met some nine-year-old schoolchildren and one of the key issues they raised was whether they would get tickets. The Minister should focus particularly on that. Those local nine-year-olds will be 16 at the time of the Olympics and they do not want to lose out to international visitors, much as we will welcome them.

Thirdly, we want to see local jobs. The London Development Agency is working to deliver a procurement chain so that for every large contract that is delivered, a chain of smaller local businesses from the east end of London, London as a whole and the rest of the UK can benefit from the job and business opportunities that arise from the Olympics. The agency

is launching a job brokerage scheme to match people to jobs in the east end in particular, which is something we need to see work if the people in my area are to benefit in the long term. It is also developing a business club so that when the big contracts are let, the businesses involved can go to local businesses to find someone to match the skills they need.

Those are all good ideas, and I have no doubt that the London Development Agency is committed to them. However, as Members of Parliament and others with an interest in the Olympics and east London, we must keep a close eye on those ideas to ensure that they deliver. We have to raise a question about the Learning and Skills Council and the London Development Agency: which has the lead role in delivering jobs and training locally? We must make sure that there is no confusion and territorial land grabbing while local people lose out.

Groups of businesses must also help themselves. I recently chaired a meeting of creative and voluntary groups in Hackney. Those individuals and organisations were keen to be involved in the Olympics and were talking about ways in which they could get involved as they were worried that they might get left behind. I am delighted that the Olympic Delivery Authority, in its early form, has told me that it is willing to engage with businesses, and is keen that the groups organise together and approach it to see what they can gain by working together.

Creative businesses are big business in Hackney, and they can help us to create now and for the long term London's new east bank, a cultural and creative quarter for our city and our nation. We will see that culminate in a vibrant national and international creative hub in the form of the Olympic institute, which is a welcome development. It will include facilities for sport, sports medicine, ecology, biodiversity and cultural and creative industries. The project is supported by all five local boroughs and builds on Hackney's well-deserved reputation as a centre for creative business.

Derek Wyatt (Sittingbourne and Sheppey) (Lab): I congratulate my hon. Friend on obtaining the debate, but I wonder whether she has set her sights too low for the institute. We do not have a sports university; we have no deposit for our digital sports rights; we have no centre of training, coaching, psychology and history. Would not it be better if we set our sights higher?

Meg Hillier: I bow to my hon. Friend's expertise in this matter, but I think that the most crucial thing is to establish the institute and get it grounded before we develop further ideas about building on it. The main thing is to get the foundations in place. His suggestion would therefore be something to build on in future.

I have touched on some of the positive aspects of the subject. Key issues also arise affecting job creation and skill development, and I have some stark facts to outline about employment in my constituency. Unemployment in Hackney, South and Shoreditch is the 12th highest in the UK. Yet the ratio of jobs to people of working age is 1:1, which is above the UK and London average. In my constituency, 22.7 per cent. of people of working age have no formal qualifications. London-wide, the figure is only 13.9 per cent.—that is still too high, but Hackney's rate is considerably higher. Also, 28.3 per cent. of unemployed people in the constituency are aged between 18 and 24.

Those figures show that the issue is not just jobs. There are jobs available and it is important that local people are skilled for the long term, and that any training that is offered is matched to jobs that are or will be available. Who, however, will care whether local people get those jobs? I am pleased that work is already going on in the Olympic Delivery Authority, in its early form, both to develop a local employment framework, so that main contractors and their subcontractors—they are crucial to what is happening—will consider local people and to establish a London living wage policy. I am delighted that J. Murphy and Sons, which has one of the first major contracts, for work bearing the power lines, has signed up for that. The Mayor of London has led the way in championing that approach at the Greater London authority. Hon. Members should all support it. The agency is also working on a community involvement framework, which is of key significance, so that people will not feel that the Olympics have landed on their doorsteps from outer space, but rather will feel that the games are truly theirs.

The fourth key issue affecting the Olympics is sports engagement. In Newham the engagement that has been part of the bid—and my hon. Friend the Member for West Ham will no doubt know more about the detail—has produced a reduction in some youth crime. Involving young people in physical activity can be seen to bring about a direct benefit and reduce crime. In Hackney, Councillor Nargis Khan, the lead member for communities and voluntary groups, is leading a project to get young people involved, through the Future Olympian programme. Those and many other initiatives, which I do not have time to go into today, will be critical if we are to engage people of all ages and backgrounds in more sport and physical activity.

There are many strands to the legacy of the enterprise. First, the venues must be usable; they must not be white elephants. We need money to be set aside for continuing maintenance. We do not want, in 50 years, a legacy that is a crumbling, paint-peeled symbol of a past success. We want a well-used and well-loved venue that is fit for its purpose and is part of the community as well as being among our national treasures.

We also want a greener area of London. Last Friday, in the nearly snowy weather of east Hackney, I had the delight of planting trees on Mabley green with nine-year-old children from Daubeney school. Form 5D had many strong opinions about the Olympics, but it was apparent that, apart from wanting tickets, they wanted the games to be environmentally friendly. They wanted more trees and fewer roads—that was a point that they constantly repeated.

Hackney is now infamous for the car park that will be on east marsh. Will the Minister, together with other local MPs and me, use any influence that he has with the London Development Agency and others, to try to preserve at least some of the 350 mature trees around the edge of the marsh? Predictably, architects' models show that curtain of trees, some of which are more than 100 years old, and which include the native black poplar—a rare tree in London. Yet when the plan is examined in more detail, it emerges that there is a real prospect of those mature trees disappearing. Surely, if we have to suffer there being a car park there, we can at least retain some of those trees. If we in Hackney have

[Meg Hillier]

to suffer the indignity of the car park, it would be better to leave the trees that are there rather than to wait until 2112, which is how long it would take some of the replacement trees to grow to maturity.

We are awaiting news from the London Development Agency about the land that will replace the common land at Arena field and White Hart field, and part of east marsh, which the LDA is buying through compulsory purchase. I hope that my hon. Friend the Minister will join me in seeking reassurances that all land currently designated as metropolitan open land or that is promised as new metropolitan open land will have the full protection of that status and that there is no risk of its ownership being transferred to another body after the ODA's demise.

We all welcome the creation of a linear park linking Hackney marshes through Hackney Wick to the Thames via the River Lea. It will be a much-appreciated green lung for the east end; we need it as a long-term legacy. We also look forward to seeing cleaner, greener and more pleasant waterways. The development brings real opportunities. During the development of the park, an estimated 5 million tonnes of material could be moved by barge, saving 500,000 lorry journeys through London. After 2012, which is the time on which I want to focus, 125,000 tonnes a year could be moved by barge, saving more than 12,000 lorry journeys a year. We should grab that opportunity while we can. Also, many new homes will be built, including 3,600 new apartments in the athletes' village, and many others on the Olympic site.

I want to highlight the issue of the Travellers at Waterden road in my constituency, whom I last visited 10 days ago. We hope to hear concrete news about their relocation by January. I mention them, in particular, because they are among the handful of residents who will be affected. Businesses will also be affected, which is important, but we are talking about people's homes and future, so we need to ensure that their futures are secured and that in a few months' time they will be certain of where they are going.

A key legacy for Hackney is the way in which transport will be affected, but that is a win only if we secure the changes for after 2012 as well as for the games. If Londoners pay £20 a year for the Olympics, a turn-up-and-go service on the North London line, which will be a major boost, will be worth that contribution. It will effectively convert Hackney's key transport spine into part of the tube network and, along with the East London line extension, will put Hackney on the tube map for the first time.

Martin Linton (Battersea) (Lab): Does my hon. Friend agree that it is important that the Olympics should be seen not simply as the east London Olympics, but as the all-London Olympics, and that improved transport in London is the key to involving south Londoners in the excitement and joy of the Olympics rather than their feeling cut off by the difficulty of travelling through central London? Does she agree with the East London Line Group that the current phase of the East London line is the key to putting the Olympics within the reach of people in south-east London and that

"without Phase 2"—

the line to Clapham junction—

"London's potential to deliver truly excellent transport for the Games is impaired"?

Meg Hillier: We in Hackney would certainly welcome further extensions to the East London line. We all know the challenges of delivering this transport project, and how long it takes for such projects to reach fruition, but we in Hackney do not want to have just our little bit of the East London line: we want it to take us places. It would be fantastic if that could be delivered by 2012, or if we could at least have a timetable by then.

There is also a sports legacy on the horizon, of which we should be proud. Hackney's major legacy will be Arena 3—a national basketball centre. I have already mentioned the Olympic institute. There are other legacies in the offing, such as the food academy—a training centre for jobs in hospitality and catering—and other mixed use developments on the sites. The key question on legacy is: who will run and fund such establishments? That burden must not fall on local taxpayers of the five boroughs.

We would all agree that the Olympics should focus on each of the areas that I have talked about, and that there is a need for clear leadership. My right hon. Friend the Secretary of State and her Ministers, the Mayor of London, Lord Moynihan, Lord Coe, Jack Lemley, David Higgins and others are each taking a lead in various aspects of the delivery of the Olympics. However, when we think about what is needed for London as a whole and east London in particular, we see that one part of the jigsaw is missing, and I ask my hon. Friend to take the matter very seriously: who is in charge of the legacy? In a sense, we all are. However, we know that once the venues are built, the medals have been won and the short-term gains have been delivered, most people will go off with their happy memories of a successful Olympics and, I hope, of having seen our team with a haul of gold medals. Those who have lived through the upheaval and the construction of the sites will be left with the legacy. Who is to speak now for local people to ensure that their post-2012 needs and desires are reflected in the current plans?

Of course, I would expect the Government and the Mayor to focus on delivery. That is right; the last thing that we want is a games that does not happen. However, for Hackney residents, delivery is about maintaining and enhancing our green space and ensuring that the legacy includes Arena 3, the London Olympic institute, the food academy, the long-term improvement to the North London and East London lines, cleaning up the canals and waterways in and around Hackney Wick and, crucially, jobs and skills. Hackney cannot deliver that legacy alone. The five-borough partnership of Hackney, Tower Hamlets, Greenwich, Newham and Waltham Forest should be invited to the table now. I urge my hon. Friend the Minister to consider better ways of engaging with that excellent group of boroughs. Locally elected representatives know best what works locally. The five-borough partnership is there and willing. Local people's voices need to be heard because

they will have to live what is left in 2012 and beyond. Would my hon. Friend the Minister consider an amendment to the Bill that is to have its Third Reading next week, to allow for borough representation on the London Olympics organising committee?

We are all looking forward to the Olympic games. The nine-year-old children to whom I spoke in Hackney last week were clear what they wanted. They want to go to the games and they want a long-term legacy for themselves and for all of us. We can learn from our children. In the next stages of the process, we must ensure that all the legacy issues that I have outlined are as much a part of the current thinking as are the inevitable pressures of what has to be delivered by 2012.

Several hon. Members *rose—*

Mr. Edward O'Hara (in the Chair): Order. I remind all hon. Members that the winding-up speeches must start at 3.30 and that many of those present wish to catch my eye. Hon. Members who speak might wish to bear that in mind.

2.48 pm

Mr. Mark Field (Cities of London and Westminster) (Con): I shall speak briefly, Mr. O'Hara. First, I congratulate the hon. Member for Hackney, South and Shoreditch (Meg Hillier) on having secured this important debate. I know that she has been trying to do so for some weeks and that one opportunity clashed with a sitting of a Standing Committee of which she was a member.

I start with a confession. I had very grave doubts about whether London should even have bid for the Olympic games and, until that wonderful day on 6 July, I felt that our chances of winning were limited. It was a great achievement, particularly on the part of the Department for Culture, Media and Sport, the Prime Minister and Lord Coe, that we managed to squeeze out the last few votes and win the chance to host the games. My concerns were not about sport—I am a great sports fan and it will be a marvellous opportunity for sport to be showcased in our capital city—but about cost and about whether there is sufficient commitment to turbo-charge the transport links to which we have heard reference to ensure that London gains real benefits.

My concerns about cost remain. The hon. Lady referred to some £20 per head per annum. The figure that was quoted in this House in early June was some £30 per head. I am glad that my hon. Friend the Member for Faversham and Mid-Kent (Hugh Robertson) has said that he is going to table a new clause to the London Olympics Bill to try to cap the cost for Londoners to the £625 million that was agreed at the time of the bid. That reflects a grave concern of many Londoners. After all, the games are a national, not a London, event. As has been pointed out by the hon. Member for Battersea (Martin Linton), many in the capital see it as an east London event. We have heard reference to five rather than the remaining 28 boroughs, which will have their part to play.

My other fundamental concern is about other redevelopment and regeneration projects. The Kings Cross phase 2 redevelopment, which is worth some £250 million to £300 million, has effectively been put on hold indefinitely. We also have concerns about the Thames gateway. The Mayor of London's projection of two or three years ago for the coming 15 years to 2016 envisaged massive redevelopment in the east of the city, adjacent to the Thames. That would, of course, take place not only through London, but into Kent and Essex. As all the focus—the sexy focus—will understandably be on the Olympic games, we are concerned that many other important regeneration projects in other bits of east London and other parts of the capital will be put on hold indefinitely.

We are worried about what will happen in respect of Crossrail, given the disruption that would be caused if it were built in the period up to 2012—for example, Shaftesbury avenue in my constituency would have to be closed for about 18 months. A number of projects will have to be delayed. One hopes that they will only be delayed, and that the funding will still be in place. Some concerted thinking needs to take place within London governance—I suspect that the London governance I am thinking of will be the Mayor of London and the Olympic Delivery Authority. Those organisations need a timetable that goes well beyond 2012 to put in place all such infrastructure projects, which are of great importance to London, but which may or may not be of importance for 2012.

The hon. Lady highlighted the importance of legacy, and it was interesting that she took a more broad-ranging view of the definition of that term than many would. One of the greatest disappointments in respect of what happened in Greenwich almost six years ago and the Greenwich millennium village is the failure of the legacy that we were all promised at that time. The right hon. Member for Greenwich and Woolwich (Mr. Raynsford) shakes his head, and he perhaps has more direct knowledge of this matter than I do. However, many of us are concerned not only that the dome was a white elephant, but that much of the development that could have taken place to create a real sense of community in the GMV has not happened to the extent that many would have hoped. Apart from anything else, it would have been useful to link up Woolwich—which I often think of as being a bit like a northern town on the banks of the Thames—with the centre of Greenwich and into the docklands light railway network. I know that plans have been afoot, but there was a tremendous opportunity, and it has not been entirely fulfilled.

Mr. Nick Raynsford (Greenwich and Woolwich) (Lab) *rose—*

Mr. Field: Perhaps the right hon. Gentleman will put me right about something I have said.

Mr. Raynsford: Before the hon. Gentleman digs himself further into the hole he is in, I put it to him that without the investment in the regeneration of the Greenwich peninsula and the millennium dome, the extensive regeneration that is taking place in the peninsula, the GMV, the Royal Arsenal at Woolwich and elsewhere would not have happened. It is happening because there was investment in infrastructure, the Jubilee line and the millennium exhibition. We must do exactly the same in respect of the Olympics legacy.

Mr. Field: I beg to differ with the right hon. Gentleman about Greenwich, and time will tell which of us is right. However, it is important that focus is placed on the architectural legacy.

The other legacy to which the hon. Lady rightly referred is in respect of human capital. One of the great current disappointments in London is that it is impossible to go to any bar, restaurant or pub without being served by someone who comes from outside the UK. There is an enormous inflow of people coming to work in London—many are young people who work on a short-term basis, to make their way and earn some money before heading back to Poland, Lithuania or wherever. That is an exciting part of London living. However, there is also a very large residual unemployment rate in London. I am greatly concerned that many of the 7 per cent. of people who are unemployed are almost unemployable, and the hon. Lady is right to identify that we need to focus part of the legacy on some of the poorest London boroughs and on trying to ensure that young—and, indeed, middle-aged—people have sufficient skills not only for the 2012 Olympics but for the time ahead.

I wish to end by mentioning the environmental legacy in the Lea valley. I again run the risk of treading on a Member's ground—the hon. Member for Edmonton (Mr. Love) might have cause to disagree with what I have to say. The lower Lea valley site requires major redevelopment. I walked there in March because I was aware that debates such as this one were likely to take place. There is Marshgate lane, and a plethora of goods yards and canals. It is clearly an area that is worthy of significant redevelopment, not least because of its proximity to central London. However, the upper Lea valley should also be considered. Only a fortnight ago, I walked to the Springfield park area in the north of the borough that the hon. Lady represents. I know that Springfield park is not in her constituency but in that of her neighbour, the hon. Member for Hackney, North and Stoke Newington (Ms Abbott). Tremendous work has been done at Springfield park and marina. It is important that those great benefits to the environment are translated one, two or three miles further along. I hope that all parts of the Lea valley will be integrated. In a post-industrial world, it offers a tremendous opportunity for great benefits in the years ahead.

Again, congratulations to the hon. Lady, who made a good speech. I hope that the junior Minister is able to answer the questions, and that his private office has been in touch with her in the past couple of days, as important and specific questions need to be asked and answered.

Obviously, we all wish everyone involved in the Olympics God speed at the earliest opportunity. There is little doubt that work must begin now. Nothing would be worse than for us to twiddle our thumbs or perhaps engage in internal disagreements in the next 12 or 18 months and then find ourselves in a mad rush in the run-up to an event that is taking place in only six and three quarter years.

2.57 pm

Laura Moffatt (Crawley) (Lab): I am delighted to take part in this debate. It may seem strange to hon. Members that a Member from Sussex would wish to contribute, but I am truly delighted to be able to do so. I hope to explain why I believe that London's sustained success will be helped by support from communities not only directly touching London but throughout the United Kingdom. London's success is success for all of us.

All hon. Members will agree that it is absolutely delightful that we are able to have this debate. I am not sure that this time last year we thought that we would be having a debate to consider the sustainability and legacy of the Olympic games in the UK. We are in a privileged position. Wherever we come from, we must take this opportunity and do our utmost to ensure that the games are a success.

My hon. Friend the Member for Hackney, South and Shoreditch (Meg Hillier) rightly focused on employment, sustainability and ensuring that local companies derive benefits from the Olympic games. That was right and proper, and I congratulate her on her clear understanding of how all those facets come together to secure success. I wish to concentrate on the sustained aspiration that the Olympic games has given us and what it has done not only for communities in London but for those close by.

Hon. Members may know that Crawley is a new town, built immediately after the second world war to give new opportunities to people from south London. We have a very London-centric view in Crawley. We watch the London news and what is going on in London. In fact, we are often described as a London borough in the heart of the Sussex countryside. Therefore, Crawley will not allow this subject to pass it by. We wish to play our part in ensuring London's success in the Olympics.

Long before we in the UK decided wholeheartedly to support the bid—never underestimate the power of the Prime Minister, who galvanised everybody to ensure success and to win the bid—and long before the bid was in place, there were authorities that had aspirations for their communities. London's success in winning the Olympic bid has raised opportunities and aspirations in my town a hundredfold. We have done that not only by encouraging young people to take part, by closely examining what is happening in London and by examining how to ensure that the plans are sustainable, but by building an infrastructure in my town to ensure that its facilities are second to none and that young people can take part in the Olympic games.

I hope that all hon. Members in the Chamber today share the aims of ensuring that we get all the employment matters right, and that young people today have an eye to being competitors in the 2012 Olympic games, so that they can become ambassadors for sport and secure sustainability for London.

Several years ago in Crawley, we envisaged a new leisure facility, which has recently opened. It is something to behold. It has a 50 m Olympic pool and other facilities that are second to none. It will ensure that local people can take part in sporting activities and literally raise their game when they consider the future. It troubles me that there will be no legacy unless we enthuse our young people and work in and around London to ensure that they feel this excitement for the games. All hon. Members must work to ensure that their communities understand the importance of the games for London and outside.

Jo Swinson (East Dunbartonshire) (LD): I congratulate the hon. Member for Hackney, South and Shoreditch (Meg Hillier) on securing the debate and on introducing it so eloquently.

Does the hon. Member for Crawley agree that, even though the Olympic games are some years away, there is an urgent need to ensure that the enthusiasm is sparked now? Does she agree that the work needs to start now if the plans are to be put in place, local businesses are to benefit and sports clubs are to gear up to produce their next generation of Olympic champions?

Laura Moffatt: The hon. Lady is entirely right. I hope that I am spreading the word about the urgency of reaching young people. We need to deal with all those matters, not only with sustainability, employment and job opportunities. Everyone who is keen on sports needs the highest possible level of training and, as I was trying to say, the best facilities. It is no good wishing that our young people will be successful if we do not provide them with the facilities that enable them to be successful.

Richard Ottaway (Croydon, South) (Con): The hon. Lady has spoken on behalf of her constituency, and has described the aspirations of her constituents and the benefits that the Olympics can bring to them. If she expects benefits from the Olympics, however, is she prepared to share the burdens? The people of London must chip in to meet the costs of the Olympics. Is she volunteering the people of Crawley to pay for them?

Laura Moffatt: I firmly believe that the people in Crawley have already contributed to the Olympics by paying for £37 million of sports facilities to try to prepare some of our young people for them. I call that a town that is contributing to London's success. We do not have to step away from the games and feel ashamed. We want to help London to be successful, and we want to ensure that we have top-flight competitors who use all the facilities in a way that can make us proud.

As I said, we should provide those facilities, encourage people to take part and nurture young people. On the site of the fantastic facilities that I mentioned, we now have a brand new school with sports status. The whole thing is beginning to come together so that we can ensure that the Olympics in London are a success and are sustainable. I hope that hon. Members are looking to their constituencies throughout the UK to see how we can help London to be a success. With openness and dialogue, that can happen. I am so looking forward to the Olympic Delivery Authority's visit to our facilities to see whether we can play our part and be an Olympic village. We are extremely close to London—just forty minutes away—and would desperately like to contribute.

We can do our work in all sorts of ways. We need urgently to get on the job, focus on our work and assist London Members to make the London games the best Olympics ever. I have no doubt that they will be.

3.6 pm

Richard Ottaway (Croydon, South) (Con): As time is short, I shall concentrate on the issue of the businesses on the Olympic site that are facing relocation. I speak on behalf of my constituent, Mr. Brundle, a freehold proprietor of a site just about where the main stadium is located. That is causing him and his business huge problems. He has been told that he has to be out just 18 months from now.

There is a complete lack of transparency about the process for his relocation. There is no clear view on what that process is or on whether alternative land is available, and there is no clarity on the compulsory purchase process. The other day, the Mayor of London appeared before the Select Committee on Culture, Media and Sport. He said that no one would be worse off and that reasonable costs would be paid. What on earth does that mean?

As a freehold proprietor, my constituent first has to find another freehold site. Without any help from the London Development Agency, he has found one at Rainham marshes. He now has to convert, rebuild and refurbish an old building and adapt it to his business. He is in the wire mesh, metal and scrap metal business, so his stock is not lightweight, but it has to be moved from one side of London to the other. His business is primarily based on the white van traffic that comes in from the east end of London on the way to building sites in central London. That business will be lost. He has to relocate and retrain his staff and relaunch and market his business. He is a sole proprietor and has gone to the LDA to ask, "Will you help me?" It said yes, but has done absolutely nothing.

I do not know why the situation has arisen. I mean no disrespect to this Minister, but the Minister for Sport and Tourism, who has answered all previous debates on this issue, has always come up with splendid words such as, "I take a keen interest in this. I do not want people to lose out. I will make sure that compensation is paid."

Meg Hillier: Does not the hon. Gentleman agree that the LDA has offered funding for legal and surveying costs and its own sites for relocation? In particular, has it not tailored support packages to help businesses such as the one that he describes to move?

Richard Ottaway: I wish that that were the case. The LDA has offered to pay the legal and surveying costs, and if that were all that was involved it would be wonderful. However, I say to the hon. Lady, who introduced this debate very well, that there is much more to the issue than just legal and surveying costs, as I have spent the past few minutes setting out. It is not enough to go with an invoice to the LDA for those costs because they will be paid several months later, after the person has had to carry the cash burden themselves. That is not a help, but a hindrance. Hon. Members have to focus on that issue.

Mr. Mark Field: Surely my hon. Friend agrees that this is a like-for-like situation. One advantage for companies that have been in the lower Lea valley for generations has been their proximity to central London. It might be difficult to get hold of sufficient land, but surely the LDA could compulsorily purchase other pockets of land in some of the neighbouring boroughs to which the hon. Member for Hackney, South and Shoreditch (Meg Hillier) referred and provide an opportunity for the businesses to relocate to an area as near to central London as they currently are.

Richard Ottaway: I wish that that were so. The hon. Lady said that land was available. However, it is not

[Richard Ottaway]

freehold land that is available, but leasehold land. If a business had been on a freehold site, it would expect to go to a freehold site. As my hon. Friend said, the land is not available.

Mr. Raynsford *indicated dissent.*

Richard Ottaway: The right hon. Member for Greenwich and Woolwich (Mr. Raynsford) is shaking his head. If he can show me the LDA's freehold land—I do not think that he can—I will stand corrected. Only a few days ago, it did not have freehold land as an alternative.

Mr. Raynsford: I was shaking my head because the hon. Gentleman is making a case for the retention of a business that is environmentally far from attractive, in a location that will be transformed for the benefit of the whole community in east London. If he wants a scrap metal business in his community or if the hon. Member for Cities of London and Westminster (Mr. Field) wants one in his community, let them make the offer. We shall then believe more in their sincerity.

Richard Ottaway: I am surprised by the right hon. Gentleman, for whom I have huge regard. Frankly, what he said is a plain insult to the business. It is not a scrap metal business. It is a wire mesh business. It is contained inside warehouses; it provides cast metal fittings for building sites. To belittle a business man who is carrying the cost himself just because the right hon. Gentleman's political mates on the LDA cannot face political reality is disgraceful. It is an appalling state of affairs.

The man is facing a loss of £2 million out of his own pocket. Does anyone wish to intervene with ideas about what he can do?

Mr. Raynsford: How about you intervening?

Richard Ottaway: What do you think I am doing? I am fighting—*[Interruption.]*

Mr. Edward O' Hara (in the Chair): Order. Mr. Ottaway has the Floor.

Richard Ottaway: I cannot understand the right hon. Member for Greenwich and Woolwich. I have always thought that he was a perfectly reasonable man. I also thought that I was making a reasonable case.

Mr. Raynsford *indicated dissent.*

Richard Ottaway: The right hon. Gentleman shakes his head. Does he expect that, after a ministerial pledge and a pledge from the Mayor of London that no one will be out of pocket, that business man will have to take a loss of £2 million from his own pocket? He has just bought a site in Rainham marshes. He is currently paying interest on that money of £3,500 a week. He asks the LDA, "Can I have compensation for the £3,500 a week?", to which it replies, "Not until you agree to sell your site at a value that we think is right, rather than at the market price." Why should he do that? Why is he not entitled to the market price?

Such issues are not being addressed. A way in which to resolve the problem and the approach taken by Labour Members might be to appoint an independent arbitrator who can evaluate the loss for the businesses, audit the loss and present the details to whichever Department will pay the compensation. That will be the agreed transfer. That suggestion has all-party support.

Derek Wyatt: That is one business that has been affected in that way. Will the Minister consider setting up the position of an independent Olympic ombudsman? It is not just a matter of £2 million. About 30 to 40 businesses are in a similar position. They are feeling anxious about the process.

Richard Ottaway: That is a good suggestion. The hon. Gentleman and I work together on the all-party Olympics group. He is the chairman; I am the vice-chairman. Several hundred businesses are affected.

Lyn Brown (West Ham) (Lab): The current estimate is that more than 300 businesses will be affected by the proposals. I have been approached by several companies that are worried about the London Development Agency's lack of action. Negotiations seem to have gone nowhere. I take the hon. Gentleman's point when he referred to the business that he is representing. However, there are a number of thriving, internationally renowned businesses that we need to consider, not just the one wire mesh company that he is representing well today.

Richard Ottaway: I agree, but well known multinational companies, such as those that the hon. Lady is talking about, do not have the problems of a sole proprietor: they are all on leaseholds and can terminate leases, move, or relocate without any difficulty.

There is much more to this issue than meets the eye, and an independent arbitrator is the way to resolve it.

3.16 pm

Lyn Brown (West Ham) (Lab): I congratulate my hon. Friend the Member for Hackney, South and Shoreditch (Meg Hillier) on securing the debate and on her excellent contribution.

As a result of the games, West Ham will look very different in 2012. Two thirds of the Olympic park and the majority of the facilities, including the athletes village, the main stadium, the swimming pools, media centre and the warm-up tracks will be in Newham, and 18 of the 26 events will take place within a 20-minute walk of Stratford station. The stadium will be built to accommodate 80,000 people—reduced to 20,000 after the event, which, to be honest with the Minister, disappoints me. I ask you to consider again the sweet deal that Manchester's residents got from the Manchester Commonwealth games.

Mr. Edward O'Hara (in the Chair): Order. I remind the hon. Lady that she is addressing the Chair.

Lyn Brown: I apologise sincerely, Mr. O'Hara. I sometimes get carried away with my enthusiasm.

I want the Government to reconsider the sweet deal done for Manchester after the demise of the Commonwealth games, to ensure that there is access for some of the poorest people in our communities to the world-class facilities that will be built in my area.

I hope that hon. Members forgive me if I talk a bit about my constituency. It is poor, bordering other poor areas to the west and north. All Newham's key indicators with the Office of the Deputy Prime Minister are in the bottom 10. Almost 7 per cent. of economically active residents said that they were unemployed, compared with just over the 4 per cent. average for London. Two thirds of Newham's children are considered to live in poverty. People in Newham die earlier than people anywhere else in London. We also have the lowest employment rate in the country.

Hon. Members may wonder why I am giving those statistics in a debate on sporting excellence and the Olympics. I am doing so because bringing the Olympics and Paralympics here is part of the solution to the poverty and disadvantage experienced by the communities of West Ham and other places with similar problems in east London.

We said in our bid that we would radically transform London's east end by having a sporting spectacle to regenerate a poor inner-city area. That is the greatest challenge. I know that those responsible for the planning, designing, building and staging of the games must think that they have the hardest task, but the hardest task will go to those who are attempting to realise a legacy in the soft infrastructure—the soft regeneration—that is so crucial to that part of London.

As my hon. Friend the Member for Hackney, South and Shoreditch said, the hardest job will be securing jobs and retraining for those in our communities who are currently without them. The other hard jobs will be to raise the aspirations of our children in those communities for them to realise their full potential, to realise the health benefits for all those in our poorest communities, and to ensure that afterwards we narrow the gap between those who are living longer in richer, more affluent communities and those living in poorer communities.

The potential social legacy is huge and complex, and we have not yet fully thought through the true extent of the detailed implications. I got a tiny sense of what we could achieve from the impact that the bidding process had on my constituency. As my hon. Friend said, the London borough of Newham has led a two- year programme of sporting, cultural and community activity, and by the end of the process there were tangible benefits.

Some 43 per cent. of those taking up free swims came from social groups D and E, and there were 64,000 attendances at Newham's Olympic summer of sport. The completion rates for exercise-on-prescription schemes for people suffering from ill health increased from 34 to 52 per cent. Some 40 new after-school clubs have been founded around sport and physical activity, and the number of sports coaches in my borough has doubled. For the first time, there has been a 25 per cent. drop in the number of young people who have been reported to the local magistrates court. I believe that that is because of the sporting and other interventions made under the programme. New disability sports clubs have also been established, and West Ham United's wonderful programme of football for Asian communities has expanded.

Those schemes could not have taken place without additional money, and we used the neighbourhood renewal fund to pay for them. If we do not plan to secure such social benefits, or do not understand what social benefits we need to secure, we will not fund them or design interventions. At the end of the games, we will find that we have not secured a real legacy—the soft legacy—for the communities that desperately need one. The job before us is too big for just one tier of government and it cannot be done by local, regional or national Government alone. It can be carried out successfully only if we include all tiers, as well as the voluntary sector, the community sector and the private sector.

The hon. Member for Croydon, South (Richard Ottaway) mentioned jobs and businesses. I ask the Government to oversee the development agency and to hold it to account to ensure that it discharges its duty to the local community and minimises the downtime to the sustainable, valuable businesses in the area so that they can remain there.

The games will also result in the demolition of the housing co-op at Clays lane. I recently had representations from the tenants, who face a very uncertain future. Communication seems to have been sparse and not very comforting, with the LDA apparently watering down assurances that were made prior to the bid. I ask the Government again to see what they can do to offer some comfort and to hold the LDA to account.

Mr. Andrew Love (Edmonton) (Lab/Co-op): I agree with my hon. Friend and understand her passion for what the Olympic games will achieve. She mentioned the difficulties faced by the Clays lane housing co-op. Does she agree that one legacy of the Olympics will be the more than 4,000 units of housing accommodation? Does she also agree that it is important that those units are affordable for the people who live in the five boroughs?

Lyn Brown: Indeed I do. In fact, that is mentioned in the longer version of my speech. I intended to talk about the fact that housing accommodation will be secured not only in London, but up and down the country, where visiting teams establish training camps. We need to ensure not only that that housing is affordable, but that it creates sustainable communities that people up and down the land can access.

In conclusion, the legacy of the games could be amazing. For that to happen, however, we need to plan. To fail to plan is to plan to fail.

3.24 pm

Mr. Nick Raynsford (Greenwich and Woolwich) (Lab): I shall be brief. I start by declaring an interest as the deputy chairman of the Construction Industry Council. I congratulate my hon. Friend the Member for Hackney, South and Shoreditch (Meg Hillier) on securing the debate and presenting the case in such an eloquent and intellectually rigorous way.

[Mr. Nick Raynsford]

We all recognise—my hon. Friend the Member for West Ham (Lyn Brown) put this across clearly—the huge opportunity to transform some of the most depressed and deprived communities in our country through the successful delivery of the Olympics. The gymnastics will be hosted in the dome, in my constituency, and the building is admirably suited to the purpose, despite the views of the hon. Member for Cities of London and Westminster (Mr. Field). Furthermore, the equestrian events will be held in Greenwich park and the shooting will be held at the former Royal Artillery barracks in Woolwich, so we in Greenwich have a real interest in the success of the games.

There are a number of challenges. The chair and chief executive of the Olympic Delivery Authority have been appointed. I am delighted about the appointment of two very high-calibre people who have a good track record of delivering construction contracts. We must ensure that their focus is not diverted and that their energy is not dissipated by too many bolt-on requests for additional benefits. We have been partly guilty of that this afternoon.

It is understandable that we all want the best possible outcome on a range of activities, but there must be a single-minded focus on delivering the crucial things: the main infrastructure and the environment in which the games are held, and the legacy, which my hon. Friend the Member for Hackney, South and Shoreditch highlighted.

I want to focus on two issues concerning legacy. The first is the structure and the physical environment. We want high-quality buildings that have a viable post-2012 future. We want high-quality urban design and the transformation of the currently degraded environment in the lower Lea valley, to provide a world-class environment for the people of east London. Such design must mesh well with the Stratford city redevelopment and with the network of waterways that surrounds the site, to which the hon. Member for Cities of London and Westminster referred. That is important in order to create an attractive environment in which people will live long after the games in 2012. The physical legacy is important.

My second point relates to the human and social infrastructure legacy, which is just as important. We must ensure, in this area of considerable disadvantage, that we seize the opportunities to give people the training, encouragement and support to obtain the employment that will come along as a result of the investment going into the Olympics and their associated activities.

In part, that is to do with construction. Much work is already being done by CITB-ConstructionSkills on the development of appropriate training packages in construction skills. However, even in 2009–10, at the height of the construction programme, the latest estimate is that Olympic-related construction will account for only 3.7 per cent. of total construction in London. Although the construction will be important, we should not overestimate it. The important thing is to give a push to high standards and expectations about quality training, which will enthuse people to seek appropriate opportunities in the construction industry. That is where the development of the Olympic commitment will make a huge impact. It is being prepared by the strategic forum and is due to be published shortly. It will focus on proper site health and safety standards, good training opportunities and best practice by employers as part of the delivery of the Olympics.

Other things are also important. We know what can happen from the experience of the dome in Greenwich, which, despite the comments made by the hon. Member for Cities of London and Westminster, was a success; it has opened the door for regeneration on a scale that would never otherwise have been possible and it provided opportunities for a large number of people to secure employment during 2000—people who had previously been unemployed and who had not had such opportunities. The transformation to their lives was possible as a result of good training programmes, which we had in Greenwich, where local labour and business provided opportunities for disadvantaged people and others in need of jobs to secure the training and the employment on the site.

We must pursue that approach by tailoring the needs to the job opportunities that come up. If done properly, it will transform the human and social infrastructure of the area for many years to come. The jobs will continue in the hospitality industry and the service sectors. Such provision is necessary because of the Olympics, but it will have a long-term future beyond 2012. This is a great opportunity, which we must take. We must focus on the things that matter and must not be diverted, or allow those responsible to be diverted, by other considerations, however desirable they might appear.

3.30 pm

Mr. Don Foster (Bath) (LD): I congratulate the hon. Member for Hackney, South and Shoreditch (Meg Hillier) both on securing the debate and on an excellent and wide-ranging speech. It was fantastic to hear the enthusiasm that she is giving to the Olympic games and Paralympics, which, I believe, is shared by people in her constituency and in the wider area. It was also good to hear other hon. Members referring to the importance of the benefit not only to the five boroughs but to the whole of London and the rest of the country. It is worth reflecting that had it not been for the support for the bid of people from all parts of the United Kingdom, it is unlikely that London would have succeeded.

The hon. Lady made a number of crucial points about the Olympic games legacy that we hope to achieve. It was a speech mirrored by her right hon. Friend the Member for Greenwich and Woolwich (Mr. Raynsford). She pointed not only to the sporting legacy and its health implications, but to the employment, physical and wider human legacies that we hope shall be achieved.

3.31 pm

Sitting suspended for a Division in the House.

3.46 pm

On resuming—

Mr. Foster: Having praised the hon. Member for Hackney, South and Shoreditch, let me refer to some

other contributions. The hon. Member for Cities of London and Westminster (Mr. Field) rightly mentioned his concern about Londoners paying more than their fair share, and the importance of capping the amount of funding that is required from them. He will be delighted to know that I shall support the amendment tabled by the hon. Member for Faversham and Mid-Kent (Hugh Robertson) when we debate the London Olympics Bill next week.

The hon. Member for Crawley (Laura Moffatt) made an important point. She is right that London's success is a success for all of us, and it is good that she is working in her local community to ensure that those whom she represents benefit from the Olympic games and the Paralympics. I take issue with her claim that Crawley's facilities are second to none. Those of us from Bath, Loughborough, Sheffield and various other places might wish to challenge that. However, not having visited Crawley, it would be unfair of me to make a judgment, although I know where my vote would go. None the less, her contribution illustrated the importance of recognising that the Olympics will benefit the whole nation, and that the whole nation should contribute and participate in them.

The hon. Member for Croydon, South (Richard Ottaway) made important points about the problems of a particular constituent. Such troubles are reflected in a number of other businesses. He argued that we must ensure that those who are displaced get a fair deal. The idea of appointing an independent arbitrator or ombudsman is sensible, and I hope that it will be given serious consideration.

The hon. Member for West Ham (Lyn Brown) spoke of the poverty and disadvantage in her constituency, and the role that the games can play in helping to lift people out of that situation. Importantly, she mentioned raising the aspirations of people in her community. Another important element of her speech was her observation that it was vital to bring community, voluntary and private sector groups together to work on issues relating to the Olympic games and Paralympics.

The right hon. Member for Greenwich and Woolwich (Mr. Raynsford) was right to remind us of the need for a single-minded focus on delivery and on legacy—I have already referred to his comments about both physical and social legacy—and I was delighted that he referred to the importance of training. One of the things that concerns me is that when we talk about the benefits that will accrue in terms of job creation, we cannot guarantee that jobs will be given to United Kingdom companies unless we can ensure that the people working for such companies are properly trained and have the skills to deliver the work and so earn the contracts.

I told the right hon. Member for Greenwich and Woolwich a few minutes ago that his defence of the dome reminded me of the defence that I continually make of my spa project in Bath. He pointed out that his was completed on time and to budget, whereas mine has not been. The difference is that his had content that was inordinately disappointing whereas I can assure the House that when mine is finished, the spa will deliver fantastic content of great benefit to the people of Bath.

Mr. Edward O'Hara (in the Chair): Order. That is enough of the commercial.

Mr. Foster: Thank you. Mr. O'Hara. I wish to return to the aside made by the hon. Member for Cities of London and Westminster right at the end of his remarks. He said that he hoped very much that people would not sit around for years twiddling their thumbs. I, too, hope that they will not. However, I can assure him that that is certainly not happening. A great deal of work is going on to ensure that we deliver the best ever Olympic games and Paralympics, and I am delighted at the progress already made.

It is worth mentioning that in August, almost two months after we won the bid in July, Mr. Denis Oswald from the International Olympic Committee was able to say that the London Olympics could not have started on a better footing. He is absolutely right; rapid progress is being made, with the London Olympics Bill going through Parliament. I am delighted that, as a result of my suggestion, it is to be renamed the London Olympics and Paralympics Bill; that is an important point.

I am delighted that there has been a smooth transition from the bid team to the London Organising Committee of the Olympic games—LOCOG. I am pleased that many of the same faces that helped to secure a successful bid will be involved in ensuring the delivery of the games, but I am also pleased that new people are being brought on board. The appointment of Jack Lemley and David Higgins—people with enormous talent and expertise in delivering major infrastructure projects—to the Olympic Delivery Authority is welcome, as has already been said. Although some people might be marginally critical of an American and an Australian getting the job of delivering the British games, I for one do not make that criticism. They have a good track record, and I am confident that they will help us to deliver.

Many other things have been pleasing, too. There is the enormous success of the national lottery's "Go for Gold" scratch card, the fastest selling scratch card of its kind in the lottery's history. As long as that initiative continues to work as successfully as it does now, we might not have to deal with concerns that have not been mentioned yet; for example, it is predicted that other lottery distributors may lose out on money, but perhaps that will not happen if we continue to be successful.

I am delighted that there is clearly acceptance that the games are for all parts of the United Kingdom. Projects are already under way in not only London, but Sunderland, Norwich, Weymouth, Edinburgh, Brighton and, as we have heard, Crawley. It is fantastic that that is already happening. Of course, we have to maintain the momentum and ensure delivery, not just in London but in all parts of the United Kingdom.

As for those who ask how other parts of the United Kingdom will benefit, as I suggest they will, it is worth reflecting on the fact that, in Australia, the economy of the state of Queensland, which is about 1,000 miles away from the Sydney games, was boosted to the tune of 15 million American dollars as a result of the Olympic games. That, I believe, was due to tourism, hosting visiting teams, the cultural programme that was in place and infrastructure. I am confident that that will happen across the country, if, as the right hon. Member for Greenwich and Woolwich says, we continue with the focused approach that is so crucial.

Of course, there are areas of concern. One of mine is that, although a major benefit of the London Olympic games and Paralympics will be the effect on tourism,

[Mr. Foster]

tourism is not a key function of either LOCOG or the Olympic Delivery Authority. We have to make sure that tourism is tied in so that we genuinely find ways of benefiting. I gently tell the Minister that I have some concern that the constraints placed on, say, VisitBritain, in terms of how it can advertise this country and its connection with the 2012 games, may inhibit some of the tourism benefits.

Hundreds of new jobs—perhaps as many as 100,000, as some people have predicted—will be created as a result of the games. As I say, it is crucial that we provide the infrastructure of training and the skills uplift to ensure that this country gets the benefit of those jobs coming to the United Kingdom.

There are other areas of concern, but there will be an opportunity for me to rehearse them in more detail in other forums. However, I will share one with the Minister: if sporting aspirations are to be a key point—other hon. Members have touched on that—it is crucial that we are realistic about what we expect. I know that sport is not the Minister's main brief, but the Government have a target of getting 70 per cent. of the population active by 2012. That target is based on a mistranslation of documents from Finland; it is a crazy target. He will be aware that in the last few days, in response to the impact of the Olympics, Sport England has announced its aspirations of getting us up to a 50 per cent. activity rate by 2012. I say gently to the Minister that it would make a lot of sense for the Government to drop their crazy target and adopt the Sport England one. Then we would know that we were trying to achieve a realistic target and we could work on it together.

People are more interested in hearing the Minister's response than more from me, but I hope that the all-party coalition that has existed in support of the games will continue and that the Government will continue to involve and consult all Members of the House from all parties to ensure that we go forward in the seven important years ahead in a way that delivers the most successful Olympic games and Paralympics the world has ever seen.

3.56 pm

Hugh Robertson (Faversham and Mid-Kent) (Con): I start, as others have, by congratulating the hon. Member for Hackney, South and Shoreditch (Meg Hillier) on securing the debate. She has been a regular and thoughtful contributor on Olympic matters ever since her election earlier this year and she has a grandstand seat as a local MP. She spoke well on Second Reading of the London Olympics Bill and I remember her speaking well in Committee about the football pitches on the Hackney marshes.

The hon. Lady touched on two issues that are absolutely key: the legacy and the representation of the boroughs. As far as the second is concerned, she will remember the debate we had in Committee. I agree with her: that representation of the boroughs in this process is vital. They are not formally represented in any way at the moment, and I hope that the Minister will take that on board. She was also absolutely right to talk about the legacy and the right hon. Member for Greenwich and Woolwich (Mr. Raynsford) made a very good point about that. We have to start being realistic. The right hon. Gentleman was absolutely right to say that as a local MP.

A huge amount of hype has grown up around the 2012 games and people throughout the country are now expecting the games to solve all sorts of regeneration problems. The right hon. Gentleman is right: we have to focus on what is key, which is delivering the games in 2012. If a lot of the other things happen, that is all well and good. It would be terrific, but there is no finance available to do those things at the moment and the sooner we get that message across, the better.

We have had good speeches all round this afternoon. My hon. Friend the Member for Cities of London and Westminster (Mr. Field) made some powerful points about managing the infrastructure and focusing on legacy issues, particularly for the poorest boroughs, and I entirely agree with him. The hon. Member for Crawley (Laura Moffatt) spoke up well about the raised aspirations in her town. She is right, but I just repeat that slight warning that we have to focus on the games.

My hon. Friend the Member for Croydon, South (Richard Ottaway) sensibly and reasonably raised a key issue to which I shall return in a moment concerning businesses and the effect that the games will have on them. The hon. Member for West Ham (Lyn Brown), another regular contributor to Olympic debates, spoke up extremely well for her constituents, as always. The right hon. Member for Greenwich and Woolwich made the absolutely key point about focus. He knows about that all too well from his ministerial experience. Finally, I come to the hon. Member for Bath (Mr. Foster)—it is always a pleasure. He made another sensible and well balanced contribution to the debate. After all these months, I could almost write his speeches for him and he could do the same for me.

This is the latest of a number of debates we have had on the Olympics. There was a debate in Westminster Hall before the bid, one afterwards on elite sport that concentrated mainly on Olympic matters and the debates on the Bill. During all those debates, I have reiterated my party's support for the games and I do so again today. Once again, I congratulate the Government on their part in bringing them to London in 2012.

Normally, I go on to press the Government on my party's three key issues. First, there is the legacy for sport in general and, in particular, the reforms we want to be carried out to the structure of sport. I am sure that the Minister will have read the independent sports review, co-authored by a Labour MP, and the Government will undoubtedly be actioning that in the near future. Secondly, there is the question of cost overruns. I suspect we shall return to that question on Report of the London Olympics Bill in a week's time so there is no need to dwell on it today. Finally, there is the issue that we always raise concerning the £320 million tax take that the Treasury is planning to take from the Olympic lottery. This is a one-off national event and the benefits are supposed to accrue throughout the country.

Mr. Love: Does the hon. Gentleman agree that the biggest challenge involved in the delivery of the Olympics is the danger of division, particularly of a party political nature, over funding? If he does, will he

have a word with the London borough of Enfield, which continues to make capital out of the funding of the project, even though, as I understand it, the Opposition Front-Bench team is totally in support of the Olympic bid?

Hugh Robertson: As the hon. Gentleman will know, my party leader, like the leader of the Liberal Democrats, was a key figure when the evaluation committee came over. The hon. Member for Bath and I went to Singapore to emphasise that cross-party consensus and every single time that I have spoken, I have made clear my party's commitment to securing the best games that London can deliver in 2012—I have done so again today. I cannot reasonably be expected to do more than that.

No doubt we will return to the issue of cost overruns on Report. I want to finish the point about the tax take. Given that there are considerable financial constraints on the Olympics and given that we are talking about a one-off event, it is iniquitous that the Treasury will pocket £320 million from the Olympic lottery games. There is a huge worry among the major sports—particularly football, cricket and the two rugby codes—that funds are being diverted away from the lottery.

4.1 pm

Sitting suspended for a Division in the House.

4.17 pm

On resuming—

Hugh Robertson: I will come on to my final point, which is about the businesses in the lower Lea valley. After receiving what I am bound to say was a number of invitations, I visited businesses on 17 November. I would be the first to say, in all honesty, that the issue is not simple. I tried to approach it with an open mind and came away with considerable sympathy for the plight of the businesses. It seems that three key issues are worrying them.

The first, which was referred to earlier, is the lack of action by the LDA. One can understand why that happened. I do not believe that the LDA expected us to win the bid, and there are grounds for thinking that that expectation was not unreasonable. However, as a result, some of the preparatory work that needed to be done was not done early enough, and we are now experiencing problems.

There is also the particularly nasty issue of some surveyors and conflict of duty. There are, apparently, firms of surveyors that are acting on both sides of the fence. They are carrying out compulsory purchase valuations and then acting as agents for the resulting sites. From my experience of working in an investment bank before coming here, I know that that is a clear breach of every established professional practice. I hope that the Minister will be able to guarantee that he will write to the LDA and ensure that strict guidelines are in place to prevent that from happening.

The final point—in many ways, the most contentious one—is that the Olympic site is the last industrial site in London. That, of course, is why it is the Olympic site. Therefore, as there is no comparable replacement of that size, any settlement must be based on post-bid, not pre-bid, land values. It is clear that land values have risen dramatically and the stock of available land has shrunk. Unless we can get over that hurdle, a settlement will be difficult to find.

The encouraging thing about my visit was that I found a real willingness on the part of the businesses to accept that the games were coming to London in 2012 and that they would have to move. However, a feeling is brewing up that they have not been treated fairly by the LDA, and it will not take a great deal for that to turn to militancy, with all the unfortunate consequences that that will entail.

I shall leave it there, not least because I want to give the Minister the maximum time to reply. I would like to finish where I started, by once again congratulating the hon. Member for Hackney, South and Shoreditch on securing the debate. I also reaffirm my party's support for the Olympics, which we backed all the way through. I wish the games all the best.

4.19 pm

The Parliamentary Under-Secretary of State for Culture, Media and Sport (James Purnell): It is a great pleasure to serve under your chairmanship, Mr. O'Hara. I would like to start, as everybody else has, by congratulating my hon. Friend the Member for Hackney, South and Shoreditch (Meg Hillier) not only on securing the debate but on introducing it in such a clear-sighted and effective way. She has already proven herself to be a fantastic campaigner on behalf of her constituency and has made this subject one of her key issues—that is absolutely clear to everybody. She and I were councillors together many years ago in what seems like another life, and she was just as effective then as she is already clearly becoming in this place.

During a recent round of interviews about licensing, I was introduced on LBC with the words, "James Purnell, Minister for London, you are launching this consultation today and consulting Londoners about their views. What is that about?" That was not what I had been asked to talk about, and I am not the Minister for London. I had similar feelings today when delving into the details of London Olympics policy. I therefore start by saying that my right hon. Friend the Minister for Sport is disappointed not to be able to be here today as a result of other unavoidable engagements.

Hackney was an invaluable partner in our bid for the 2012 Olympic and Paralympic games, along with all the other London boroughs, and we look forward to working closely with them over the next few years. I reassure my hon. Friend the Member for Hackney, South and Shoreditch that the Minister for Sport will be delighted to meet the representatives of the five boroughs. She said that one of her amendments to the London Olympics Bill would have added them to the membership of the Olympic Delivery Authority. I understand that we have not yet requested formal representation for anyone on that body, but when making appointments we will have to have regard to those places that will be affected by the games. We therefore expect there to be appropriate representations to deal with her concerns. We imagine that the planning committee in particular would have such representation.

[James Purnell]

The 2012 games give us a unique opportunity to transform huge swathes of our national life. It is an opportunity not only for 29 days of world-class sport, but to leave a real legacy. As my hon. Friend the Member for Edmonton (Mr. Love) said, it will lead to thousands of new jobs and homes and generate billions of pounds of public and private investment, which together will create a genuine physical and social infrastructure. My right hon. Friend the Member for Greenwich and Woolwich (Mr. Raynsford) was right to say that we should be thinking not only about buildings but about the social infrastructure, and about the people involved in ensuring that our standards of training are top-notch, so that we can deliver a legacy.

Mr. Eric Joyce (Falkirk) (Lab): As well as the constituents of my hon. Friend the Member for West Ham (Lyn Brown), who are 20 minutes' walk from the games site, people across the UK will benefit, including those in my constituency—although they would have a brisk walk of 150 hours. Will the Minister join me in commending the work of regional and national bodies including Sport Scotland and the nations and regions committee of the Olympic committee, which is chaired by a Scot?

James Purnell: I endorse what my hon. Friend says. The hon. Member for Bath (Mr. Foster) was right to say that, if Queensland benefited from the Olympics in Sydney, his constituency and constituencies throughout the country should benefit. The games will provide inspiration not only for developing sports participation but, as my hon. Friends the Members for Crawley (Laura Moffatt) and for West Ham (Lyn Brown) so eloquently said, for lifting the aspirations of people in general.

I have little time, so I shall try to answer as many of the specific points made during the debate as I can. First, however, I echo what the hon. Member for Bath said about the importance of cross-party support. Tremendous progress has been made in the House and outside. It has been much helped by cross-party support from all sides, and we want that to continue.

My hon. Friend the Member for Hackney, South and Shoreditch mentioned the children in form 5D at Daubeney school. I can reassure them about their ability to access tickets. We have already made it clear that the ticket pricing policy will be fair; more than half of the tickets will cost £20 or less, and that will include free transport. On top of that, Keith Mills recently made it clear in evidence to the Select Committee that he would develop a scheme for local young people, and I hope that that will provide the members of form 5D with the opportunity not only to watch the games on television but to watch them in person.

I listened to the points made by my hon. Friend the Member for Sittingbourne and Sheppey (Derek Wyatt), and I agree about the ambitions for the hub. However, I agree with my hon. Friend the Member for West Ham that we must focus on ensuring that the Olympic institute is well grounded and that it will be doing something achievable. We will consider what she said about community involvement in those facilities once the games have finished—I will be sure to mention that to my right hon. Friend the Minister for Sport—in order to ensure that such a fantastic facility will also be available to local people.

An essential point which Members on both sides of the Chamber mentioned was the issue of local communities and businesses. Local businesses stand to benefit significantly from real opportunities presented by the games. We want to ensure that we can deliver many opportunities, particularly for local people, to work in delivering those benefits. The lower Lea valley and the areas around it have enormous untapped potential, with one of the youngest and most culturally diverse populations in Europe. However, as my hon. Friend the Member for West Ham said so eloquently, they also have real issues of poverty. One in three people are unemployed on some local estates. There is, therefore, a real opportunity to use the games to regenerate that area.

We have already made headway on that crucial objective. I hope that I can reassure my hon. Friend the Member for Hackney, South and Shoreditch by saying that the LDA has already announced an initial funding package of £9 million. That covers the job brokerage scheme that she mentioned, as well as specialist construction employment support, which should reassure my right hon. Friend the Member for Greenwich and Woolwich.

That, of course, is just the beginning. We are happy to commit to working with the five Olympic boroughs to ensure that we develop further plans for local people genuinely to benefit from the job opportunities arising from the Olympics.

Regarding the relocated businesses which the hon. Member for Croydon, South (Richard Ottaway) mentioned, local businesses recognise the value of the Olympics. About 78 per cent. of them said that they supported the games. I am aware that the LDA is seeking to engage with all those businesses individually. I have of course heard the concerns raised by a number of people. While we cannot comment on individual cases, we will be sure to write to the LDA, so that it knows of the concerns expressed in the debate.

I heard the points on funding made by both the spokesman for the official Opposition the hon. Member for Faversham and Mid-Kent (Hugh Robertson) and the hon. Member for Cities of London and Westminster (Mark Field). We are committed to ensuring that there is effective project management, and that costs are clearly kept under control. In doing that, we will make every effort to minimise the cost to the London taxpayer, who, under the plans submitted as part of the bid for the games, will be asked to contribute less than a quarter of the total of the public sector funding package. Should there be any unavoidable shortfall, our memorandum of understanding with the Mayor provides for the increase in funding to be shared between the Mayor and the lottery.

Finally, in the two minutes remaining, I want to turn to the environment.

Hugh Robertson: Will the Minister give way?

James Purnell: It will prevent me from dealing with another point if I give way.

Hugh Robertson: The point about surveying firms being caught on both sides of the fence is an important one for local businesses. Will the Minister confirm now that he will write to the LDA on that point?

James Purnell: I will. Turning to the environment, that is an essential part of what we can do to put Britain in the world's shop window in 2012. We are committed to having the greenest Olympics ever, which, we believe, was a genuine selling point in our bid. We are committed to delivering a low-carbon and zero-waste games, conserving biodiversity and promoting environmental awareness and co-operation. The neglected waterways of the Lea valley will therefore be a key focus. I am told that, once the games precinct is replaced by the successor developments, it will give way to an open river valley landscape of semi-naturalistic parkland, with increased biodiversity. I hope that that will reassure the children of form 5D. The waterways will also be cleaned up to provide recreation, aesthetic pleasure and an ecological habitat. I can also confirm to my hon. Friend the Member for Hackney, South and Shoreditch that we will look at the potential for transport using barges. There are clearly economic and practical implications that need to be looked at.

In conclusion, we are firmly focused on the potential of the Olympic games to deliver a real legacy for my hon. Friend's constituents, for London and for the whole country. Tourism is central to that, and we will work with hon. Members on both sides of the House to ensure that we deliver.

Cheshire and Merseyside Strategic Health Authority

4.30 pm

Rosie Cooper (West Lancashire) (Lab): I am most grateful for the opportunity to raise this important subject in my first Adjournment debate. The health issues involved will have a major impact on my constituents. My personal commitment to, and involvement with, the health service has dominated more years of my life than I care to remember—latterly, for nine years as chair of the Liverpool women's hospital. Indeed, health was the subject on which I made my maiden speech.

I care deeply about and believe absolutely in the national health service. Now, more than ever, that commitment has been reaffirmed because I no longer represent the aspirations of a single hospital but those of 74,112 people—my constituents. That brings with it a duty and a responsibility to fight to guarantee the best and safest health care services possible. I sought the debate on mergers in the Cheshire and Merseyside strategic health authority area because I believe that that guarantee is under threat from chief executives colluding over deals to merge trusts: namely the Southport and Ormskirk Hospital NHS Trust, the Aintree Hospitals NHS Trust, the Royal Liverpool and Broadgreen University Hospitals NHS Trust, and the Walton Centre.

Before I venture into specific issues, I want to revisit a document produced by the Department of Health in 2003. "Keeping the NHS Local: A New Direction of Travel" clearly states the Government's vision for health service reorganisation and how they will bring the voices of patients and the public to the heart of the debate. One of its key points is that the continued concentration of acute hospital services without sustaining local access to those services runs the danger of making services increasingly remote from many local communities. The mantra is no longer "Big is best", but "Small works too."

Three fundamental principles should underpin every thought on how health services are reorganised. Change should be developed with people, not for them. The focus should be on redesign, not relocation. The view of the whole system should be taken, which requires working in partnership, with genuine integration and joint planning of services.

Andrew Miller (Ellesmere Port and Neston) (Lab): I am grateful that my hon. Friend cited that part of the document. Given her knowledge of the north-west of England, does she agree that it is a little absurd for the health economy of Crewe to be co-located with that of Chester and Ellesmere Port? The distances are enormous. Proper patient liaison and customer focus will be impossible because of geography.

Rosie Cooper: I absolutely agree. I do not know whether the strategic health authority has lost its maps or its ability to measure distances. Perhaps its staff do not use local public transport in the way that many of my constituents do. It is an appalling idea.

The Labour Government have done much for the health service, reversing 18 years of Conservative neglect. People's trust and faith in the national health

[Rosie Cooper]

service has been restored and I am determined that their excellent work on health will not be undermined by unelected officials acting autocratically. However, I want to convey a stark message to the Minister. All the good work will be shattered unless we say no to merger in west Lancashire.

I resent the small cabal of health service executives, each of whom may have a personal vested interest in the merger. They fail to make decisions and suggestions in an open, honest and transparent way that listens to and involves local people. It could be suggested that they are more concerned with future jobs or handsome redundancy packages. Over the past few weeks, since I highlighted the fact that I was having the debate, I have been inundated with stories from local health service staff. They are further demoralised by stories of change and now merger. Many have asked how I can prevent the merger from happening, because it is being presented to employees as a fait accompli. Their chief executive says that it will happen.

The power lies with the people, in whose name and with whose money the NHS is paid for. When local people and health service staff lose their voice in such a way, health services just happen to them. Rather than being empowered and enabled, patients are marginalised and staff demoralised. We must also not forget that people in west Lancashire face the possibility of being merged into a single primary care trust, which will include 1.1 million people. That would further dilute their voice.

Health service executives are treating people and the Government contemptuously. They did not even bother to tell the Secretary of State of their intentions or discussions.

Dr. John Pugh (Southport) (LD): On behalf of my constituents, I share many of the hon. Lady's concerns. Does she agree that not only is there talk of conspiracy, but there is rampant confusion and a complete loss of confidence in the local health authorities?

Rosie Cooper: I do. I understand that the strategic health authority is currently issuing press releases on various subjects, and there may very well be all sorts of news stories, which I believe would be intended to confuse the public. People do not know which level of the health service they are dealing with and who is responsible for what.

The public are hearing on the grapevine that services will be reduced or transferred, in particular from Ormskirk, and that there will be future involvement of the private sector at Ormskirk, while wards, such as the rehabilitation ward at Ormskirk hospital, are threatened with closure. They are also hearing that the Liverpool women's hospital will take over maternity services and that Alder Hey will take over children's services. There is rumour upon rumour upon rumour. That is not the way to communicate with our employees, and it is certainly not the way to communicate with our constituents and hospital patients. Confusion reigns.

I question whether there is a commitment to the Ormskirk site. When there is a positive story or action—such as in respect of the minor injuries unit at Ormskirk—there is little publicity to tell people about it. Is it any wonder, therefore, that when they need an accident and emergency service, they bypass Ormskirk and use the services at Southport unnecessarily? What is the long-term future of that minor injuries unit? Indeed, as my constituents ask me, what is the long-term future of the Ormskirk site?

It is the Government's intention that all hospital trusts are to become foundation hospitals by 2008. Monitor recently concluded an assessment of the possibility for individual trusts in the Cheshire and Merseyside strategic health authority area to move to foundation status by 2008. The financial position of Southport and Ormskirk trust makes it unlikely that it can achieve that. The ever-increasing historical debt is now of the order of £17 million. In discussions, I asked why that was not tackled in the past. I suppose that there has not been the appetite to deal with the problem head-on, as it would have been on top of the already unpopular measures in the Shield review. The proposed merger would be yet another step in letting people down.

An assumption is also being made that a merger is the solution to the debt problem. That is not the case. Merger would address the problem by running services across Merseyside—across the larger area—to reduce costs. So patients would probably have to travel further for treatment and visitors would have to travel further to visit in-patients. If there were a Liverpool-centric merger, Southport and Ormskirk would have a very junior role to that of Liverpool, with its greater population and university teaching hospitals. Over time, that situation would only get worse as medicine continued its move towards providing more specialist services.

We need to concentrate our efforts on getting the financial situation resolved. If the debt and the cause of it are dealt with, Southport and Ormskirk could be viable. That, along with any relevant partnership working proposals, should be put to the SHA and the Department of Health. We would then be tackling real problems, keeping a voice and keeping health services as local as possible. That is the argument that we should be putting to McKinsey and Co. That should be its brief.

McKinsey has done some good work for the NHS, but we must guard against any natural bias in favour of mergers. I understand that mergers are one of the growth areas of its business. Merging trusts would not be the solution but the easy option. It would be tantamount to throwing up our hands and saying that there is nothing we can do. I cannot accept that as a solution, and my constituents will not.

Merging will not provide the solution to the challenges of Government policy either. It will not result in debt being reduced or services being enhanced, and it is not in the interests of the people of west Lancashire or those of any of the other people affected by the proposal who live in the constituencies represented by my hon. Friends from the region. We have only to look at the experiences of merged hospitals. The Pennine Acute Hospitals NHS Trust and Leeds Teaching Hospitals NHS Trust have been a disaster.

The arguments against merger in the case of Airedale NHS Trust in Bradford apply equally to Southport and Ormskirk Hospital NHS Trust, and no doubt to the other hospitals under threat of merger. Under a merger,

there will be no improvement in clinical standards that could not be achieved by the hospitals remaining separate. A management merger would not achieve any significant improvement in access to services; it could even reduce accessibility. Mergers do not lead to a greater access to funds; in fact, they could prevent high-quality staff from joining the hospitals.

It has to be said clearly that mergers do not increase the capacity to meet Government-set targets. We need to concentrate our efforts on getting hospitals to concentrate on the patients and the financial situation. The Government say that services have to be good, safe, timely and convenient for patients. The merger idea, which comes from the three chief executives involved, without any consultation, does not meet those standards.

Where does patient choice come in the agenda? If hospitals across Liverpool, west Lancashire and the wider area are merged, where will people go to get patient choice? They will have to travel to Manchester, Preston and beyond, which very possibly will be too far. It would be nigh-on impossible for west Lancashire residents to make regular journeys to visit in-patient family members and friends, never mind receive treatment themselves. Ormskirk is 22 miles from the Broadgreen site, 18 miles from the Royal Liverpool university hospital and 11 miles from Aintree hospital. From Skelmersdale, it would be even further. We already ask people to travel further and further to access specialist services such as cancer services, and that is medically right, but should we ask them to do the same to access general services? Like the Government, I do not believe that we should.

In my constituency, there are below-average levels of car ownership. In west Lancashire, we have public transport difficulties in getting to Southport and Ormskirk hospitals. I know that because I have done it: it takes one hour and 20 minutes on a bus from Upholland to the hospital in Southport. To have to go even further would necessitate what amounts to a day trip, which is ridiculous in this age. Vulnerable groups are left reliant on a public transport system that is failing people in west Lancashire.

It is the same if we travel from Skelmersdale to the Broadgreen site. Theoretically, that should take two hours, but in practice it would probably take closer to two and a half. It involves three bus rides, two walks to make the changes and one train ride. That is just one way—double it for a return trip. What if a person is ill? That is just one of the many examples of problems that my constituents would face in accessing health services if the new model were adopted.

Not merging would not preclude any partnership working across clinical specialisms, although that argument will be the excuse and the ruse used by people who just want to merge and get on with it. Those things could still happen, but the difference would be that Southport and Ormskirk would be a full partner and have a voice at the table. As the Minister will be aware, many other hospitals have partnership arrangements that offer the best service options for their local residents.

Partnership working should not be confined to Liverpool. Why did that only happen there? Services could be delivered by Wigan, Preston and Chorley hospitals. If we believe in in-patient choice, let us construct a creative, innovative and enabling set of partnerships and relationships that deliver the highest standards of health care for our communities and local residents.

Having heard the proposals in Gill Dolan's report on the future shape of health services, members of west Lancashire patient and public involvement forum have issued a press release in which they express many, if not all, of my concerns about securing a sustainable, accessible health service. I have to tell my hon. Friend the Minister that we need solutions that do not include merger. The agenda of those solutions can only be to provide the best possible local, accessible care in a patient-centred NHS.

4.46 pm

Helen Jones (Warrington, North) (Lab): I am grateful to my hon. Friend the Member for West Lancashire (Rosie Cooper) for allowing me a couple of minutes in this important debate.

The merger that my hon. Friend describes is not the only one on which the strategic health authority is working. It is also working to merge North Cheshire Hospitals NHS Trust and Whiston hospital. Such mergers are undertaken by stealth, without any community engagement. More than that, the SHA is skewing the evidence that it presents to McKinsey on the merger in order to achieve the outcome that it wants, saying that it must explore organisational configuration issues. It has misrepresented the results of a MORI poll on choice carried out by the primary care trust in Warrington, and totally ignores the needs of local people in favour of bureaucracy.

The centre of my constituency has a relatively low car ownership. It is a 20 mile-round trip to Whiston hospital. As the private finance initiative for Whiston is larger than its current needs, the inevitable result of any merger would be the transfer of services away from Warrington. Like my hon. Friend, we are not opposed to partnerships or to improving clinical standards. However, concentrating on a merger is diverting attention away from those matters and on to the bureaucratic issues that suit the health authority.

My hon. Friend the Minister has to get a grip on our SHA. It must be much more patient focused and concerned less with structures. As for the merger, I tell him clearly that my constituents do not want it, and I do not believe that the hospital board wants it. The proposal comes from the SHA and it needs to be stamped on at birth, because it is not in the interests of the people whom I represent.

4.48 pm

The Parliamentary Under-Secretary of State for Health (Mr. Liam Byrne): Let me start by congratulating my hon. Friend the Member for West Lancashire (Rosie Cooper) on having secured the debate. May I begin by saying that she has displayed two of her great talents this afternoon? The first is her ability to fight on behalf of her constituents, and the second her deep experience of the national health service. She was not only vice-chair of Liverpool health authority between 1994 and 1996, but chair of Liverpool women's hospital between 1996 and 2005. I was also very glad to

[Mr. Liam Byrne]

hear my hon. Friend the Member for Warrington, North (Helen Jones) intervene, not least because I was born in Warrington hospital. It is always a pleasure to hear it mentioned in this Chamber.

The starting point for this debate is simple. In the past few weeks, I have had the pleasure of visiting a number of hospitals in and around Liverpool, including Whiston and Alder Hey hospitals and Liverpool women's hospital. I have seen the transformation of the NHS in and around Liverpool, and I know that that is benefiting my hon. Friends' constituents. That has not happened by accident. It has happened because we have increased the funding of the NHS from around £35 billion to around £70 billion. Cheshire and Merseyside strategic health authority has benefited greatly from that investment, with 400 extra consultants since 1997, nearly 5,500 extra nurses and more than 3,800 health care assistants. That has made a huge difference to the quality of care in my hon. Friends' constituencies.

My hon. Friend the Member for West Lancashire has a PCT that sits in the Cumbria and Lancashire SHA area where, I am told, the number of people waiting more than six months for in-patient treatment has dropped by an extraordinary 95 per cent. since 1997, and the number of people waiting 13 weeks or more for out-patient treatment has dropped by an almost as impressive 86 per cent. The result of that, of course, is that people are living longer. The mortality rates in my hon. Friend's local authority area show that there have been extraordinary advances since 1997. The mortality rate from coronary heart disease has fallen by more than a quarter, and the death rate from cancer has fallen by 8 per cent. We should congratulate front-line NHS staff on those achievements and the way in which they have gripped and exploited our investment and reforms.

Andrew Miller: Will my hon. Friend the Minister accept from me, as I have received acute services under the current structures, that there is integration across boundaries—between the Countess of Chester and Broadgreen hospitals, the ambulance trust and my GP, in my case—and that it is superb? That is within current structures. There is an old adage: "If it ain't broke, don't fix it."

Mr. Byrne: I am grateful to my hon. Friend for that intervention. I hope that he is pleased by what my noble Friend Lord Warner writes to SHAs and hon. Members later today about our proposals to strengthen front-line services in and around his area.

The backdrop for today's debate is the funding increases that are to come. Although advances have been made, we want to go further. In the local PCT area of my hon. Friend the Member for West Lancashire, that means about £24 million more going into front-line health care in the next few years. The choices available to local health professionals are extraordinary—how much extra should be spent on hospitals, primary care services and community care services? It is a long time since front-line professionals working in the NHS have had such a rich array of choices.

My hon. Friend was right to stress the importance of localism in advancing services in this country. That is precisely why my right hon. Friend the Secretary of State will produce a White Paper in the new year on how to strengthen services that are not just around the clock but around the corner. We do far too much work in acute hospitals, and we can do a great deal more to move that care closer to where people live.

As we put more money into the NHS, it is only right that we should ask its managers to manage their books effectively. That is why we have asked hospitals to go for foundation status; it is a badge of effectiveness. My hon. Friend well knows that because she was instrumental in getting Liverpool women's hospital foundation status recently. To facilitate that process, we asked a few areas to pilot the whole health community diagnostic project, which is our way of ensuring that financial management in the NHS is as strong as it should be. My hon. Friend's area was one of those that piloted that project. That was done simply to ensure that NHS managers do not have the luxury of ducking the kind of tough financial decisions that she talked about so eloquently, or the opportunity to do so.

The agenda of expanding hospital services is important, but it needs first-class financial management to go with it. The programme of expanding and improving acute hospitals would be much easier if Liverpool metropolitan borough council raised its game and started to work slightly more effectively with the NHS. My visits to Alder Hey, Liverpool women's and Whiston hospitals were instructive, and I was disappointed to hear of concerns that the council might have dragged its feet in taking decisions that were needed to expedite the arrival of those new, first-class facilities. The diagnostic project on finances in my hon. Friend's constituency is ongoing.

However, I must confirm that the Department of Health has not agreed how it will proceed from the outcome of the pilot involving Cheshire and Merseyside SHA. There is still work to be done exploring the options that should be made available. As part of that, I understand that NHS trusts in Liverpool, Sefton, Southport and west Lancashire have begun formal discussions to review the configuration of trusts in their area to determine whether the current organisational structure is best placed to provide services to meet patients' needs. I know that in my hon. Friend's area McKinsey was hired. After this afternoon's debate, I wonder why they did not hire her—they could perhaps have obtained a slightly better result for less money. However, that is a decision that has passed us by.

This year Cheshire and Merseyside SHA assures me that it has not predetermined the outcome of the work and that any conclusions will be pursued if they are demonstrably in the patients' interest. I shall hold the SHA to that assurance.

Helen Jones: I am glad to hear what the Minister says. Does he agree that, often, a concentration on mergers of trusts can divert attention from the tackling of problems within the trusts?

Mr. Byrne: My hon. Friend speaks with great wisdom.

Mr. George Howarth (Knowsley, North and Sefton, East) (Lab): Does my hon. Friend agree that it would probably be helpful if the chief executive and chair of the

SHA were to meet a group of Members of Parliament from the constituencies that are affected to discuss in frank terms what is happening?

Mr. Byrne: That is a first-class idea. The matter has been reviewed in some depth, and Ministers will need to see extremely good evidence to justify any change in the current configuration. The SHA must satisfy Ministers on three tests in particular. I should be grateful if my hon. Friends would, if they have the opportunity to meet the chief executive and chairman of the local SHA, remind them of those tests, which Ministers will treat as important and which will determine their stance. First, there must be consistency with the NHS plan and the White Paper on care close to home, which we shall publish at the turn of the year. Secondly, new proposals must unequivocally produce better standards of care. Thirdly, any proposals must be subject to a full public consultation. Managerial convenience is not one of the tests that the proposals must pass.

Dr. Pugh: If consultation is part of the test a modicum, at any rate, of community approval or support will be necessary. That, for many of us, is the key issue.

Mr. Byrne: Full public consultation is a statutory obligation, as the hon. Gentleman knows. The point about consultation will be underlined in the forthcoming White Paper on community care and care close to home. I shall keep a watching brief on the developments as they arise. I understand that all the local Members of Parliament have been sent details of the work in relation to enabling trusts to become foundation trusts. I should be grateful if they would let me know if they are not satisfied with the quality of the communications. I understand that arrangements have been made for the SHA's chief executive to meet Members of Parliament and so have an opportunity to raise issues.

Rosie Cooper: I appreciate the Minister's comment that extraordinarily sound reasons for change would be needed. Will he take on board the fact that the chief executive is telling everyone that it will happen?

Mr. Byrne: There must be no faits accomplis, no cabals and no decisions made behind closed doors. The national health service is under statutory obligations for the way it runs consultations.

Policing (Northamptonshire)

5 pm

Mr. Philip Hollobone (Kettering) (Con): First, I thank Mr. Speaker for enabling me to secure the debate, the Minister for attending, and all the police officers, staff and associated civilians of the Northamptonshire police force for their good work and the tremendous efforts they put into policing matters in the county. They deserve our thanks and praise, and I am happy to put that on the record on behalf of my constituents.

The purpose of my contribution to this debate is to leave the Minister in no doubt about the importance of policing, crime, antisocial behaviour and general law-and-order issues to my constituents. It is extremely important and I have done my best to raise the matter through every parliamentary device. I have asked the Prime Minister a question at Prime Minister's Question Time. I have participated in correspondence with him and even received a reply from him on 30 June. I have joined the parliamentary police scheme and will spend 22 days with the Northamptonshire police to find out at first hand about policing issues on the ground. I want to leave four points with the Minister—my conclusions.

First, there are not enough police officers in Northamptonshire. It is not just me or my constituents who say that. The chief constable also says that. Secondly, Northamptonshire police force suffers persistent long-term underfunding. It is not just me or my constituents who say that. The chief constable also says that. That underfunding will get worse because Northamptonshire is included in the Milton Keynes and south midlands growth area and will experience the fastest growth of house building in the country up to 2021 and 2031.

Thirdly, there are huge local concerns about the performance of Northamptonshire police who are, according to the Government's measures, an underperforming force. Fourthly and lastly, there is strong and growing local opposition to the proposal to merge Northamptonshire police force with neighbouring forces and perhaps even to make it part of a new, grotesque east midlands police force.

On the first point about there not being enough police officers, in Northamptonshire there are 1,264. If we had the national average number of officers per head of population, Northamptonshire would have 1,479. There are 938 full-time-equivalent police service staff, which is one of the highest rates of civilianisation in the country. There are 192 special constables, compared with 314 eight years ago. There are some 39 community support officers and I am pleased to say that Kettering borough council, on which I am a councillor, funds in part eight community support officers for Kettering.

There has been a doubling of the number of police officers retiring or resigning in the past eight years. Eight years ago, 37 officers left the force and 74 left in 2003–04. Of the constables in the force 25 per cent. have been in service for less than three years and 20 per cent. of those on the beat are probationers.

[Mr. Philip Hollobone]

On crime statistics, in 2003–04, 123 crimes were committed for every 1,000 people in the county, compared with an average in England and Wales of 113 for every 1,000 people. That is the highest crime rate among Northamptonshire's family of eight most similar forces where the range was 86 to 123 for every 1,000 people.

On population per officer, in 2003–04 in Northamptonshire there were 506 people for every constable and 461 in England and Wales. On the average number of crimes per officer, there were 62 in Northamptonshire and 48 among its family of most similar forces.

Everyone in Northamptonshire from the chief constable downwards—plus Northamptonshire's elected parliamentary representatives taking part in this afternoon's debate—wants the Minister to know that there are not enough police officers in the county.

The second point is about persistent, long-term underfunding. I know that my hon. Friend the Member for Northampton, South (Mr. Binley) wants to catch your eye later, Mr. O'Hara, to expand on that point. Over the past three years, the formula funding for the Northamptonshire police service has meant that the force has received £5.5 million less than it ought to have done. Last year—2004–05—the police budget was nominated. In the three previous years, the police precept had to go up by 26 per cent., 23 per cent. and 14 per cent. to try to address, at least in part, the systematic failure to deliver the funding that the county needs to provide proper policing.

In terms of the formula grant per head of population, Northamptonshire gets £101 a year compared with the average in England and Wales, of £139. The police force with the highest figure in the land gets £248. Northamptonshire is the third worst authority in the country in respect of falling victim to the damping formula applied to the funding formula mechanism.

There is growing concern about the performance of the Northamptonshire constabulary. The police standards unit has been engaged with the force since spring 2004. A new policing model was introduced in October 2004 and is beginning to tackle some of the underlying problems. The difficulty is that the forces in Northamptonshire's family of most similar forces are beginning to tackle their difficulties more effectively than the Northamptonshire force is tackling its own.

In the recent statistics published by the Home Office, the Northamptonshire police force came out—on the Government's figures—as the third worst-performing police authority in the country, with an overall aggregate score of 1 in a range of minus 3 to plus 16. Recorded crime for every 1,000 people is 22 per cent. higher than in comparable forces. House burglary is 60 per cent. higher, robberies are 84 per cent. higher and vehicle crime is 42 per cent. higher. House burglary detection is the worst in the most similar family of forces and vehicle crime detection is almost the worst. Only 35 per cent. of the Northamptonshire public think that the criminal justice system is effective in bringing people to justice compared with 43 per cent. for the east and west midlands on average. Fear of crime is among the worst in the country.

There is strong and growing opposition to the prospect of merging the Northamptonshire police force with neighbouring forces. The National Association of Retired Police Officers has written to me to say that

"there are only people like us still around and actively connected with the Force who can still remember the aftermath of the 1966 amalgamations and their terrible effect on Force efficiency which took ten years to get back to the pre-1966 efficiency."

The local National Farmers Union has written to me to say that it is worried that the regionalisation of the local police force could mean that rural crime is tackled even less effectively than heretofore

There are problems with policing in Northamptonshire and they basically stem from insufficient funding being given to the local force. Local people feel that the issue is very important. I hope that the Minister will take on board these points and come up with some constructive solutions so that policing can be properly addressed in the great county of Northamptonshire.

5.10 pm

Mr. Brian Binley (Northampton, South) (Con): I thank the Minister for kindly allowing me this privilege, for which I am grateful.

I congratulate my hon. Friend the Member for Kettering (Mr. Hollobone), not only on securing this debate, but on the work that he does for his constituents and the wider Northamptonshire population. I am grateful for that and many others are, too.

I wish to talk for two to three minutes about the funding formula, which has impacted so heavily on Northamptonshire. When the new formula was first announced more than three years ago, we were rather pleased because it showed that we were one of the main underfunding constabularies in the country—underfunded by way of the previous formula—and that the new formula would correct that underfunding. If the Government had not changed the new formula, we would have expected more than 22 per cent. extra funding over the past three years. My hon. Friend has explained how much that added up to; in truth, it would have meant 50 permanent officers for Northamptonshire constabulary.

Sadly, the formula realisation did not occur. I understand why the Government put a damping formula on their own formula: it would have meant serious difficulties for them at the other end of the process. However, be that as it may, we were left with a reduced grant of some 13 per cent., adding up to £5.5 million, which has had a massive effect on the performance that our force in Northamptonshire can achieve. There is a link between funding and performance in that respect. I am not arguing that that is the only explanation, but it is one factor that has meant that we have underperformed—and we and the Government have been disappointed.

I appeal to the Minister to consider seriously the funding formula as it impacts on Northamptonshire, because the Government said fairly that we deserved more. However, they then dampened the impact and we did not get what they said they thought we deserved. In the light of that, I ask the Minister to consider the issue again.

5.12 pm

Mr. Peter Bone (Wellingborough) (Con): I congratulate my hon. Friend the Member for Kettering (Mr. Hollobone) on securing this important debate and on attracting four of the six county Members of Parliament to it. I should like to put on record my high regard for the police force in Northamptonshire, particularly the chief constable.

I want to make a brief point, and I hope that the Minister will appreciate that none of this is party political. I run a survey in Wellingborough, called "Listening to Wellingborough and Rushden", and 20 per cent. of the residents tell me that they are scared to go out at night because of the fear of crime. When we asked what they would like to see done about that, they said, "We'd like more police officers and more local policing." Nobody has suggested that they would like a police force covering a bigger area.

With the aid of this map, I should like to demonstrate quickly the problem with my constituency, which is right at the tip of Northamptonshire. We already feel a little bit out on a limb. However, if we look at the proposed region, the map shows that we are 80 to 100 miles from Nottingham, for example. However, I could walk 100 yards in my area and I would find myself in Bedfordshire. We therefore look to Bedfordshire and Milton Keynes and, if there were a merger, I understand that there would be a large operational argument for us to go in with Bedfordshire.

I urge the Minister to consider this matter again, give better guidelines to the police authority and examine the option of looking across Government regional boundaries.

5.15 pm

The Parliamentary Under-Secretary of State for the Home Department (Paul Goggins): I congratulate the hon. Member for Kettering (Mr. Hollobone) on securing the debate and thank his hon. Friends for ensuring that I have plenty of time to respond to it. We have had good participation and good visual aids, which are always helpful.

I commend the hon. Gentleman for the enthusiasm that he has shown for policing issues. They are important to all our constituents and, thus, to all Members of Parliament. It is right that he drew attention to them in this debate. I congratulate him on joining the parliamentary police scheme, which I am sure he will find an interesting experience. I share his interest and that of other hon. Members in effective policing, but I hope he will forgive me for drawing different conclusions from those that he drew.

Let us consider first the performance of Northamptonshire police. As the hon. Gentleman is aware, the police standards unit—the PSU—within the Home Office has been engaged with Northamptonshire police since the spring of last year. That engagement arose from specific worries expressed by Her Majesty's inspectorate of constabulary. Because of the performance gap in reducing crime to which the hon. Gentleman referred between his force and its peers, at that time overall crime in Northamptonshire was about a third higher than it was for the comparable authorities.It is to the credit of the chief constable that he grasped the nettle and invited the PSU into the force. I am pleased that such action is already showing real dividends. Let us consider the most recent data for the force. In the 12 months to the end of October, it reduced its overall crime level by 11 per cent., domestic burglary was down by 18 per cent. and vehicle crime was reduced by 19 per cent. I join the hon. Gentleman in congratulating the police on the front line for making that difference in his community.

Having said that, there is still further improvement to be made in performance. The scale of the challenge was reflected in the recent police performance assessments that were published last month by the Home Office and HMIC. For example, the assessment gave the force poor and deteriorating grades for investigating crime. While there has been some progress, there is room for further improvement. The role of the PSU is to share good practice, to provide expert knowledge and to bring in additional resources. About £1 million in additional resources has been made available through the PSU intervention in Northamptonshire. That sum is in addition to the £67.8 million in general police grants that was given for 2005–06, an increase of £3.5 million on the year before, which is 5.5 per cent. and considerably more than the minimum increase of 3.75 per cent., which is guaranteed to all police authorities. The force continues to benefit from a range of specific grants for particular targeted programmes. In Northamptonshire this year, that amounts to £7 million.

In my time as a Minister, I have learned that financial investment is important. However, it is far too simplistic to say that poor performance by any public service is always the result of lack of investment. It is certainly too simplistic to say that in the case of Northamptonshire. The president of the Association of Chief Police Officers acknowledged recently that it is not only a matter of resources but how they are managed and directed that makes the difference. The PSU will continue to work with the force with the agreement of the chief constable and under the ultimate direction of Ministers. We have in place an agreed set of criteria, which will make it clear when is the right time for the PSU to end its engagement. We will keep such matters under review. Eventual disengagement by the PSU will happen when all parties are satisfied that the criteria have been met.

The hon. Gentleman also referred to police numbers. We ought not to disagree about the fact that police numbers are at record levels in Northamptonshire. I have a slightly different figure from that of the hon. Gentleman, but as of March this year 1,267 police officers were in post, an increase of 90 since 1997. The force already has plans in hand to increase that number to 1,315 by March 2006. It is slightly more complicated than just the headline figure of police officers, because the number of police staff has increased by a fairly dramatic 73 per cent. since 1997—from 554 to 958. There has been an increase in the overall staffing of 21 per cent., which compares with a 13 per cent. increase nationally. If all the staff are considered—police officers, community support officers, traffic wardens and so on—the increase in Northamptonshire has been bigger than that across the whole country.

Mr. Hollobone: Hon. Members representing constituencies in the county, and the chief constable, anticipated that the Minister would reply as he just did. The chief constable wanted us to make it clear to the

[Mr. Hollobone]

Minister that although it is perfectly true that there has been an increase in the number of police officers, local residents in Northamptonshire still do not have the number of police officers required.

Paul Goggins: I freely acknowledge that if we were to go to any community in this country, people would say that they wanted more police officers. This Government have pledged, and are delivering, more police officers, but we have to manage the available resources. I commend the chief constable of Northamptonshire police and all those involved on managing a switch so that there are more back-up staff who are not police officers doing jobs that police officers used to do. That frees up police officers to get on to the front line and to add capacity to community policing, which the hon. Gentleman's constituents—all our constituents—want.

The hon. Gentleman also raised the issue of force restructuring, which I know is a matter of concern to hon. Members in his region and others. At the centre of the issue is how we ensure that we have police forces equipped to deal with the level 2 threats that we face—organised crime, terrorism and so on—while at the same time ensuring that there is reliable, stable, solid community policing in all our neighbourhoods.

Mr. Bone: I understand where the Government are coming from on that. Operationally, in our area, looking outside these predetermined regions would be more sensible and efficient and would achieve better goals, which the Minister wants.

Paul Goggins: In a little while I shall come on to the shortlist of options for the hon. Gentleman's region and emphasise again that we are talking about a consultation. The Home Secretary wants to develop the new structure from the bottom up and not create a blueprint from the top down. I know that hon. Members will be involved in the consultations, and they will be able to make the points that they wish.

In order to ensure that the two issues could both be dealt with adequately by a police structure, my right hon. Friend the Home Secretary asked HMIC to examine whether the current 43-force structure was still fit for purpose. It examined in particular what are called the "protective services", which I mentioned: dealing with organised crime, counter terrorism and murders, which rightly draw in huge police resources when they occur in a community; tackling domestic extremism—we are determined to tackle and overcome animal rights extremism—and dealing with civil contingencies of different kinds, critical incidents, public order incidents and so on. All forces have to be able to deal with those kinds of pressures.

HMIC's findings in the "Closing the gap" report are pretty stark. It concluded that the existing force structure, which has been established for more than 30 years, is

"no longer fit for purpose. In the interests of the efficiency and effectiveness of policing it should change."

HMIC felt strongly that in this particular case size matters. It suggested that as a minimum there should be 4,000 police officers or 6,000 staff in a strategic police force that is able both to deal with level 2 threats and neighbourhood policing. Faced with such clear, unequivocal, professional and independent advice from the inspectorate, I put it to the hon. Gentleman and his colleagues that it would be irresponsible for the Government not to respond to that by trying to provide a structure that was more up to the task.

The inspectorate considered several possible options for the way forward, including that of greater collaboration between forces and the creation of federations between forces for the provision of protective services, but it felt that all those options had significant drawbacks. On the federal option, for example, it commented that clarity of responsibilities and governance would be an enduring challenge.

The inspectorate concluded that the establishment of strategic forces with sufficient critical mass to meet all the demands of modern policing was the best business solution. We agree. My right hon. Friend the Home Secretary has repeatedly made it clear that he has no blueprint. We want the new structure to be developed from the ground up, with local communities and local police authorities very much in the driving seat.

We have made it clear that we want the proposals to be submitted to the Home Office by 23 December, and I am pleased to be able to report that that consultation is well under way.

Mr. Tim Boswell (Daventry) (Con): If the Home Secretary has no blueprint, will he be prepared to consider at least in principle cross-regional boundary mergers as and when local people believe them to be the most appropriate solution?

Paul Goggins: The Home Secretary does not want to carve up existing police force structures, because he believes that that would over-complicate the process. I can confirm, however, that all five police authorities and their chief constables in the east midlands have now made a joint submission that proposes four options. They conclude, as we do, that the two stronger options are for Northamptonshire to join Leicestershire and Lincolnshire and for Derbyshire to join Nottinghamshire, or for all five forces to combine into an east midlands force.

My right hon. Friend the Home Secretary has said he agrees that those two options are the most sensible ones at this stage. He has emphasised, however, that it is ultimately a matter for each police authority to decide which option to propose in December. Northamptonshire police authority is now engaged with others in a wide-ranging consultation, and I am sure that hon. Members who are in the Chamber today will make their views known very strongly.

I should add that the option of Northamptonshire police as a stand-alone force does not meet the inspectorate's criterion on the size of force. The force has only 1,267 officers, which is well below the threshold of 4,000 officers that the inspectorate recommended, and it is unlikely to deliver sufficient capacity and capability to meet the requirements for protective services to national standards.

Mr. Binley: Will the Minister consider the fact that a force of that size could make sense if we had regional units that specialised in, for instance, terrorism? Does he accept that the two can be separated in that way?

Paul Goggins: The inspectorate concluded that it would not be appropriate to split the two in that way, and that structures of accountability and so on would make that a very difficult structure to sustain in the long term. It recommended, and we agreed, that the two necessary elements of policing—the level that deals with the threat of terrorism, animal rights extremism and organised crime and the level that deals with neighbourhood policing—must come under the same force structure.

I know that concern has been expressed that our proposals may detract from local neighbourhood policing, but the reverse is actually the case. We want greater strategic capacity to mean that resources will not be drawn from plans for neighbourhood policing in the event of major incidents. Indeed, we have made a commitment to have neighbourhood policing in every area by 2008.

It being half-past Five o'clock, the motion for the Adjournment of the sitting lapsed, without Question put.

Westminster Hall

Thursday 1 December 2005

[MR. DAVID AMESS *in the Chair*]

Future Energy Needs (Scotland)

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Watts.]*

2.30 pm

Mr. Mohammad Sarwar (Glasgow, Central) (Lab): It is nice to see so many colleagues from different political parties, particularly the million man from Scotland, the hon. Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell).

I thank colleagues on the Liaison Committee for supporting my bid for a Westminster Hall debate. Given the reports in recent weeks that we face the harshest winter for decades, energy crises, possible power cuts and strikes by gas engineers, and the small matter of the Prime Minister's speech to the CBI, the debate is timely. I pay tribute to my predecessor as Chairman of the Scottish Affairs Committee, Baroness Adams. The day after our report was published, a letter from Alan Wilson, chief executive of the Scottish Council for Development and Industry, was printed in *The Herald*. It stated:

"Anyone doubting the continuing usefulness of the strong Scottish voice at Westminster should read the excellent report . . . . by the Scottish Affairs Committee".

The fact that our strong Scottish voice produced such an excellent report was due in no small part to the leadership of Baroness Adams.

I thank members of the Select Committee in the previous Parliament, some of whom are present today and who may try to catch your eye, Mr. Amess. I wish to mention former Committee colleagues such as John Lyons and Peter Duncan, both of whom demonstrated a keen interest in energy and other key issues that face Scotland. Perhaps they will be returned to serve at Westminster in future, although I do not know for which constituencies. As always, I am grateful to our Clerk and his hard-working team for their tremendous support of the Committee. The inquiry on energy needs was typical of inquiries held by the Scottish Affairs Committee—it was short, sharp and highly effective. We took formal evidence on four occasions and undertook two informal visits.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): I am grateful to my hon. Friend for giving way, and I should declare an interest in that I receive support from the Sustainable Energy Partnership for my current private Member's Bill.

I accept that the general election got in the way of proceedings, but does my hon. Friend agree that the report might have carried more weight if the Committee had called more than one independent witness who is well known for having a particular view in favour of nuclear power? Professor Lovelock is a well known scientist, but I am not sure that he is an expert on the economics of the energy industry, which, after all, is what the report should have been about.

Mr. Sarwar: I thank my hon. Friend for his intervention. His views, along with those of other members of the Committee, will be taken on board.

I have an apology to make on behalf of the Committee. At paragraph 7 of the report, we listed those whom the Committee met in Sacramento, but omitted to mention the Lawrence Berkeley National Laboratory. That was an oversight and I am happy to rectify it. Hon. Members who are attending the debate will have read our report and the Government's response. I thank the Minister for that response and look forward to his contribution today. I shall not repeat the arguments that are set out in the report, but will seek to move the debate forward. I shall be brief so that other hon. Members have time to speak.

We identified three fundamental issues and produced 12 recommendations. The first point is the job prospects for people employed at the Dounreay plant when it is finally decommissioned. We are pleased to note that the Nuclear Decommissioning Authority will continue to work closely with local communities. That will lessen the impact of decommissioning and the ultimate closure of sites such as Dounreay. Although not a recommendation, we suggest that the United Kingdom Atomic Energy Authority might usefully make contact with the authorities in Zion City in Illinois. They impressed the Committee in relation to tackling problems similar to those that face Dounreay. Shortly after the publication of the report, UKAEA wrote to confirm that it had followed our suggestion and looked forward to learning from the Zion City experience. I welcome that positive response to our comments. UKAEA is making every effort to look after its work force.

Dounreay contributes approximately £80 million to the highlands through salaries, pensions, contracts and subcontracts. Help must be given to Caithness and the rest of the highlands to overcome the problems that might be faced in a few years' time.

The second issue tackled by the Committee is the long-term strategy for the management of radioactive waste, with a focus on intermediate-level waste. Until people feel that existing waste has been safely disposed of, the matter could affect their views on any option to generate electricity through nuclear power stations. We hope that next July's target date for a final decision on how to manage such waste is not allowed to slip. The Government's response confirmed that that target date will be met.

The Committee also comments on disturbing reports that radioactive waste was not dealt with properly at Dounreay. Unfortunately, our timetable meant that we were unable to ask UKAEA for its comments. It accepted that, but was disappointed that it did not have the opportunity to set the record straight. If there had been time, it would have advised us that the stories related to things happening decades ago and lacked relevance to current practices at the site. I am pleased to put that rebuttal on the record now.

The report's final strand asks how the energy shortfall can be met once nuclear power no longer provides for Scotland's energy needs. There is no single solution, and

[Mr. Sarwar]

no "silver bullet", as the Government put it. It is fair to suggest that nobody seriously advocates sole reliance on either renewables or conventional energy. Scotland has tremendous potential for renewable energy. In the Committee, hon. Members championed diverse forms of energy production. Some favoured wind power; others favoured wave, solar, coal or nuclear power.

It is generally accepted that a mix of energy forms will be needed. The debate now rests on three vital questions: which energy forms should be the market leaders? What mix of energy forms is most appropriate? Is there a future for nuclear power stations? I hope the Minister has time to address some issues on which the Government's position is not immediately clear.

The response to our second recommendation states:

"It is not for Government to reserve particular shares for individual technologies."

That is true, but I would welcome research on which emerging technology is most appropriate for Scotland and which is the most costly for taxpayers and consumers. If such information exists, it would be useful for it to be published.

It also seems that the Government could have replied more fully to our recommendations on demonstrating their commitment to the UK coal industry. Will the Minister confirm that the Government believe that the industry has a future and that they would underwrite the costs of installing sulphur and carbon dioxide capture equipment? Is the £25 million mentioned in the response all that the coal industry would receive?

Finally, the most contentious aspect of the report is the suggestion that it might be time to consider the rehabilitation of nuclear power. As we say in the report, nuclear fusion seems

"a . . . benign and efficient way of producing electricity".

It offers one solution to global energy needs, but it could be decades before such a reactor is available. The decision must be taken urgently as to whether the Government should build new advanced gas-cooled reactors or pressurised water reactors, or even update existing reactors. I hope the Minister addresses the pressing concerns about that.

The Scottish Parliament and the Executive would be responsible for granting planning permission for the building of any new power stations. Such permission could not be assumed. What would the Government's approach be if they decided that new nuclear power stations were needed? Would they legislate for new stations and be optimistic that Members of the Scottish Parliament would pass a Sewel motion to allow Westminster to legislate on a devolved matter? If it was decided to update existing nuclear stations, would consent still be needed from Holyrood? What if no consent was forthcoming from the Executive? Would the Government close down Hunterston B in 2011, as planned, and simply rely on electricity from England or Norway? Although we are discussing Scotland's future energy needs, this issue is of pressing relevance to much of the UK.

Mr. Brian H. Donohoe (Central Ayrshire) (Lab): I commend the report to all our colleagues: it is excellent and one that should have been produced some time ago, given the circumstances. However, is it not also the case that, with the recent advent of increasing prices, there is a place for a further report to update us on Scotland's energy needs? In my constituency, about 400 jobs were recently lost as a consequence of high energy costs. A survey was undertaken by three of the biggest users. One, Caledonian Paper, is the single biggest user of electricity. Its costs have increased by some 120 per cent. over the last year.

Mr. Sarwar: I agree with my hon. Friend that the price increases to domestic consumers and to industry are unwelcome. If we want to secure the future of industry in Scotland and elsewhere in the United Kingdom, we must have a proper consultation on our future energy needs and whether they can be met through nuclear power, coal or other means. We should have a proper debate on the issue and meet the challenge head on.

Mr. Alan Reid (Argyll and Bute) (LD): The hon. Gentleman is right to say that more consultation and investigation are required. Will his Committee undertake to carry out an inquiry to find out the total cost of generating electricity by nuclear power? Decommissioning and dealing with the waste should be included so that we know the cost, with all aspects of nuclear power involved.

Mr. Sarwar: I agree with the hon. Gentleman that there needs to be proper costing so that we know the affordability and competitiveness of sources of energy. It is easy to say that nuclear energy is probably a cheap option, but when decommissioning and waste management are taken into consideration, they increase the budget. We must take all those factors into account before we make a final decision.

Mr. Jimmy Hood (Lanark and Hamilton, East) (Lab): If the Committee decides to carry out such an inquiry, which I would welcome, will it also—to be even-handed—look into the cost of importing 70 per cent. of the gas that our country will need in another 10 years and make the comparisons? There are also the issues of security of supply and where the gas comes from to consider.

Mr. Sarwar: I thank my hon. Friend for his intervention. Of course, it is important to remember that when we make ourselves dependent on other countries by importing gas as a source of energy and in order to produce electricity, that factor, as well as the reliability of the source, must be taken into consideration.

Mr. Mike Weir (Angus) (SNP): I am listening intently to what the hon. Gentleman is saying. I am particularly interested in what he is saying about security of supply and cost. However, if he is talking about a nuclear future, can he tell us about the security of supply and cost of uranium?

Mr. Sarwar: All those issues must be discussed properly, which is why we are urging that there should be a proper debate and consultation. I will probably not agree with the hon. Gentleman on his point, which is

that even if we have to live in the dark, with no electricity, and even if our industry has to pay double or triple prices, we still should not go for nuclear energy. I will not rule out nuclear energy, but I stress that we should explore all the options available to us.

Mr. Weir: Is the hon. Gentleman assuming that we can survive only with nuclear? We have not had that discussion yet. Is that not the point of this debate?

Mr. Sarwar: No one form of energy production is perfect. There are drawbacks to each system, whether coal, nuclear, solar, wave or biomass. We should debate such issues in the larger interest of the community and consider what the views of industry and domestic consumers would be if prices were two or three times higher because energy or electricity was being produced from one source.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): One trigger for the report was the concern about the United Kingdom's declining gas supply. Was there any reason for the Committee choosing not to consider what could be done about the industry on our own doorstep, to ensure that it maximised its benefits and contributions to the UK economy? It may be reaching its peak, but there is still a long future to be had if it is managed properly.

Mr. Sarwar: We had to have a cut-off date because we did not know when the election would be called. That is why we could not produce a comprehensive report. We did not even ask UKAEA to get involved. There were some negative stories in the media, and we did not have time to ask its opinion on those issues.

I thank hon. Members for listening to me and for their many interventions.

Several hon. Members *rose—*

Mr. David Amess (in the Chair): Order. There is a large attendance this afternoon. I want to call everyone who wishes to speak, but, as I am entirely in the hands of the House, all I can do is ask for speeches to be brief.

2.48 pm

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): I have a strong constituency interest in the energy industry. My constituency encompasses most of the issues that are covered in the report. In the northern end are some of the largest open-cast mining developments in Europe, and clean coal technology should not be forgotten in the debate. I am not, as sometimes portrayed, against open-cast mining. I welcome SPP16, the Scottish Executive's new planning policy on open-cast, but those, such as Scottish Coal in my constituency, who operate open-cast mining must pay more attention to the concerns of residents and communities such as Douglas, Glespin and Rigside.

The Lockerbie area in my constituency is about to get the largest biomass station in the United Kingdom. E.ON is at present constructing it, and I welcome that station and the power that it will produce. The plant will provide for the needs of some 70,000 homes and displace the emission of 140,000 tonnes of greenhouse gas annually. I very much welcome such renewable developments.

What I do not welcome is the industrialisation of the Scottish countryside by large-scale wind farm developments which, regrettably, are the obsession of the Scottish Executive. Because my constituency borders the M74, which is the line of the national grid, we are inundated with applications. In fact, there are currently applications for 421 turbines, which are each of the scale of Big Ben, within a 15 km radius of the latest proposed development at Limmer Hill in South Lanarkshire. That is simply unacceptable.

Fortunately, in this House we do not have the lunacy that we had from the Green politicians in the Scottish Parliament. I condemn Greens for not speaking out against the large-scale wind farm developments that industrialise the countryside. The proposed Clyde wind farm near Abington in my constituency, for example, would have required more quarrying and concrete than the construction of the M74 motorway. I am at a loss as to how that can be regarded as environmentally friendly.

Our Green friends believe that the production of those massive turbines is a physical manifestation of their progress in making the Green argument. At least they are consistent, unlike the Scottish National party, which always tells us of its support for Scotland becoming a hub for renewable industry in Europe and the world, but opposes every single wind farm development that comes along. That is simply unsustainable. Those of us who represented the south of Scotland know that Christine Graham, of whom I am a great admirer, is one of the most redoubtable opponents of wind farm policy in the south of Scotland.

Mr. Weir: I am interested to hear what the hon. Gentleman says, but he must realise that throughout all parties there has been some opposition and some support for wind farms. Since he is telling us about the Tories' opposition to wind farms, will he tell me why, of the three wind farms proposed in Angus, the Tories strongly opposed two, and about the third, which happens to be on land owned by a prominent local Tory, they have not uttered a word?

David Mundell: I am not familiar with the individual circumstances of the hon. Gentleman's constituency. We have made it clear that we are not opposed to every wind farm development, but we are absolutely opposed to large-scale wind farm developments. We are dispelling the metropolitan belief that wind farms somehow provide small communities with cheap or free electricity, when in fact their scale overwhelms small communities to no economic benefit.

I may feel on my own as the sole Conservative Scottish MP at Westminster, but I felt very much on my own six years ago in the Scottish Parliament, as one of the few proponents of the nuclear industry. In the Scottish Parliament it was an unpopular stance. Then, as now, I believed passionately in the nuclear industry, and I made that case.

Fortunately, Scottish Parliament Labour Members such as John Home Robertson and the Deputy Minister for Enterprise and Lifelong Learning, Allan Wilson,

[David Mundell]

came on board. Even Liberal Democrats such as Jamie Stone made the case for nuclear power. I am pleased to see the emergence of a Scottish Parliament nuclear group. The dinner held jointly by the Westminster all-party nuclear energy group and the Scottish Parliament group was a positive step forward.

One of the main impediments to the nuclear industry in Scotland comes sadly from our First Minister, Mr. Jack McConnell, who only last week in the Scottish Parliament was back to his more negative pronouncements on the nuclear industry. I do not know whether it has something to do with keeping the Liberal Democrats happy, but I do not think that many people in this Chamber would regard it as a priority. Nor do I know whether it is to do with newspaper talk of a possible coalition with the Greens after 2007. However, Mr. McConnell must present a more positive tone in his discussion of the nuclear industry.

Mr. Philip Hollobone (Kettering) (Con): I want to make a point from south of the border in support of my hon. Friend's contribution. Is it not the case that Scotland has played a leading role in the development of Britain's nuclear industry, and that Britain's nuclear industry has played a leading role in the world development of nuclear technology? Scotland should hold its head up high and be proud of its involvement in this technology.

David Mundell: I agree with my hon. Friend. I have evidence for that in my constituency at the Chapelcross nuclear power station, which has been a centre of expertise, not just for the nuclear industry, but in terms of the amount that it has contributed to the local economy and development in that area.

When people ask, "Where will we build the new nuclear power stations?" I have a clear answer, as do my constituents and the Nuklear 21 trade union group. We will build them on existing sites, such as Chapelcross, Torness or Hunterston, where the communities clearly understand the benefits that these stations have brought the community. For example, some £29 million a year over the equivalent of 50 years has been brought to Lower Annandale. It is clear that my constituents, reflecting broader public opinion on this issue, would welcome new nuclear development at the Chapelcross site.

One of the things that I should like the Minister to take forward from today's debate and convey to the Prime Minister is that although I welcome his review—it is a pity that we are constantly in a cycle of reviews and that some of these decisions were not taken six years ago—I want him to be clear that despite what he may hear from SNP members, who are determined to use this issue as a constitutional bulwark, and despite what he might hear coming out of the Scottish Parliament, many people in Scotland are positive about future nuclear development. If we are to have further nuclear power in the United Kingdom, at least one of those sites should be in Scotland.

Mr. Tom Harris (Glasgow, South) (Lab): I am grateful to the shadow of Secretary of State for Scotland for giving way. *[Laughter.]* I did not want him to continue with his speech without making something clear.

The hon. Gentleman seemed to misrepresent the view of the First Minister, as far as nuclear power is concerned. The First Minister has been clear that there would be problems with the planning permission for new nuclear power stations, but only while there remains a question mark over the safe disposal of nuclear waste. I do not think that the hon. Gentleman made that clear. Jack McConnell has not said an absolute no to nuclear power in Scotland.

David Mundell: Indeed, the hon. Gentleman is right, and if he had listened carefully to what I said, he would know that it is the tone of Mr. McConnell's approach to the nuclear issue that needs to change. Mr. McConnell needs to make it clear that if the UK Government determine that we will have future-generation nuclear power, such a power station would be welcomed in Scotland. That is what I want to hear Mr. McConnell say.

It is a red herring to suggest that we cannot proceed with planning for new nuclear power stations at the same time as the waste committee is meeting and making its deliberation. That is wasting time on these issues.

We have a debate, which is welcome. I would welcome a further report by the Scottish Affairs Committee on all the issues that are likely to come up today. However, as the Committee identified in its original report, we face the danger of the lights going out. It would be unacceptable to the public in Scotland and throughout the UK if politicians were still debating this issue as the lights went out.

Mark Lazarowicz: The hon. Gentleman has a great deal of passion about this issue, and people have been passionate about it in different parts of the debate. However, it is important for all of us to try to be dispassionate in analysing the facts and figures.

The hon. Gentleman will be aware that anyone could build a nuclear power station now, if they thought that it was a financially sensible thing to do. That is not happening, so it is widely accepted that the development of nuclear power would require some sort of subsidy or intervention in the market to make it possible. Can the hon. Gentleman, being—from time to time—a good right-wing Tory, tell us which type of market intervention or how large a subsidy he would want to see to make nuclear power possible?

David Mundell: Mr. Amess, I am being characterised in all sorts of ways this afternoon, and being given designations that are not necessarily accurate.

The reason that no-one is proceeding now with nuclear development is that it clearly does not have general Government support. Indeed, in Scotland it clearly does not have Scottish Executive support, because noises are not being made to support and promote the industry. As I have just said, if Mr. Jack McConnell stands up and says that he would welcome and, indeed, encourage new nuclear development in Scotland—with all the jobs and economic development

that such a station would bring to the area in which it was located—then we would see a seminal change regarding the industry.

Several hon. Members *rose—*

David Mundell: I am seeking to conclude my remarks, to allow others to speak on this important topic, but I will take an intervention from the hon. Member for Dumfries and Galloway (Mr. Brown).

Mr. Russell Brown (Dumfries and Galloway) (Lab): I am delighted that the hon. Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell) has given way. As he is my local MP, I would have been disappointed if he had not. He has given a clear indication that there has been delay in all this. What part within that did the failed privatisation of British Energy cause?

David Mundell: I must advise my constituent that it has not been as significant as the failure of the Government, since 1997, to back the industry fully. But I assure the hon. Gentleman, and all my constituents in Annan, that I am in the front line of making the case for the nuclear industry. I hope he will continue to work hard within his own party to persuade the doubters. I also hope that proceeding with new nuclear power across the United Kingdom, including Scotland, will not fall foul of certain members of the Labour Party not being keen on that development. I am sure that we will hear a positive endorsement of the nuclear industry from those Members, which the Minister may take back to the Prime Minister.

3.3 pm

John Robertson (Glasgow, North-West) (Lab): Thank you, Mr. Amess, for allowing me the opportunity to speak. It is important that we do not have a misrepresentation of the facts, and that we stick to what is true, in order to have an informed debate rather than a slanging match between people whose names I am unsure of. But I digress.

At this point, I should declare that I am chair of the all-party nuclear energy group. Over the past few weeks, the question of nuclear build has become a major news item and been given considerable time in the media. The Scottish Affairs Committee, in deciding to hold its review of Scotland's energy needs, looked at all forms of energy. Scotland, in particular, has been extremely fortunate in its rich abundance of oil and gas, but it is recognised that all those reserves are in decline. We are now a net importer of gas, and it is estimated that we will depend on gas imports for around 70 per cent. of our future energy needs. Those imports will be from Russia and countries in the middle east, which may be regarded as less than stable.

Other problems have become apparent in a world that uses more and more natural energy resources. While living in a market economy, we will have to compete with the US, China and India—and even those within the European family—for energy supplies. In a market-driven economy, what price gas and oil in a world vying for diminishing energy sources?

Some say that we previously depended on imported energy, but surely we all recognise that world energy demand is increasing at an alarming rate. We will have to compete in a free-market economy for our gas supplies, which will result in the highest bidder winning the supply. What price gas and oil in those circumstances? At a time when we are looking to make poverty history, what chance does Africa have?

Another factor is that in Scotland the largest contributor to our energy supply is nuclear power—the 2003 figures show that the relevant figure is more than 37 per cent. The industry has an outstanding safety record. That is why I welcome the recent media attention. If such interest leads to a grown-up, open and informed debate about nuclear energy, security of supply and our future energy needs, the media will have done this country a real service. It is about time they stopped seeking sensational headlines and represented the facts about our energy future to the nation.

Mr. Weir: The hon. Gentleman has made a valid point about the need to import gas and the security of supply, but does he accept that if we opt for new nuclear build we will also have to access uranium? There is a finite supply of uranium in the developed world, which means that if we have nuclear power stations requiring uranium, we will end up importing it from unstable countries of the sort that we now rely on for natural gas.

John Robertson: I am sure that the unstable position of Canada will come as an extreme shock to the people there. I am quite happy to bandy around the facts. I assure the hon. Gentleman that there is more than enough uranium to last quite a few lifetimes, never mind his and mine. If he does not agree, I am happy to furnish him with the information so that he might become a convert somewhere on the road to Damascus.

Mr. Hood: Is it not the case that new build nuclear facilities will produce a tenth of the waste of the existing nuclear power stations?

John Robertson: My hon. Friend makes a good point. It is even better than he says: if we had 60 power stations for 60 years, we would be talking about a tenth of what we have already used. The waste in question is not part of the argument. The waste we currently have and what we do with it is where the real argument lies.

Sir Robert Smith: The hon. Gentleman talked about the market and predicted high prices, long-term, for energy. Why is the market not saying, "We will build new nuclear power stations now."? The Prime Minister triggered an argument with his review. He will be considering what extra incentives have to be given and what financial burdens have to be put on users to achieve viability, because there is no physical impediment to building new nuclear power stations. The impediment, currently, is economic.

John Robertson: I disagree with the hon. Gentleman, because I see part of the impediment straight across the Chamber from me: parties such as his have caused so many problems in the planning area that it has become practically impossible for anybody to have a new build anywhere in this country. Perhaps planning and how we

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go about arranging whether planning permission should be given are issues that we need to examine in relation to new build.

Mr. Tom Harris: Was my hon. Friend lucky enough to catch the interview with Iain Smith MSP on "Newsnight" the night before last? He perfectly encapsulated the Liberal Democrat position on nuclear energy, which is that the party is perfectly open minded on every option, provided it is not nuclear. Is that not the equivalent of Henry Ford saying, "You can have any colour of car you want, provided it is black."?

John Robertson: My hon. Friend makes a valid point. The hon. Member for Orkney and Shetland (Mr. Carmichael), who sadly was in his place earlier and has now departed, made a similar argument during the launch of the report. He said that he would not accept nuclear, as did the hon. Member for Angus (Mr. Weir). They would not accept nuclear in any shape or form and said that nuclear must not be part of any form of energy policy in the United Kingdom. Such an argument is contrary to the report, which asks for a balanced energy policy for the country.

I will move on. The green lobby has been successful in perpetuating the myth that the media have inadvertently assisted with. Professor James Lovelock, of whom my hon. Friend the Member for Edinburgh, North and Leith (Mark Lazarowicz) is obviously a fan, has said:

"I am deeply concerned that public opinion and consequently the government listen less to scientists than they do to the Green lobbies. I know that these lobbies are well intentioned but they understand people better than they do the Earth".

This is a man who was a member of Greenpeace for more than 30 years and who planted more than 20,000 trees in his bid to help the environment.

Under the heading, "How best to meet the shortfall?" the Scottish Affairs Committee says:

"The most appropriate way of introducing this section of the Report is by quoting from a recent 'postnote' from the Parliamentary Office of Science and Technology (POST):

'The UK's gas reserves are declining. Government . . . analysts estimate that by around 2006 the UK will no longer be self-sufficient in gas . . . and will revert to being a net gas importer.'"

How true is that? It did not take long before that fact was proved correct, which shows how well our Committee did.

Mr. Jim Devine (Livingston) (Lab): I have become a very sad individual since I came to this place, as this week I read "Raising the Standard", a paper issued by the Scottish National party. It says that, for those people in Scotland stupid enough to have voted for independence, it has issued a road map. It will negotiate with the Government, the EU, the BBC, the Driver and Vehicle Licensing Agency, the Post Office and the boundary commission, as well as on social security and the currency. The one thing it will not negotiate away are the people who provide gas for this country, so people who vote for an SNP Government will be voting to put the lights out in Scotland.

John Robertson: I say to my hon. Friend that I do not think that the SNP could draw up a street map, let alone a road map.

Mr. Weir: I am sorry that the hon. Member for Livingston (Mr. Devine) is so challenged in his reading. If he were not, he would know that Scotland—it is Scotland's energy needs that we are supposed to be discussing—produces more gas than it uses. The UK is a net importer of gas.

John Robertson: I shall treat that input with the contempt it so richly deserves.

To move on, gas is a large proportion of the UK's energy supply. Gas-fired power plants are the main method of power generation. As I said, the UK will become a gas importer. If we go down the gas road, more emissions will go into the environment.

The Committee's report made 12 recommendations, and the Government provided a response. I again highlight a recommendation that is, in our view, important: the need for an urgent energy audit. That recommendation arose from the evidence available to the Committee. We strongly believe that such an audit would identify the energy sources available. It would also allow an analysis of the effectiveness of our current investment in, for example, renewable energy and show its cost-effectiveness—whether renewable energy sources are delivering consistently, and how effective they might be as a guaranteed source of power generation.

Such an audit would identify our energy strengths and weaknesses. The issue is not a matter of arguing for one source in preference to another, but of identifying our energy portfolio and ensuring that we have the correct energy mix, as well as a balanced energy policy most suitable to the needs of Scotland and the UK. That is what the report is all about.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): I caught the hon. Gentleman's earlier reference to me on the monitor as I left my office. If he had told me that he was going to refer to me, I would have taken care to be in my place during his speech. I must say that he misrepresented my position, and I hope he will correct the record. At no stage during the launch of the report did I say that I am opposed to nuclear power in all circumstances. I said that I would not countenance nuclear power unless and until the waste issue was clarified or resolved. Nothing that he has said—nothing that I have heard, anyway—makes me think that he has any answer to that.

John Robertson: I thank the hon. Gentleman, whom I hold in high regard. Because of that high regard, he should have known that I would mention him. So much for hindsight. On his question, my recollection is more, shall we say, simple. I know what a yes is, and what a no is. He can sugar it up any way he likes, but I know where he is coming from. As for the waste, I tell him, and all Liberal and SNP Members, that if I could solve their

waste problem, assuring them that waste could be stored securely and safely, and could be recovered in case of any other emergency, would they be willing to back nuclear energy? If so, I look forward to writing to them to provide that information, and they can join my group as soon as they like.

Mr. Alan Reid: Will the hon. Gentleman give us the information now?

John Robertson: No. *[Laughter.]* Having said that, I think the information may be further on in my speech. It is, so I am being a bit cheeky. I shall come to that suggestion.

Although the debate seems to have turned into a debate about nuclear energy, I am trying to tell Opposition Members and my hon. Friends on the Government Benches that the Select Committee report is not about nuclear energy; it is about a sustainable energy policy for the needs of Scotland. We—apart from two Members—thought that nothing should be excluded. That was sensible, and it is probably why the report has been well received in several quarters, and not only the nuclear lobbies. Other lobbies consider it balanced, and I commend everybody who took part and who gave evidence to the Committee.

There has been a mad dash down the wind farm route. Many Members have mentioned that, and I am sure that many Opposition Members shall mention it. At the moment, we cannot make wind farms work effectively. I am being generous, but wind power is intermittent at best and will be only about 30 per cent. effective. There are a substantial number of wind farms, and an audit is under way to establish their contribution. It would be beneficial if we assessed their value and obtained the figures.

Mark Lazarowicz: I am grateful to my hon. Friend for giving way again, given the number of interventions he has taken. No one suggests that wind energy can meet all the energy needs of Scotland or anywhere else, but on the question of wind energy should he not bear in mind the latest figures from the Department of Trade and Industry, which suggest that the cost for onshore wind is now significantly lower than that for new nuclear build? The projection for offshore wind is that its cost, too, could fall below that of nuclear by 2020.

May I suggest to my hon. Friend that the report is a little too critical of the possibility of renewable energy, which it describes as somewhat uncertain? That contrasts with its description of nuclear fusion as a possible major source of power in the not-too-distant future, which is somewhat optimistic to say the least.

John Robertson: It all depends on what my hon. Friend means. If 30 or 40 years is in the distant future, that possibility is in the distant future. However, we have a short time in which to secure the world's climate, so we may not be able to wait for fusion. Costs move all the time, and I shall come on to them. I accept what he says, because I do not have the figures to hand. I am happy to receive them, if he wishes to send them to me.

I am aware that other Members want to speak and I am trying to cut out parts of my speech, but I want to mention the Royal Academy of Engineering. It conducted an excellent study of price comparisons, and nuclear energy came out favourably. Renewables cost approximately double, and there were concerns about safety. The nuclear industry has some of the highest safety standards in the world. We should continue to ensure that there are supplies worldwide.

More than 30 new reactors have been built. Russia is building nuclear power plants in order to sell its gas and oil to us. I wonder why. Finland, rather than depend on its neighbour Russia for gas, is building its fifth nuclear power plant. China has built six of which I know, and many more are being built. France, our near neighbour, depends on nuclear energy for more than 70 per cent. of its energy. I am aware that none of these arguments will change the minds of the energy troglodytes today, but we must try to educate them.

Our energy policy should not become subject to party politics; it is much too important for that. We need to develop an agreed energy policy framework, and it should have cross-party support. Unfortunately, the Liberals and the Scottish National party will continue to endanger the future energy policy of the country. Their rejection of the nuclear option would mean dependence on imported gas for the bulk of our energy needs. They will argue for other forms of energy, knowing that their policies are simply a leap in the dark because those forms of energy currently represent neither a core source nor a proven technology on the scale we require to maintain our security.

Sweden voted to phase out its nuclear industry some 25 years ago. It now recognises the folly of that decision. It found that the alternatives were not as cost-effective as it first thought, and it is now Europe's third largest consumer of nuclear-generated energy.

This week, it was reported on Teletext that Ofgem had asked for an inquiry into why the rest of the European Union is not selling more gas to Britain, when prices have been so high. We should remember that when we start talking about importing gas from places such as Russia and the middle east, and about a pipeline that crosses the whole of Europe. There have been claims that rules in other EU countries mean that gas held in storage is not released for export. According to the BBC, Ofgem has asked the European Commission for an investigation into the recent high prices.

Mr. Carmichael: I am grateful to the hon. Gentleman for giving way again. Please can he explain this to me: if Russia is such an unstable nation that we should not buy our gas from it, why is it stable enough to be trusted with nuclear power stations?

John Robertson: The hon. Gentleman knows that the Russians have their own technology and have built their nuclear power stations themselves. It would have been very difficult to stop them doing so, particularly as Russia used to be one of the most powerful countries in the world, but that is not to say that I would not have liked to have done that.

I want to move on to green matters. We must listen to those who, because of the current serious situation, have converted and become supporters of nuclear energy. An article in *The Sunday Times* reported the comments of Professor James Lovelock—a pal of my hon. Friend the

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Member for Edinburgh, North and Leith. He gave evidence to the Committee, and he has impeccable credentials as an environmentalist and a scientist.

Several hon. Members *rose—*

John Robertson: I will not give way.

Professor Lovelock described global warming as

"the greatest test humanity has ever had",

and he called for a nuclear programme

"whose scale dwarfs the space and military programmes".

He also said:

"I find it extraordinary that the one safe and proven energy source that has minimal global consequences, nuclear power, is so readily rejected."

The same article reported that Hugh Montefiore, former Bishop of Birmingham, had quit the board of Friends of the Earth after coming out in favour of nuclear power. He said:

"I have concluded that the solution is to make more use of nuclear energy."

The report also referred to Sir John Houghton, a well known and respected scientist and former head of the Met Office. He said nuclear power is "increasingly attractive".

I recognise that environmentalists are used to scientists suggesting that more technology can solve such problems, but I believe that they were shocked when Peter Harper and Paul Allen, leading green thinkers from the Centre for Alternative Technology, made a similar suggestion.

If we are serious about solving the problem of our CO_2 emissions and ensuring security of supply—if we want to avoid the lights going out—we must be bold and have a serious debate to find the best solution to the energy problems we might face in the near future.

3.25 pm

John Barrett (Edinburgh, West) (LD): I am delighted to contribute to this discussion about a tremendously important issue for the future of Scotland. The debate on how to meet our future energy needs clearly provokes strong opinions on both sides of the Chamber. However, I believe that there are a number of issues on which we can all agree: our declining gas reserves; the fact that, if current trends continue, the country will miss its targets on lowering carbon emissions; and the absence of a "silver bullet"—as the Committee put it—to solve our energy needs.

We all seem to agree on the problems, but there are different opinions on how best to deal with these truths. In that regard, I have several real concerns about the Committee's findings and recommendations.

I agree with several of the Committee's recommendations. One, which I hope that the Minister can discuss, relates to the importance of the Scottish Executive clarifying their position on whether the target of 40 per cent. renewables by 2020 relates to generation or consumption. Assuming that Scotland remains a net exporter of electricity, a target of 40 per cent. of generation would be much higher than a target of 40 per cent. of consumption, and vice versa if Scotland becomes a net importer. Clarification would be most welcome.

I am also pleased that the Committee recognised the importance of improving energy efficiency, which is the best way of ensuring that our energy supply is maintained while helping to cut CO_2 emissions. It is also far more cost-effective than investing billions of pounds in new nuclear power stations.

I join the Committee in commending the good work of the Energy Saving Trust and its energy efficiency campaign. Indeed, it helped me cut carbon emissions in my constituency office by recommending a change in heating system. However, the real challenge is to convince people that they really can make a difference. Energy saving on a national scale is vital, and the potential benefits are enormous. I hope that the Government will wake up to the vast opportunities in that regard.

However, there are problems with the report. Although the Committee has made several positive recommendations, I have a number of real concerns. First, I simply do not see the need for another energy audit. There has already been an extensive review of the UK's renewable energy resources, and the state of our gas and coal reserves is well documented. What is needed is an energy policy and mechanisms that allow it to be implemented in a privatised electricity supply industry. Decisions such as the likely Scottish Power closures at Longannet and Cockenzie show how little control the Government and the Scottish Executive have over major decisions about Scotland's generating capacity.

As the report states, no single form of energy production is perfect, but some are less perfect than others. I am sure that I am not alone in my disappointment at the way in which the report seems to rule out the long-term prospects for renewable energy, only to use that as a de facto reason for supporting a return to nuclear power. Clearly, we will face extremely difficult questions on energy generation, but nuclear power is not the answer to any of them.

Although I agree with the Committee that it might be sensible not to rely on emerging renewables for a quarter of the renewables supply, the evidence from the Scottish Renewables Forum was indicative, and renewables technologies are clearly reasonable as an aspiration. Only by encouraging them will we ascertain their economic potential.

Furthermore, while reports of the development of nuclear fusion are certainly interesting, the Committee admits that the prospect of a new generation of nuclear power stations is still a long way down the line. Indeed, it feels as though nuclear fusion has been 10 to 30 years off for the past 50 years.

David Mundell: Can the hon. Gentleman clarify one point? Should the Liberal Democrats be in the Scottish Executive when the UK Government determine to follow a nuclear energy policy, will they accept that legitimate decision given the constitutional settlement?

John Barrett: I clearly look forward to a time when the Liberal Democrats are the majority party in the

Scottish Executive and perhaps form part of the Government at Westminster, so the scenario that the hon. Gentleman paints is unlikely to unfold.

Mr. Hood: Perhaps I have missed it, but is there a new technology in the Liberal party's thinking? Is it the technology of aspiration? What percentage of Scotland's energy generation will aspiration generation meet?

John Barrett: I did not quite understand the question, to be perfectly honest. It is perfectly reasonable to have the aspiration that renewables will account for an increased percentage of power generation in the long term.

John Robertson: Perhaps the hon. Gentleman can tell me what will turn on the lights when those renewables do not supply the electricity? Aspirations?

John Barrett: We are looking for a mix of electricity generation, and that can be provided in the long term without a nuclear component. With that in mind, it is strange that the long-term nature of the next generation of renewables seems to rule them out as a viable major energy source, while the equally long-term next generation of nuclear power stations is held up as something of an energy holy grail.

That bias towards nuclear energy permeates many areas of the report; perhaps it could have been avoided if the Committee had not leaned so heavily on the opinions of pro-nuclear experts. For example, the report makes extensive use of the evidence of Professor Lovelock, who is quoted four times and is the most referenced expert in the report. It should be noticed that his views on the nuclear industry are not shared by all, and certainly not by the vast majority of the environment movement.

Mr. Weir: In his speech, the hon. Member for Glasgow, North-West (John Robertson) cited Professor Lovelock as a new adherent of nuclear power. Has he read the evidence given by Professor Lovelock on 22 February 2005? When asked why he came to be a nuclearphile, the professor said:

"It is a view I have held for the last 25 years, at least. It is on record in a book I wrote in 1985."

Strangely enough, he was answering the hon. Member for Glasgow, North-West.

John Barrett: That statement comes as no surprise to me; I shall add to that.

John Robertson: On a point of information, Mr. Amess. The gentleman was 83 years old; that might have something to do with the fact that he was in the Green party for 30 years.

John Barrett: Well, one of the important points made by Professor Lovelock referred to the storage of high-level nuclear waste under the floor of his house to provide heat and sterilise food. His Gummer-like decision to offer to have his grandchildren sit on top of nuclear waste to have their photograph taken also sticks in the memory. Needless to say, I am not too keen on accepting as gospel a report that has drawn so heavily on the views of Professor Lovelock.

Mark Lazarowicz: Perhaps we can now see why the speech of a previous speaker was written in green ink. I ask the hon. Gentleman to be a bit more positive about the prospects for renewable energy. No one suggests that it can meet all of Scotland's needs, but is there not now increasing evidence that renewables could easily supply 40 per cent. or 50 per cent. of Scotland's energy needs, and could also provide an increasing export potential to the rest of the UK? Is not the fact that renewable energy prospects are underplayed significantly one of the problems with the report? The report, I am afraid, does Scotland a disservice: it leaves that possibility underplayed.

John Barrett: I agree with the hon. Gentleman's comments; I shall come to that issue. The combination of the use of renewables with energy saving is not fully explored in the report.

I was saying that I was not keen on accepting Professor Lovelock's guidance as gospel. Although it is clearly important that the report should take evidence from people on all sides of the debate, the fact that Professor Lovelock is such a key witness illustrates its pro-nuclear bias.

Anne Moffat (East Lothian) (Lab): Can the hon. Gentleman confirm whether he was on the Committee? Did he ever press for a Division on any parts of the report, given that he is slagging it off all the time?

John Barrett: I happily confirm that I am not a member of the Committee. However, that does not stop me reading its report and drawing my own conclusions.

Those pro-nuclear tendencies were revealed again when the report discussed the relative cost of nuclear energy and renewables. I am sure that many hon. Members will share my confusion over why the Committee, in comparing the prices of renewables and nuclear power, chose to quote from a single source that gives a favourable price for nuclear energy and an inaccurate one for wind power. The price cited for nuclear power is a nuclear industry fantasy, based on an unproven new generation of nuclear stations that have not been built or run, and on their being built in large numbers.

At best, 2.3p per kWh can be seen as the minimum possible cost if everything goes to plan and the Government underwrite the risks. Renewables industry sources put the average cost for onshore wind power at 3p to 4p per kWh and at 2p to 3p per kWh from the best sites; they put the price of new nuclear at 4p to 7p per kWh. So there are alternative views on the issue. The Government's own figures put the future cost per kWh for onshore wind at 1.5p to 3.6p and for nuclear at 2.5p to 4p.

Mr. David Hamilton (Midlothian) (Lab): It has become clear that with all the interventions, we are

[Mr. David Hamilton]

having a one-line debate and coal has not been debated. Is it not the only fuel, according to the report, that does not receive a subsidy?

John Barrett: I accept what the hon. Gentleman said, and heard with interest his comments on his experience in the industry and the difficulties of storing nuclear waste. He made a valid point.

The Committee stated that it would have welcomed more time in which to take evidence before producing its report. Perhaps it could have explored the matter more fully if it had had more time, but the general election got in the way. More time might have allowed it the opportunity to balance better its findings and recommendations.

On a more serious note, have we forgotten why we gave up nuclear power in the first place?

Mr. Sarwar: If the hon. Gentleman had read the report, he would have seen the written submission from Scottish and Southern Energy which set out the scenario in Scotland. It states that

"Scotland is faced with the prospect of the following sequence of events unfolding: closure of the nuclear power stations; closure of the coal-fired power stations; question marks against the viability of gas-fired and large hydro stations; question marks against longer-term deployment of new renewable energy".

Can the hon. Gentleman tell us whether in any circumstances when facing a stark choice he would rule out nuclear energy?

John Barrett: I would have to be convinced about a number of issues. It was not just storage that was mentioned earlier. Cost and safety are also issues and I am not convinced about the safety issue.

In the Committee, my hon. Friend the Member for Orkney and Shetland (Mr. Carmichael) asked Professor Lovelock about deaths following Chernobyl. Professor Lovelock said that he believed that 45 deaths were attributable to Chernobyl. My hon. Friend asked whether he was aware of the figures suggesting that between 25,000 and 85,000 deaths were associated with Chernobyl.

John Robertson: What was his answer?

John Barrett: The evidence from the World Health Organisation was that there were tens of thousands of deaths, and when Professor Lovelock was asked whether he would stick to 45 he said yes. I was in a cancer hospital in Ukraine 10 years after Chernobyl and it was full of 10-year-old children who were suffering as a direct result of Chernobyl. The doctors confirmed that. There were more than 45 people in that one ward and I do not believe Professor Lovelock's figure.

The nuclear industry has no answer to the storage problem. Moreover, the storage problem at Dounreay does not inspire confidence. Revelations that high-level radioactive waste has been pumped into the sea and that that action was covered up by reckless management must set alarm bells ringing. I am extremely disappointed that the Committee was unable to call UKAEA to account on those accusations.

Hon. Members may be aware that 11 farms in Scotland are still subject to statutory controls and monitoring of sheep for radioactivity as a result of continuing contamination from the Chernobyl accident. Hon. Members do not need reminding that the accident happened 19 years ago and 1,500 miles away. It is interesting that the problems of nuclear power are always couched in language such as "people have fears about nuclear power". They are not just fears; they are very real problems. The problem of how to deal with nuclear waste has not been solved and few are predicting that the report from the Committee on Radioactive Waste Management, which is due out next year, will provide any answers.

Mr. Eric Joyce (Falkirk) (Lab): Does the hon. Gentleman exclude the possibility that a scientific solution will be found? If one were found, would he agree that it might be possible to dispose of waste safely and would he then revise his position on the nuclear industry?

John Barrett: A scientific solution would have to be available or on the near horizon, but the issue goes wider than just storage. Cost and safety issues also arise.

The problem of nuclear waste has simply not been dealt with. The least bad option of finding somewhere to store or dump existing nuclear waste is not a solution and should not be a taken as a green light to create more nuclear waste. If we in Scotland, with the wealth of natural resources at our fingertips, are unable to commit fully to renewable energy and instead fall back on nuclear power, what message are we sending out to the rest of the world? How can we preach to the Irans of the future about alternatives to nuclear power when we ourselves are bowing to a knee-jerk pro-nuclear response to our own energy problems? We have a great responsibility on our shoulders that we cannot escape and must not try to avoid. Scotland should be the world leader in renewable energy. We have the natural resources, the skills and the ambition, yet this report and the Government's response seem to indicate a lukewarm political will.

3.40 pm

Mr. Frank Doran (Aberdeen, North) (Lab): This is an important debate, but I am becoming a little concerned that the focus is on the nuclear industry only. It is important to widen the debate a little, particularly as Scotland is so rich in energy sources. We have coal and, as my hon. Friend the Member for Midlothian (Mr. Hamilton) rightly said, we have oil and gas. We have hydro, wind and wave, and we might even have tidal. As colleagues said, Scotland also has a substantial chunk of the UK nuclear industry.

One big problem is that we have not always been able properly to exploit our advantages in energy. For example, we have not built a new hydro station since the late 1960s, yet the hydro stations are still functioning. The oldest one, the Foyers power station, was privately built more than 100 years ago by British Aluminium to feed its plant in the highlands. It is still functioning and producing electricity for the grid. All the stations that

were built after the war in the North of Scotland Hydro-Electric Board area are still functioning. They are producing clean, low-cost energy.

Danny Alexander (Inverness, Nairn, Badenoch and Strathspey) (LD): On a point of information, is my hon. Friend aware that consent has recently been given for a new hydroelectric power scheme at Glendoe near Fort Augustus in my constituency?

Mr. Doran: I am aware of that, but I was not aware that I was the hon. Gentleman's hon. Friend.

Mr. Weir: Is the hon. Gentleman aware that the Glendoe station to which the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander) referred faced the same problems as wind farms? There were objections to it, and that is one of the problems with the communities.

Mr. Doran: The hon. Gentleman is absolutely right. In fact, every one of the hydro schemes in the 1940s, 1950s and 1960s faced a torrent of objections and abuse, yet now they are seen as a natural part of the landscape. Indeed, the Pitlochry power station and dam are huge tourist attractions.

Mr. Tom Harris: On a point of information, my hon. Friend may be interested to know, if he does not already, that the Cruachan hydroelectric dam is, in fact, a net user of electricity. It uses electricity to push water up the hill when electricity is cheap, then the water flows back down when the demand is higher and the cost of electricity is therefore higher as well. Would he agree that hydroelectric may not play that big a part in meeting the energy gap in the years to come?

Mr. Doran: My hon. Friend simplifies the issue far too much. Cruachan was built to meet the peak offload. It was expensive in those days to have a full coal power station burning, so cheap electricity was used to pump the water. Then, when surplus energy was needed, Cruachan filled the gap. That is why it is there. It is part of the security of supply system, which is so important.

My hon. Friend the Member for Midlothian mentioned the coal industry, which, since privatisation, has been completely run down. Two major power stations in Scotland are still burning coal; Cockenzie and Longannet. At one time, Fife had an experimental coal gasification project. Part of the by-product went to the chemical plant further along the road. Fife and Grimethorpe were world leaders in developing gas from coal, but we lost that position because there has been no attempt since privatisation to find new markets for coal. However, we are moving into a new era, and exploiting coal and developing ways of exploiting it will be much more important than some of the other issues that we have been discussing.

Twenty years ago, Scotland was a world leader in wind technology, but that technology was not developed, mainly because the Government refused to put any money into it. We lost the lead, which has gone to the Netherlands. Wind technology is not rocket science, but we had the control to develop that technology 20 years ago and lost it. Likewise with wave power; we have all heard of Salter's duck, which was a world leader. It may not have been the most efficient device, and a great deal of work needed to be done to it, but it was never properly developed, again because money was not invested by the Government.

There was one simple reason why the money was not invested by Government; all the money was going to pay for nuclear. I worked in the electricity industry. When I left school, I went to work for the North of Scotland Hydro-Electric Board. I can remember the push for nuclear in the 1960s and 1970s. Everything was dropped in favour of nuclear. No investment was made in virtually any other type of station because everything had to go into nuclear. It is important to recognise the faults of the past and the problems that we created for ourselves by losing our lead in wind technology, by not developing alternative uses of coal and by focusing so heavily on nuclear. The Government need to take that lesson seriously.

Oil and gas is obviously an industry that I am more familiar with today. I thought that it would be interesting to mention some figures because there is a sense in the debate that the oil and gas industry is finished and that its days are over. The figures that were handed to me today by the United Kingdom Offshore Operators Association, the trade body for the offshore operators, show that capital investment in the North sea for 2005 is £4.5 billion. That is more than 20 per cent. of all the investment in manufacturing industry in the UK. That is not an industry that is finished. In fact, the majority of oil companies tell us that we have at least 30 years—perhaps more—of oil and gas left in the North sea. My experience of forecasts on the future production of oil and gas around the world is that they are always wrong. Technology improves the ability to extract more fuel and we keep finding more sources. Of course, we are talking about finite fuels but, at the end of the day, we have a long history in front of us, if I can put it in that rather tortured way.

The total expenditure by the oil and gas industry in the UK in 2005 is £11 billion, a staggering figure. I do not have an estimate for this year's tax take by the Government, but the oil industry estimates that, over the longer term, there is as much as £120 billion still to come to the Treasury from the oil and gas industry. Those assumptions were made with a price of $40 a barrel; at the moment, the price is more than $60 dollars a barrel.

Mr. David Hamilton: Is my hon. Friend aware that BP, along with Scottish and Southern Energy, has announced a power plant at Peterhead in Aberdeenshire? CO_2 will be piped through the Miller oilfield, extending the life of the oilfield by another 25 years.

Mr. Doran: That is what the next part of my speech is about. It is important to consider where the oil industry is. We are talking about private operators that know the energy market around the world. My hon. Friend quite rightly pointed out that BP, along with Scottish and Southern Energy—the old hydro board—decided to invest up to £600 million in a brand-new project, which marks a first in the world. Again, Scotland is at the

[Mr. Doran]

forefront of technology and developments in energy. The existing Miller oilfield will be used as a dumping ground for carbon dioxide produced by the separation of natural gas to produce hydrogen, which will be burned to produce electricity.

The project is enormously important. I was lucky enough to have a briefing from BP on the matter recently. BP is already discussing the project with Governments around the world. We hope that, in the future, technology developed and applied in Scotland will be driving the power stations of China and India, two of the biggest potential users of energy in the world and two of the biggest potential polluters. The technology is clean and will help to protect the environment.

It is also important to record the fact that in the city that I represent, Aberdeen, we are obviously preparing for the downturn in oil and gas, because they are in decline. The experts say that we have produced roughly half the gas and oil that there is to produce and we have the other half still to produce. If that forecast is correct, we are in the decline phase. Aberdeen, as a city—together with the Scottish Executive, the DTI, Scottish Enterprise and all the bodies that matter in the oil industry—is advancing the technology that we have developed in north-east Scotland. Importantly, the Peterhead power station is not just an anomaly. Virtually all the world's offshore oil and gas environments are using technology that was developed offshore in Aberdeen.

Based in Aberdeen and Aberdeenshire, we have the largest, most innovative, most forward looking sub-sea technologies operation anywhere in the world. At every offshore oil and gas field worldwide, there will be people and companies based in Aberdeen carrying out the sub-sea technology. They are now moving from working in the oil and gas industries to looking at other ways of using their technologies, such as tunnels and cables. There are amazing things spinning off from the oil and gas industries.

We reckon we have the largest concentration of IT specialists anywhere in the UK. Cambridge claims that it is top, but we think we have more and are putting in our claim. So the message is, when looking at energy, look where the oil companies are going. Look at the Peterhead station, which I mentioned. BP announced this week that it is about to invest up to $6,000 million over the next few years in alternative technologies from renewables. It has already invested massively in other technologies, as has Shell and other companies, and is increasing that investment. I have not checked the figures, but BP may be spending almost as much on renewables as it has in the past on the development of oil and gas supplies.

For me, there are three lessons from the report and the discussions around it. First, it is important to develop diverse sources of supply. I must go on record as not being a supporter of nuclear, but it is important that the nuclear case be examined. It is also important not to repeat the experience of the 1960s, when other forms of energy were relegated and seen as less important than developing nuclear.

Secondly, private sector investment will be important, but Government support and investment is crucial. If that dries up, it will be a disaster for the country in the longer term, as we have to replace the nuclear facilities. Finally, it is important that we continue to invest in clean sources of energy. Scotland has them in abundance.

3.53 pm

Danny Alexander (Inverness, Nairn, Badenoch and Strathspey) (LD): Thank you, Mr Amess, for calling me to speak in this debate. I am grateful for the opportunity to do so, not least because I am now also a member of the Scottish Affairs Committee. I would like to congratulate the Chairman of the Committee, the hon. Member for Glasgow, Central (Mr. Sarwar), on his eloquent opening to the debate, which set out the various conclusions and recommendations in the report.

As several other hon. Members have said—not least the hon. Member for Aberdeen, North (Mr. Doran)—our debate has been dominated by a discussion of nuclear energy. I myself do not propose to go into that, but would like to associate myself with the remarks made by my hon. Friend the Member for Edinburgh, West (John Barrett).

There are a couple of issues that I am keen to address. The first is the issue of renewables. The second recommendation of the report was on emerging technologies and the need for further research and development into them and renewables. That is a very important point, and the Government response to that particular recommendation was weak. It took a passive approach to developing these emerging technologies, rather than the more active approach which would be much more useful, not least, in relation to what might be termed wet renewables. That is, the possibility of generating electricity from wave, tidal and, indeed, offshore wind power.

Wave and tidal power, in particular, offer a huge opportunity; a steady source of electricity generation, unlike the problems, in some circumstances, that were described around wind power. It is a form of technology that has not yet been much developed or exploited by other countries, so it also offers us in Scotland—especially in the highlands and islands—an enormous opportunity to develop a new industrial sector. We can take the lead there.

The hon. Member for Aberdeen, North made the sensible point that we were ahead in the field of wind power 20 years ago, but we lost that lead because investment was diverted into the nuclear industry. We have the opportunity again, particularly in the highlands and islands, to take the lead in a new industrial sector: wave and tidal power. Companies are already pursuing that and the UK Government need to take a much more active role in pursuing and encouraging those forms of renewable technology. The Scottish Executive recently announced a new generation of renewables obligation certificates specifically targeted at generation from wave and tidal power, which will offer more of an economic incentive for companies in that sector to develop technology in the knowledge that there will be a market for it when it is ready to go to that level.

Mr. Tom Harris: I am following the hon. Gentleman's argument very carefully and I wonder whether he can offer the House a specific time scale as to when those forms of power will generate a sufficient level of energy to meet Scotland's future energy needs. I hope that he will give us a definite time scale because his party has already said on the record that it will not support nuclear energy until a definite time scale is given on the solution to the problem of nuclear waste disposal. If he is so keen on time scales and deadlines, perhaps he could give us one for this sort of energy.

Danny Alexander: I am not sure that it was me who introduced the question of time scales and deadlines; it was the hon. Gentleman who did that. However, it is a good point and the answer we get to that question depends on whom we talk to in the wave and tidal power industry. For example, Mr. Jimmy Ferguson of Wavegen gave evidence to the Committee during the production of its report and his company—former company as it is now—estimated that it would take somewhere between five and 10 years before that particular form of generation would be ready to make the enormous contribution it has the potential to make.

Mr. Harris: It will not make any contribution.

Danny Alexander: I think it will make a substantial contribution, not least because, for example, in the Pentland firth between the north coast of the highlands and the Orkney islands, we have one of the greatest natural power houses in Europe for the generation of tidal and wave energy. As I said earlier, the Scottish Executive recently announced a new generation of renewables obligation certificates for those forms of generation and I hope that that will be followed up at Westminster. So far, the Government in Westminster have not chosen to offer such incentives.

It is worth referring to the European marine energy testing centre that has been developed in Orkney for the pursuit of such technologies, which offers an enormous opportunity for those developments. I hope that the energy review that the Government have recently announced will not be a simple-minded dash for nuclear. I hope that due emphasis will be given to the technologies that I mentioned.

Recommendation 7 of the Committee's report sought to address the transmission infrastructure, which is very important to us in Scotland. The Committee made a specific recommendation about the charging regime, calling for it to be reviewed. I welcome the announcement that was made during the debate on the private Member's Bill of the hon. Member for Edinburgh, North and Leith (Mark Lazarowicz) regarding the time scale for the cap—

Mr. Hood: The hon. Gentleman refers to a dash for nuclear. Does he understand that the argument is not to dash for more nuclear but for new build to keep the proportion of generation that we have at present, rather than increase it?

Danny Alexander: That is the argument made by those hon. Members who have spoken in favour of nuclear in this debate. I am not sure that it is an argument I necessarily agree with, but I understand that it is the argument presented by him and his pro-nuclear colleagues.

I was talking about the development of the transmission infrastructure and the charging regime. The cap for transmission charges from the islands has been extended in time, which is clearly a positive development, but I want the Government to consider extending that cap to electricity generated in the mainland highlands of Scotland as well. Many of the reasons why the charging regime is a disincentive to electricity generation in the islands also apply to the highland areas.

There are currently proposals to upgrade the electricity transmission infrastructure between Beauly and Denny and the proposed route would pass through the constituencies of some hon. Members including my own. That raises a number of issues relating to the transport infrastructure. Although the decision about whether the development should go ahead is a matter for the Scottish Executive and the Scottish Parliament, the framework within which such decisions are taken is influenced and, to a large extent, set at a UK level, not least because of the rules through which these sorts of developments are financed. We need a framework for such decisions at a UK level that allow community wishes and environmental needs to be taken into account, and a process that allows a full assessment and a strategic approach to look at all the options for developing the transmission infrastructure.

Hon. Members will be aware that the company AMEC came forward earlier this week with a proposal, saying that it would be feasible to develop a sub-sea transmission cable taking electricity from the western isles to Hunterston, rather than transmitting it from the western isles via pylons through the mainland. Such a sub-sea transmission option could help to support the long-term objective of promoting wave and tidal power that I have described. It would also offer advantages from an environmental point of view. I hope that that idea will be given active consideration in due course.

I hope that the Minister will respond to the following question. Because of the cost rules, the regulatory environment at the moment for extensions or upgrades to the transmission infrastructure means that longer-term proposals to meet the needs of a long-term energy strategy are harder to justify than the shorter-term developments, such as Beauly-Denny, which, although they may satisfy immediate needs, may not be the best route for the long-term energy development strategy for Scotland.

Another issue relating to the framework in which such developments are financed is the undergrounding of cabling in sensitive areas, for example, around Beauly, an area of heavy population, and the part of the route that passes through the Cairngorms national park. There is a good case for allowing the proposed upgrade to the transmission of infrastructure to be undergrounded in such areas. Again, that is at least partly an issue for Ofgem and the financing regime for such development. If funding can be made available for undergrounding through Ofgem and the regulations, it will allow the upgrades to take place.

Mr. Weir: Has the hon. Gentleman seen the briefing from the Scottish Renewables Forum e-mailed to

[Mr. Weir]

Members today, regarding Beauly-Denny and particularly the question of undergrounding, which says that it is impossible to underground a line of this voltage because, due to the strength of the line, it would require a trench the size of a modern motorway? Is it not important not to mislead people on this point?

Danny Alexander: I am grateful for the hon. Gentleman's point. I have not seen the briefing. I have not spent as much time in my office today as I should, awaiting that e-mail.

It is equally worth while pointing out that undergrounding cables of similar voltage has taken place, for example, in the Vale of York, as has already been highlighted. We need to ensure that that option be given active consideration, and that all the options are assessed before a decision is made and are not blocked purely for financial reasons, when there could be other longer-term environmental benefits.

Community benefit is not explicitly addressed in the report, but as hon. Members will know it has increasingly become part of the policy framework for renewable energy developments. It ensures that local communities get some benefit from a wind farm, for example, or from the new hydro dam that is being built in Fort Augustus, which I mentioned earlier to the hon. Member for Aberdeen, North. Perhaps I should not have called him my hon. Friend, although I agreed with much of what he said. Community benefit has taken place in many of areas and that concept should be applied to developments of the transmission infrastructure and the major pylon developments that we will see.

Recommendation 10 in the report refers to the energy efficiency of buildings and talks specifically about tax breaks for it, which is important in the sphere of industrial buildings. As many hon. Members will know, industrial buildings are often built on a speculative basis, so the developers look to do so on a least-cost basis. For the person who takes over the building, whether buying or renting it, having a more energy-efficient structure will not only be good for the environment but will reduce their costs in the long run. Some tax incentives, perhaps through the industrial buildings allowance so that additional relief could be given to developers of energy-efficient industrial buildings, should be considered so that that recommendation of the report can be taken forward in fiscal policy. I hope that the Minister will pass that suggestion on to the Chancellor of the Exchequer for the forthcoming Budget because such measures could make a big difference.

Several hon. Members *rose—*

Mr. David Amess (in the Chair): Order. I do want to call everyone and I appeal to the Chamber to bear that in mind.

4.6 pm

Mr. David Hamilton (Midlothian) (Lab): I will try to make my speech as quick as possible, Mr. Amess and I have already ditched half of it. I want to thank my hon. Friend the Member for Dundee, West (Mr. McGovern), who is not here now, for giving me his glasses last night. I was not able to read the papers until this morning. Until then I did not realise that I was going blind; it is really bad nowadays.

I am delighted to be associated with the Scottish Affairs Committee's report, particularly with its clarity and conclusions. I resent some of the comments that have been made about it being one-sided. As someone who does not come from a nuclear background, I did not think that it was skewed. The debate has become skewed with people's opinions about what should happen. The report, as I hope to show, has been clear in delivering that. Indeed, we were congratulated by all sectors, including those involved with renewables, because of our balanced view. We gave everybody the opportunity to go forward.

The report develops a picture of our energy needs that is objectively considered and takes into account all the viewpoints in the energy debate. It is not only relevant to Scotland but to the rest of the UK and although it is a Scottish Affairs Committee report, we should always keep in mind that we are part of the UK and we have to consider the balances that take place over a period of time.

One absolute in the debate is that we face a decline in gas and oil. I take the point made by my hon. Friend the Member for Aberdeen, North (Mr. Doran) that that decline is on a much longer time scale than some people suggest. On that point alone, we should remember that nuclear provides 37.2 per cent. of energy in Scotland; hydro, which is being extended but can be extended only by a small amount, provides 6 per cent.; gas provides 20.3 per cent.; coal provides 29.4 per cent.; renewables provide 1.7 per cent. As renewables grow, others will begin to decline. Even in the long term, if we were to take gas out, we would require renewables to fill a 20 per cent. gap. If we take nuclear out, there will be a 37 per cent. gap. Over the next 20 years, there is no way that renewables can fill the gap that will be left.

At the end of the day, the question must be what can fill that gap. Coal can fill that gap as well as other sources. The coal industry has been put forward and a lot of discussions have taken place about it, which I believe underlines its powerful position. We have a generation gap that is limited. The emergence of renewables has to be taken seriously. I have taken a view that over a period of time what seemed like the view of tree-huggers and environmentalists now has to be taken as realistic. Ten years ago, we were talking about it in such terms. We are now talking about environmentalist issues and at the beginning of any debate about energy we must consider the environment and what the cost will be, and not just in financial terms. After all, all such sources are subsidised to some extent.

In the Committee, on 1 February, I asked Mr. Mortimer, from Scottish Power, whether Scottish Power would be involved in windmills and renewables if they were not subsidised. The answer was no. The Government must give encouragement for all sources of power to be considered. Apart from coal, gas and oil, everybody is subsidised to some extent.

Mr. Hood: Obviously, my hon. Friend and I, coming from the same background, have similar views on the

need to support the coal industry. As he rightly says, there is a future for coal in Scottish energy generation. However, the hon. Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell) says that he supports open-cast coaling but then adds a caveat about the SPP16, which will devastate coal production in Scotland so that the coal burned will be imported. We are going to be exporting jobs and importing coal. What does my hon. Friend think of that?

Mr. Hamilton: My hon. Friend makes a good point. I further suggest that instead of considering Chapelcross as a potential for nuclear power, it should be considered as a potential for biomass. That would allow development of open-cast and deep mining of coal to take place in Dumfriesshire. We could then take the coal directly to a reconditioned area.

David Mundell: I am sure that my hon. Friends will be pleased to know that I am supportive of the open-cast development at Glenmucklock near Kirkconnel in my constituency. I am, indeed, supportive of the open-cast industry, as the hon. Member for Lanark and Hamilton, East (Mr. Hood) just said. When Labour Ministers in Scottish Parliament considered the SPP16, they were not convinced that the open-cast industry would be massively devastated by its introduction. Is the hon. Gentleman aware of any evidence to suggest that it would be?

Mr. Hamilton: I shall come to that point in my remarks about the Scottish Executive making decisions without looking above the horizon. It is one thing to make provision where the possibility of open-cast mining can be restricted, but the people who oppose open-cast mining will also oppose windmills being put in their back yards. I, as a local Member—there are others here who do not belong in the cities—must understand that if applications are being put forward in that area. I have received numerous complaints about the possibility of wind farms being established some distance away. Of course, people do not want that. The same arguments apply with open-cast mining, but it is far more productive and does not require the same subsidy.

I come to the extremely important point of the research being carried out by Professor Peter J. Hall from the university of Strathclyde. I met him some time ago when I went to Fife and he told me about what they were producing and how they can put CO_2 emissions back into the earth. Of course, what would come out would be pure methane. That is a diversion from what is being done with oil, but the great thing about it is that CO_2 emissions can be absorbed like a sponge. That development was talked about in the coal mining industry 25 years ago; the development was there when the industry had its own research and development.

We have lost the game on this one. The United States of America is making an investment to the tune of £10 billion to consider how a new strategy can be developed. The Americans will not turn their backs on the abundance of coal that they have. It is dire that this country is sitting on billions of tonnes of coal, and that we have extracted only 15 per cent. of our coal. Some European countries look at us with envy because of what we have and what we could do with it. We turn our back on those possibilities at our peril.

I remind colleagues that China is expanding at such a rate that it is becoming the engine house of the world. It is considering establishing 20 nuclear and 500 coal-fired power stations. We in the UK and Europe have developed a structure in which CO_2 emissions can be incorporated into a power station—the Germans are considering a development that will do that—and there is an interested party to export it to; China is interested in that expertise. We should develop it for ourselves too. That would allow the expansion of the Longannet complex; Scottish Power told me, when I went to visit, that it would like to take it further than its 2015 schedule. However, it also said that it will not invest the money without a guarantee that it can run the coal over that period. It is looking at using carbon capture, but it needs incentives to do so.

We must consider what happens throughout the world. Virtually all the coal coming out of Australia is being poured into China. New Zealand has doubled the size of its mining industry due to one client; China. India and the US are not far behind. At our peril, we in Europe will take our eye off the ball and we must look towards the goal, which must be to develop a structure and a strategy within the country whereby there is enough room for everyone around the table. Over time, I have had to open my mind to the possibility of nuclear power becoming part of the jigsaw.

I draw the Minister's attention to a one-liner in the report. It is not good, but the Committee makes a recommendation about new house and property build, and planning issues. That is the remit of the Scottish Executive, but we must consider that it is far cheaper to build a new house and install insulation at the same time rather than encourage the population to insulate houses after they have been built. Such matters might be within the planning remit of the Scottish Executive, but the United Kingdom Parliament must decide that we should take such action. I have spoken to major building contractors, who said that if such decisions are made across the board there will be no problem. After all, those with whom they will have to compete must deal with the same standards.

Mr. Weir *rose—*

Mr. Hamilton: This will probably be a speech rather than an intervention.

Mr. Weir: No. I thank the hon. Gentleman for giving way but, strangely enough, Sarah Boyack—a Labour MSP—has introduced a private Member's Bill in the Scottish Parliament to deal with the matter.

Mr. Hamilton: It was a good point to make and I am glad that a Labour MSP has introduced such a Bill. If we could have, we would have supported it. If we were serious about saving energy and delivering an energy policy to the British people so that we can compete on a even keel with the rest of our European partners—an important factor—that would be right for the people of Britain. The report is balanced. All those from whom I have received information said that it was very fair and some unfair comments have been made.

4.17 pm

Mr. Charles Walker (Broxbourne) (Con): I am obviously not from Scotland, Mr. Amess; you can tell that by my accent. I represent a seat that is north of the M25 by about 500 yd. I am here at the invitation of my Chairman, the hon. Member for Glasgow, Central (Mr. Sarwar), and the Clerk of the Select Committee.

The debate is timely. For the first time since 1996, the United Kingdom is a net importer of gas. We have 11 days' gas storage in reserve compared with an EU average of 55. Since 2003, the cost of electricity has increased by nearly 40 per cent. That is having an impact on Scottish business and Scottish domestic users. Moreover, Scotland obtains 39 per cent. of its energy from nuclear reactors. Torness is due to close in 2023 and Hunterston is to close in 2011. In response to the looming energy crisis in Scotland, the Scottish Executive suggested that the focus for renewables should be 40 per cent. of Scotland's overall energy usage. A quarter of that comes from hydro, a half from wind power and a quarter from emerging technologies.

When considering energy, there is no free ride. All the so-called environmental solutions have pitfalls. Hydroelectricity produces very little useful electricity. The environmental implications for the ecosystem, rivers, upstream erosion and migratory fish runs, are fairly significant. Wind tends to divide communities. A sea of windmills all over the place may seem a good idea to the Greens who do not live in the area, but if people see windmills from their back door, the idea might not seem so good to them. Members of the Royal Society for the Protection of Birds are appalled by the number of birds that are sliced up—Kenwood Chef'ed—by propelling blades. Wind power is also unreliable.

I like to spend a lot of time in Scotland.

Gordon Banks (Ochil and South Perthshire) (Lab): We are debating wind farms and renewables. Is the hon. Gentleman aware that in the case of responsible applications for wind farms, the RSPB plays a significant role in determining whether the siting of windmills is appropriate for the migrating paths of birds?

Mr. Walker: It is good that the RSPB is involved and I am sure that it will continue to be involved, but wind farms are not the long-term solution to meeting future energy needs, in England or in Scotland. The cost is not outweighed by the reward.

Mr. Joyce: Is the hon. Gentleman saying that there is no place for wind farms, full stop, or do they have a place in an intelligent energy mix?

Mr. Walker: I think that the people promoting wind farms have rather overplayed their hand. Wind farms are not the long-term solution. They will produce a bit of energy, like hydro does, but they will not meet the energy needs of Scotland or the UK. Tidal wave schemes have been mentioned, but in the Cardiff bay area we have seen their impact on estuary environments. Nuclear fusion has possibilities, but other hon. Members have mentioned that it might be 50 years away.

That leaves us with coal, which pollutes, creates greenhouse gases and does not put us in good favour with our Kyoto partners, and gas, which we know is running out.

Mr. David Hamilton: The hon. Gentleman should have listened to some of the debate. I will give an example of one of the things that coal is involved in. The Monktonhall colliery in my constituency of Midlothian closed in the 1980s. That colliery is now being considered for a pilot scheme involving hot water to heat some 4,000 houses in the Midlothian area. There are 250 ex-mines in the whole of Scotland, two thirds of which could be similarly utilised for housing heating systems throughout Scotland. That is a way of using money to examine things that are outside the envelope. It is about time that we had a bit of horizon thinking here, because it is not happening.

Mr. Walker: Perhaps I was a little flippant about coal. Of course there is a place for it; there are clean coal technologies and there is scrubbing. However, I do not think that any leader of a global power, beyond George Bush—I know that Labour Members do not perhaps rate him as highly as others—believes that coal is the long-term future in terms of meeting the world's energy needs. That leaves us with the option of nuclear power. Again, that divides the House. However, if France can generate 75 per cent. of its energy from nuclear power and Belgium, Sweden and Switzerland can respectively generate 55 per cent, 50 per cent. and 40 per cent. of their energy from it, and those countries can get rid of their waste in a way that does not cause a great deal of public concern, I do not understand why nuclear energy and its advancement in Scotland and the United Kingdom meet with such hostility.

Sir Robert Smith: The hon. Gentleman says that all the countries he listed have already got rid of their nuclear waste with no problem. Will he enlighten the Chamber as to how they have disposed of their nuclear waste on a permanent basis?

Mr. Walker: I am afraid that I cannot enlighten the Chamber on how they have done that and I am perfectly happy to say so. However, 75 per cent. of France's power comes from nuclear fuel.

John Robertson: In Finland, they put the waste into granite, 5 miles down in the ground. They have it securely contained. They are building a new heavy duty repository. I can also point to the report that has just been submitted by Canada on doing something similar by putting all its waste in one area deep underground.

Mr. Walker: I thank the hon. Gentleman for his helpful intervention.

Nuclear power and nuclear power technology has come a long way in the past 30 years. There are now off-the-shelf designs for nuclear power stations. They cost between £1 billion and £1.5 billion. A new nuclear power station can be built within five years, but of course the timeline would be longer because planning permission and the consent of local people would be required.

I take the point that nuclear power creates a lot of concern. It is perceived in this country as a secretive and dangerous industry. Some of that concern is misplaced,

but it is the responsibility of Government and those who are promoting nuclear power to try to meet the concerns and persuade the public that if we are to meet this country's long-term energy needs, we cannot rule out nuclear power out of hand. There is certainly a place for nuclear power. I hope that over the next 10 to 15 years we will start to win the argument and that more of our energy will be produced by nuclear power, because it offers the best long-term solution to our energy needs. As has been rightly pointed out, there is enough nuclear material buried underground, which has not yet been mined, to last generation after generation.

4.25 pm

Mr. Jimmy Hood (Lanark and Hamilton, East) (Lab): I draw the attention of hon. Members to my declared interest in the Scottish coal industry. I have, like my hon. Friend the Member for Midlothian (Mr. Hamilton), cut down my speech to make time for other hon. Members to speak. I thought that I had a balanced speech that would serve the report well. However, the contribution of the hon. Member for Broxbourne (Mr. Walker) almost tempted me away from balance. As a member of the all-party group on nuclear energy, I would not invite the hon. Gentleman on to a platform on which I was speaking, if that is how he argues.

I welcome the debate on the report, which, as hon. Members have said, is balanced. It identified the need for debate. It is apt that the House is now giving more consideration to energy than it was when the inquiry was undertaken. Credit is due to the Scottish Affairs Committee of the previous Parliament.

Perhaps I may be allowed to do a bit of personal bitching. I have enjoyed the debate immensely so far. Holding Westminster Hall debates was among the best decisions of the House in the past few years. They allow Back Benchers an opportunity that they did not have in the past to discuss issues of great importance. However, I think that today's debate should have taken place in the Scottish Grand Committee. I think that I have seen Halley's comet since we last had a Scottish Grand Committee, and I want to mention it, not as a criticism but as a wee point to be mentioned in a chat over a cup of tea later.

It has been said that Scotland is rich in energy generation. We produce 60 per cent. more than we need at present. We are exporting generation. However, in that richness we should not be complacent. As other hon. Members have mentioned, referring to the White Paper, nuclear generation in Scotland is more than 37 per cent. Coal burn is almost 30 per cent. and 20 per cent. is gas. *[Interruption.]* I am sorry if I am interrupting my hon. Friend the Member for Falkirk (Mr. Joyce). The renewables are way down at 1.7 per cent. It is beyond belief that politicians can seriously argue, as they do, that we should close down nuclear and coal generation and fill the gap. That is mathematically impossible and we need to get that point across.

Do we want—this is the main point of the debate—to put our energy supply in the hands of suppliers outside our country? Do we want, for example, Mr. Putin or any of his successors to make decisions on the price of gas here, or on whether we are to have gas? I remember about 15 years ago listening to debates in the House about how in 20 or 30 years we would have to get all our gas from Russia. It went over my head, but it is not going over our heads now. It is a reality. We are now a net importer of gas and by 2020 we will be importing 70 per cent. of it. Hon. Members should try to get their minds round the problem before they start to cherry-pick and say, "Oh, we'll have renewables here. We'll have nice wind farms."

The hon. Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell), who is my Member of Parliament at present, talks about problems with his windmills. *[Interruption.]* My hon. Friend the Member for Midlothian says rightly so. It is beyond comprehension that people think windmills are a good idea in someone else's village or community. Frankly, the Government should have introduced the issue of new nuclear build two years ago. That is when we should have been arguing about it.

I said earlier that the argument is not about a dash for nuclear, to use that expression; no one argues that we should supply more energy through nuclear power than we do at present. The issue is whether there should be new build, which will mean less waste to deal with, and whether, at the same time, we should look to our other strong energy producer, clean coal technology.

That technology is with us. My hon. Friend the Member for Aberdeen, North (Mr. Doran) talked about Grimethorpe 30 years ago; I remember Grimethorpe. I also remember going to Houston, Texas—Mr. Bush's stronghold—18 years ago, and looking at clean coal technology; coal gasification was being developed there, so the technology is in place. As was pointed out, Nye Bevan once said that we are a country built on coal, and so we are. We have so much natural energy that it is nonsense to argue that we go elsewhere for it. We go to the most dangerous part of the world for it. The lack of rationality in this debate beggars belief. I tell hon. Members that although this is a wonderful debating exercise for us—the political classes—believe me, the people outside will not understand it.

Mr. Joyce: I got slightly confused there; my hon. Friend was talking about coal one minute, and gas the next. Does he not agree that the point is that one can get gas from a variety of sources? Indeed, we already do; we will shortly be importing gas from Kuwait, for example, so that we can maintain security of supply through gas. That is not to say that we do not want other sources of energy, but we can maintain security of supply—even though we are talking only of gas—by bringing gas from different sources, and by different means.

Mr. Hood: I am sorry if my hon. Friend misunderstood my speech; he was probably not listening, and chatting to his colleague instead, as he did earlier.

I hope that this will make sense to my hon. Friend: we need to have a debate about how we will supply Scotland's energy needs without relying on imported fuel over which we do not have control. If we do have to rely on imported fuel, the issue will be security of supply, and we will then address that argument. If we have that debate, then—as my hon. Friend the Member for Midlothian said—everyone will come to the table.

I am not arguing the case for nuclear power. I am pro-coal, having been a miner for 23 years. However, I accept the reality that we cannot talk about security of

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supply without accepting that nuclear has to be part of the mix. There is the development of clean coal technology, into which the Americans are rightly putting billions of pounds. That technology is being developed in this country, too. We should embrace the new technologies, and not get into our trenches.

Let me say something about the coal industry, and the debate held in the House a fortnight ago on the threat to gas supplies this winter, which we are told will be bad. Last winter, coal produced 48 per cent. of this country's requirements when we needed it. We would be very foolish to walk away from our coal industry. I am sure that we will not. We would be equally foolish to walk away from the reality, which is that we are not going to rely on renewables saving the day for us. If that is the debate, we welcome it. I hope that the report is an important part of the debate that the country needs to have.

4.35 pm

Mr. Mike Weir (Angus) (SNP): I am pleased to be able to take part in this debate, because I served on the Committee that produced the report. I was the only member who in the vote opposed the report's nuclear parts. The report covers much more than nuclear, and I should like to touch on those aspects first, and come to the blood-on-the-carpet stuff later.

Before doing so, I should like to echo what the hon. Member for Glasgow, Central (Mr. Sarwar) said about the Chairman of that Committee, the now ennobled Baroness Adams of Craigielea. She was a fine Chairman, and the Committee's members got on very well together, despite our differences about nuclear power. The Committee produced a good report. I do not agree with all that was said by the hon. Member for Edinburgh, North and Leith (Mark Lazarowicz) about its defects. Apart from the nuclear aspects, I have no problem with it; it is a fine report.

We all agreed that doing nothing is not an option. We should still agree on that. Our first recommendation was for a full audit, and it is interesting to note the Government's response to it:

"The government were fully committed to the framework for UK energy policy set out in the 2003 energy white paper."

Given the Prime Minister's speech to the CBI this week, I am not sure that that is now entirely correct, since the White Paper stated that on economic grounds the nuclear option did not add up.

I have no problem with the review of energy need, if it is a genuine review. My problem with the Prime Minister's proposal is that I suspect that the review will consist of going to the filing cabinet at No. 10 and taking out an already written report. We shall return to that.

Unfortunately the Government have not done much about other technologies. That takes us to recommendation 2, in which we unanimously—I stress unanimously— expressed some doubt about the ill-defined emerging technologies, and whether they would meet one quarter of Scotland's energy needs. We urged further research and development, and I am still of that opinion.

I am pro renewable energy; I have doubts about nuclear energy. I want to ensure that renewables meet the advertised targets. It was interesting that even the renewables forum—and others—would not say that that would definitely happen. We must sort that out. I have seen little progress from the Government on that front. We do not seem to be any nearer to a commercial wave or tidal generator in Scotland, other than the small-scale one on Islay. As the hon. Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell) mentioned, Eon recently announced that it is establishing a biomass generator, although it may be some time before it is up and running.

The Government have so far staunchly resisted attempts by myself in a Private Member's Bill and by the hon. Member for Edinburgh, North and Leith in his private Member's Bill to introduce a renewable heat obligation that would give a significant boost to the use of biomass energy.

Although the Government's response to the recommendation stated that their support needed to be technology-neutral, most new technologies, and even old technologies such as nuclear, would none the less need support to become a significant part of the energy mix.

It is interesting that we are discussing what the Government have to do for nuclear, because as has been pointed out, there is nothing preventing any energy producer from applying for a new nuclear power station. The reason why they do not do so is that they want to know that they will be able to sell electricity at a price that will make it economic. I understand that Electricité de France—strangely enough, the French-run entity that owns London Electricity—has recently suggested that it might be interested in it, but that before doing so, it is looking for long-term guarantees about the price of electricity. That should be borne in mind.

Mr. David Hamilton: If the hon. Gentleman were being fair and equal, he would also acknowledge that renewables would not exist if they were not subsidised.

Mr. Weir: I accept that, but as energy prices rise, the need for subsidy falls. Every energy source, whether renewable, nuclear or whatever, becomes more economic the higher the energy prices are.

John Robertson: That is not strictly true. There is a Canadian company that would be quite willing, given the opportunity, to provide new build in this country. That would be at no cost to the Government.

Mr. Weir: I am surprised to hear that, because there is nothing to prevent that company from entering our liberalised market.

That brings us to recommendation 7, which relates to electricity transmission charges. The hon. Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander), who is no longer present, alluded to the issue. We have reached an absolutely insane position, which is being driven by Ofgem. The regulator determined that the further a generator was from the centres of population, the higher the charges should be for it to enter the grid system. The rationale—if we can give it that name—is that energy companies should be encouraged to site new generation nearer to centres of population.

The problem is that the areas most likely to produce a significant amount of renewable energy are not near centres of population, but in the north of Scotland and the islands. That has an impact not only on renewables generators, but on all generators, including the Peterhead gas cycle station and anything new that is built in the north, because it puts a massive hurdle in the way of making those stations and facilities viable. In passing, it might be worth noting that if we took that approach to its logical conclusion, any new nuclear generator would probably be built on Ibrox or Princes street gardens.

John Robertson: Why Ibrox?

Mr. Weir: I just wanted to get the hon. Gentleman going.

That approach has been subject to a long campaign. Indeed, as the Government response to the report states:

"The Government also accepted that high charges facing generators in the most remote parts of the Highlands and Islands might inhibit development of new renewable energy generation in an area of considerable potential."

As a result, section 185 was introduced into the Energy Act 2004. Unfortunately, it provides a cap only for a short period—from five years to a maximum of 10. It also relates to area charges, not individual charges. That means that there is insufficient time to allow payback from many of these new processes.

To be fair, the Minister for Energy recognised the extent of the problem during the Second Reading of the Bill introduced by the hon. Member for Edinburgh, North and Leith. He has extended the provisions for the islands but done nothing to help those on the mainland, to whom the hon. Member for Inverness, Nairn, Badenoch and Strathspey, who has now resumed his seat, alluded. That effectively stymies much potential from renewables generators and any other generators who might wish to set up in northern Scotland. That is plain crazy, and I appeal to the Minister—even if he takes nothing else from this debate—to take this matter up again with his colleagues at the Department for Trade and Industry get them to tackle this stupid situation.

Mr. Russell Brown: The hon. Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander) raised a similar point, but I did not intervene then. However, it is important for hon. Members present to understand—if they do not already—that the hon. Member for Angus (Mr. Weir) and his colleague the hon. Member for Banff and Buchan (Mr. Salmond) continually suggest that we in Scotland are totally disfranchised and get no support. What they always fail to point out, however, is that some transmission charges have been reduced. That is perhaps not the case in the north of Scotland, but it is in other parts of the country. Given that we export power to this side of the border, the transmission charges for tying into the Anglo-Scottish interconnector have been done away with altogether.

Mr. Weir: I understand from discussions with the electricity generators that the effect of doing away with the interconnector charges has been more than wiped out by the other charges for the grid.

The problem that we now face—today's proceedings are indicative of it—is that the debate on this issue is basically a matter of wind versus nuclear; it is a false debate. We have to be honest about the fact that whatever energy supply we have, there will be problems. Wherever a new energy development of any kind is suggested, people will complain about it.

David Mundell: As I understand it, the debate is about meeting Scotland's energy needs. The hon. Gentleman has spoken for 10 minutes, and it would be quite helpful if he would set out how the SNP would meet Scotland's energy needs. Adam Ingram, a colleague of his who represents the South of Scotland in the Scottish Parliament, is strongly opposed to open-cast mining. His colleagues are also opposed to wind farm developments, and his party is clearly anti-nuclear. No technology has been presented to us that will materialise in the next couple of years and meet Scotland's energy gap—unless the hon. Gentleman is saving that for the 2007 elections.

Mr. David Amess (in the Chair): Order. I am mindful of the fact that one Member who served on the Committee is still waiting patiently to speak.

Mr. Weir: Thank you, Mr. Amess. I will come on to the matter that has just been raised shortly, but the point I was making is that there will be a planning and environmental impact whatever route we go down—such as windmills, with their associated new pylons. If we go down the nuclear route, there will also be an impact; wherever we build new nuclear power stations, if we are closing down other options for generation we will have to build new pylons to cover for that.

I turn to the nuclear issue. It is interesting that the nuclear energy body is now talking about itself as being emission-free and green. Those Members who read *Private Eye* might have noticed an interesting piece about the Nuclear Decommissioning Authority and Bell Pottinger Public Affairs. That company produced biographies of the members of the Trade and Industry Committee, and described their attitude to the nuclear option. I am a member of that Committee, and I have had a look at my biography. It states:

"In January of this year he introduced his Private Members Bill to the House, 'Renewable Heat Obligation Bill', which proposed the boosting of renewable energy resources in order to help greenhouse gas emissions. His wish for a reduction in such emissions does not foster a support for nuclear power."

It sounds like the nuclear industry's own public relations people do not believe it.

We are opposed to nuclear power; I make no bones about that. *[Interruption.]* I feel like Daniel in the den; if I am given a chance to speak I will say something about this matter. I agree with the hon. Member for Midlothian (Mr. Hamilton)—that is a statement that is not heard often—about coal. There are massive coal reserves under Scotland. It is crazy that we do not make use of them, and of clean coal technology. I disagree with the hon. Member for Lanark and Hamilton, East (Mr. Hood) about Scotland's energy production; according to my figures, nuclear accounts for 24 per

[Mr. Weir]

cent. of Scotland's energy generation, and coal accounts for 34 per cent. If we close down our coal stations without an alternative, we will have a problem.

Scotland is energy rich. As well as our coal reserves, we are Europe's biggest oil and gas producer. We talked about the country being a net importer of gas. The United Kingdom is a net importer of gas; Scotland is not—it produces more than it uses—and, surprisingly, this debate is about Scotland's energy needs.

We have the potential to become Europe's renewable powerhouse. We have 62 per cent. of the EU's oil, and 25 per cent. of its potential wind and tidal energy. Nuclear energy is not necessary in Scotland. We export more energy than we generate from nuclear. If we are talking about Scotland's energy needs, we do not need nuclear.

Mr. Hood: Will the hon. Gentleman give way?

Mr. Weir: No; I want to finish to give other Members a chance to speak.

Scotland is energy independent—it is a net exporter of electricity—but UK Government policy on transmission charges is driving essential investment in the electricity industry away from Scotland. If this damaging policy continues, when our power stations need to be replaced, Scotland will have to import electricity.

Mr. Hood: I am enjoying hearing this road map to the galaxy. I was quoting from a White Paper of 2003; the figure for coal in Scotland is 29.4 per cent.

Mr. Weir: I was quoting from the Scottish Executive paper; the hon. Gentleman can take his pick.

If we go down the nuclear route, will that give us security of supply? It will not, and I shall say why. We talk about the importation of gas, but we will also have to import uranium to drive nuclear stations. The hon. Member for Glasgow, North-West (John Robertson) says that the modern nuclear stations, which he is keen on—I think they are called pebble bed stations—produce less waste. He is right; they do so because they use more uranium and constantly have to be fed uranium.

Uranium is finite; we cannot rely on getting Canadian uranium for ever. If we go down the nuclear route, we shall end up importing uranium from the 'Stans and other less stable countries, as the rest of the UK is having to do with gas now; Scotland does not need to do so.

Nuclear energy is unnecessary. Scotland is already self-sufficient in energy. We cannot meet Scotland's energy needs because Scotland needs political independence to maintain energy independence, take decisions over its energy future and develop clean, green technology instead of nuclear technology. Until that glorious day comes, I shall dust off my "Nuclear power—no thanks" badge and oppose this move to nuclear.

4.52 pm

Mr. John MacDougall (Glenrothes) (Lab): Thank you, Mr. Amess; I am grateful for your help. I shall limit my speech; given the speeches so far, I do not think I have much time.

I have no difficulty with having an open policy and reviewing energy again. It would be a nonsense to rule out any energy source without calculating what its loss would involve. It makes sense to have that review, look into next year and make an input into that review. That is what is being asked through the consultation process that will be built into the review. The Minister for Energy will be leading on the issue and I should like to take the opportunity to put to him some ideas that I hope the Government will take on board.

I want to end on a positive note. We have heard a lot about wind—I make no comment about that. My hon. Friend the Member for Aberdeen, North (Mr. Doran) mentioned Westfield in Fife. Just now, it has exciting prospects. I do not intend to elaborate too much on that, as that would take much of the gist that is here away from the content of it. However, I should like to advise the House of the potential of our renewables energy project at Westfield and my constituency of Glenrothes.

Fife Energy Ltd has developed an advanced fuel technology and gasification plant, which could produce huge benefits for the whole country. The plant was pioneered by British Gas between the late 1970s and early 1990s and involved an investment of more than £1 billion at today's prices. British Gas knew then that natural gas would run out. Fully developed, Westfield would make a huge contribution towards filling our energy gap and it would help Scotland meet its targets on emissions and biomass diversion.

We are not talking about incineration. There is no burning; no chimney is involved. The process uses steam and oxygen to break down the fuel to produce energy, which can then be fed into the gas interconnector and the national grid. The energy produced is constant—that is, it is not subject to conditions such as wind—and would be supplied at below current pipeline price. That would ensure that the country was not held to ransom by suppliers from abroad, as we saw happen during last week's gas price increase.

The small amounts of waste created by the process can be used productively—for example, in building roads and sea walls and in the chemicals industry. The advanced fuel technology would use all of Scotland's sewage sludge, which in Scotland can no longer be dumped at sea and which we will not be able to incinerate as of December. Most of Scotland's municipal waste could be used in the process of providing this form of energy. That would present our local councils with options that they do not have at present to deal with the masses of compost for which they have no use. The process involves creating solid briquette pellets from sewage sludge, municipal waste and coal. Those briquettes would be created in local areas and transported to Westfield by an existing rail link.

The Scottish coal industry, at present threatened by the limited lifespan of the two remaining coal-burning power stations in Scotland, could have a new life. A large number of jobs would be created in the construction process and on a permanent basis, and

security of energy supply would be established. A fully developed Westfield site of four or five gasifiers would produce as much energy as one nuclear power station, and there would be a huge benefit to the balance of payments—we would no longer need to pay foreign suppliers for gas, coal and oil.

The scheme would provide an opportunity for politicians to work together, whether in Westminster, Brussels, Holyrood or locally. Perhaps we should take a leaf from the book of the United States, where the Energy Policy Act of 2005, passed by Congress in July, offers 80 per cent. loan guarantees and 50 per cent. grants to kick-start the first gasifiers. After that, financial institutions will provide loans, because they will have seen the technology at work. It will cost £50 million to build the first gasifier at Westfield. That sounds like a lot, but it is not, because the company is not asking Government for a grant; it merely wants them to act as guarantor.

In the 1970s and early 1980s British Gas had the vision to spend £1 billion at today's prices developing the technology, having predicted exactly the circumstances in which we now find ourselves. We have the opportunity to exploit that vision and, in the process, to plug the energy gap, meet environmental targets and make good use of waste.

Next year's energy review offers us an opportunity to look to the future. We should take it. Projects such as the one that I have mentioned deserve every incentive and every encouragement, and should be put firmly on the political agenda. They represent a serious way forward. If they provide an alternative to nuclear power, surely pure coal technology and pure development technology deserve every chance to be invested in, encouraged and taken forward so that they can help to meet the energy needs of the country.

We have spent a lot of time talking about the negative sides of energy and nuclear power. Let us base our agenda not on what we are against, but on what we are for, and not on what we cannot do, but on what we can do. I have suggested one way in which we can go about that. I intend to take the matter up with my hon. Friend the Minister for Energy. I hope that he will reflect on what has been said this evening, and will take it into account in his future consideration of the issues.

4.59 pm

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): I must declare an interest in connection with the oil and gas industry—it is in the Register of Members' Interests. I join other Members in congratulating the Chair of the Scottish Affairs Committee on securing the debate and on his presentation of his Committee's report; it has been most enlightening. I also thank the noble Baroness who chaired the Committee in the previous Parliament. She served this House well in that capacity and her contribution was much appreciated.

I understand that the report was cut short by the election and that it does not, therefore, discuss fully some of the matters on which evidence was taken. Perhaps the Committee will be able to do more in this Parliament, although it seems that most Select Committees are now concentrating on energy.

5 pm

Sitting suspended for a Division in the House.

5.15 pm

On resuming—

Sir Robert Smith: I think we may have lost a few people during that Division. I wanted to get back to the context of where the Committee started and a point raised by the hon. Member for Aberdeen, North (Mr. Doran); the shift in the amount of gas coming from the UK continental shelf. The hon. Gentleman made a powerful point. There is great danger in thinking that it is no longer a major industry because we are getting slightly less. We must not lose sight of how important the industry is in contributing to the UK economy and to our supply needs.

It seems evidently sensible, in looking at our energy supply, to look at the existing one—which has done so much for the country already—and make sure that we do nothing to damage it. We should maximise its potential in the years to come. To that end, the strongest message that the Minister can ultimately give today is that the Chancellor plans to do nothing on Monday to frighten off vital investment. One question we might ask, given that we have found gas supplies dwindling slightly sooner than expected, is about past levels of investment in exploration and production. What may have happened is that the Chancellor frightened off investors three years ago with a surprise tax change.

It is extremely important, in managing the tax system of an industry that makes such a contribution—in tax revenue, as the hon. Member for Aberdeen, North outlined, in supply of gas, and in jobs and investment—that nothing is done to frighten that investment off with a surprise windfall tax. If the Minister can take that message back to the Treasury to reinforce it in its mind, it would do much to improve the chances of investment.

Scotland's energy, which we are looking at, is part of the UK system. One of the two gas issues which urgently need to be addressed—as well as thinking long-term—is the need both for more storage in the United Kingdom system and for the European market to be genuinely liberal. The market failures identified by the Commission need to be tackled. With the Energy Council on today, can the Minister update us as to what the Government have been trying to do to achieve the liberalisation they claim to want to see?

The North Sea links well to the other part; an issue which several members, most recently the hon. Member for Glenrothes (Mr. MacDougall) have raised. That is the future of coal in our economy. We must not lose the potential for the North sea to be a storage for carbon sequestrated from the burning of coal, or from coal gasification. The North sea infrastructure is extremely important to that being maintained, and for gearing that investment.

We have heard about the exciting Miller project; taking gas, removing the carbon, burning the hydrogen, exporting the electricity to the grid and putting the sequestrated carbon back offshore to enhance oil recovery. That can be done to enhance oil recovery, but the problem that we face under the OSPAR conventions

[Sir Robert Smith]

is that storing CO_2 underground looks difficult at the moment. Regulations, burdens and international agreements should not stand in the way of this vital part of re-establishing carbon as a safe fuel, one to use without a global warming impact. Can the Minister outline what the Government are doing to prepare that ground? If we can establish carbon sequestration, our coal resources become an environmentally friendly, indigenous resource for our economy. As has been said already, an extremely important technology would be developed with major export potential.

While other countries may be looking at nuclear to a certain extent, China is looking at coal with a vengeance. It has so much coal on its doorstep, and is desperate for new energy sources as it grows its economy. A briefing that we had from BP at the all-party oil and gas group showed that China is already surpassing the incentives coming from Europe to look at that technology. It is dealing directly with that industry and is excited about it, because the Chinese Government recognise that global warming can have a major impact on their own economy, with such low-lying areas.

So the coal industry is an important one, and not to be forgotten. We need to unlock its potential. It should be recognised that coal is not going to go away worldwide as a major fuel. If we do not tackle the carbon emission problem, we shall have a serious environmental impact upon the world. Therefore that technology has to come forward.

Another crucial thing, if we are looking at energy supply concerns, is the reduction in demand. Energy efficiency must be at the top of our agenda in trying to tackling this balancing act over energy sources. In warm homes week in Scotland, this week, I was helping to install cavity wall and loft insulation in a constituent's house in Westhill. I took two things away from that. One is that with that many of the schemes we have used we may now have done many of the easy houses. We need more innovative ways of putting insulation into our housing stock and, as hon. Members have said, ensuring that new housing stock meets high environmental standards.

Perhaps the Minister will enlighten the House on how many more people will suffer fuel poverty this winter because of higher fuel prices. Some estimates suggest that 1.5 million people in the UK will be taken back into fuel poverty because of high energy prices. That shows the importance of energy efficiency and a reduction in demand in tackling fuel poverty instead of just relying on low energy prices. If we can improve the housing stock in this country, people will still be able to keep themselves warm without major expenditure when they move or their circumstances change.

The Committee's fifth recommendation referred to the Scottish Executive's demand and perhaps the Minister will be able to confirm what it will be, although it is for the Scottish Executive to decide how they will implement their renewable commitment. I understand that they have decided to measure it in terms of 6 GWe when interpreting how they meet the 40 per cent. target. Perhaps the Minister would confirm that.

Transmission charging has been raised and, again, perhaps the Minister could enlighten us on the Government's response to Ofgem inviting the National Grid Company to undertake further work on these aspects and to consult on possible improvements during the next couple of years. What exactly has Ofgem asked the National Grid Company to look at? A target date of the next couple of years for dealing with problems with the transmission system is rather vague.

Perhaps the Minister would reinforce what the Committee said about not just the islands but more rural and peripheral parts of the transmission network on the mainland having the cap extended. The highlands need to be able to export what they produce and the national grid charging system should not be a barrier.

The hon. Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell) made a point about biomass. It is attractive not just because it is a continually renewable non-carbon production system, but because it can underpin a rural economy that is going through major changes in the common agricultural policy and the way in which we support our rural economies by providing new outlets for what we can grow and new ways of supporting the forestry industry when forest thinnings are not finding a good market. That makes a big difference.

The private Member's Bill of the hon. Member for Edinburgh, North and Leith (Mark Lazarowicz) could create the power for Ministers to use renewable heat obligations to try to drive biomass forward. The hon. Gentleman is seeking to give Ministers the power to do that. Ministers south of the border say that they do not want that power, but if Ministers north of the border want it, will the Minister explain how the Government intend to respond to that private Member's Bill and recognise that enabling legislation would at least put another tool in the box to encourage renewables?

Other forms of renewables have been discussed. The Danes and others have stolen the economic benefit of the onshore wind power industry by getting in first, but we still have the potential to be a major player in offshore wind, wave and tidal energy. We have the skills from North sea sub-sea technology which the hon. Member for Aberdeen, North talked about. Those skills are transferable to other aspects of working offshore. The exciting Pelamis project is unfortunately going to produce electricity for the Portuguese. Full-size wave-generation equipment is being built in my constituency and a tangible industry is beginning to build up. The Government must take that on board.

The Committee looked at the Dounreay work force but we have not discussed them much in this debate. The country made a major change to the Caithness economy when Dounreay went there and we have a moral obligation to deal with the decommissioning consequences for jobs and the economy there.

We should continue to support fusion research internationally. The report says that the debate should not be about nuclear versus renewables and, in an ideal world, it should not, but as the hon. Member for Aberdeen, North showed us, there is a concern that the history shows that that was a problem in the past. We must be mindful of the signals that are sent to the market when the Government say that they want to start up the nuclear industry again and of whether the investment in renewables that is finally beginning to take off will be starved as the market starts to realise that there is another outlook.

We also need to consider the legacy of nuclear waste and the £50 billion that we are using to clean up the current public-sector liability in relation to nuclear. Imagine what we could have done if that money had been invested in alternative sources of energy. Nuclear is the only source of power with its own police force. That sends a signal about some of the security issues and concerns that still need to be addressed.

There is much to be done in the future. If we can cut demand and ensure that we have the right climate for investment in maximising renewables, that we do not damage the full potential of the North sea and that we open up to the recognition of the markets around the world for clean coal technology and carbon sequestration, we have the potential to meet our energy needs, get our security of supply, improve our environmental impact, and develop our export industry and vital new jobs for the Scottish economy.

5.27 pm

Mr. Peter Atkinson (Hexham) (Con): I apologise on behalf of my hon. Friend the Member for Epping Forest (Mrs. Laing), the shadow Secretary of State for Scotland. She has been involved with the Committee on the Equality Bill, so I have the privilege of taking her place. I have a great affection for the Scottish Affairs Committee because I was put on it the moment that I was elected to the House and served on it for five years; basically, on the basis that my constituency has a border with Scotland, which, in the Conservative party, immediately makes one eligible to join the Scottish Affairs Committee. The other thing to do is to have a Scottish name and then one is guaranteed to be put on it straight away.

I commend the hon. Member for Glasgow, Central (Mr. Sarwar)—his constituency used to be known as Glasgow Govan, but sadly we have to call it Glasgow, Central these days—and the Committee on their very good report. The visit of members of the Committee to Dounreay—obviously they suddenly realised that there was a much bigger issue in relation to energy supplies in Scotland and indeed the United Kingdom—prompted the report. I appreciate that it was a short report because of the general election.

I do not think that anybody could disagree with recommendation 1. It is right for the Government to have an audit of energy resources and to produce a plan of what they propose for the future. Interestingly, the response from the Government on 25 October was anodyne, to say the least, but, lo and behold, just a few days later—at the CBI; not in Parliament, of course—the Prime Minister announced the energy review. The official Opposition welcomed that. We have had eight years of vacillation on this issue. Secretaries of State have come and gone and each appeared to have a different view of what energy requirements should be. The issue has been allowed to drift and the Government have been pushed between the green lobby, the nuclear lobby and coal lobby without making their mind up.

The situation is now urgent. The hon. Member for Lanark and Hamilton, East (Mr. Hood)—as I now have to call him—put things very clearly in relation to Scotland. Curiously, there appear to be differences in the figures showing what proportion of fuel provides what energy. However, the fact of the matter is that, with the vast majority of Scotland's energy coming from both nuclear and coal—which are going to run down—if nothing is done urgently, there will be a major problem, not just in Scotland, but in the United Kingdom as a whole. I suspect that one of the reasons why the Prime Minister launched his initiative when he did is because he realised the lesson that history has taught him: Governments who let the lights go out soon get dismissed from power. These days, with the whole of our economy dependent on energy, that would be a complete economic disaster for this country.

I take issue with something that the hon. Member for West Aberdeenshire and Kincardine (Sir Robert Smith) said. He talked about a reduction in demand. Of course, it is important that individual householders insulate their houses and make them more economic in terms of energy use, but the reality is that energy use will go up. Energy use, and electricity use in particular, has been increasing exponentially, one year after the other. Following the big bang in the City of London, energy use went up by 20 per cent. because of the need for air conditioning to cool servers and so on. Every new commercial building will now have air conditioning, which creates more demand. We have to expect a growing demand for electricity and power in the future.

Sir Robert Smith: It is still possible to do things in a more efficient way. If the hon. Gentleman considers the way that the economy has grown and the growth in energy demand, he will see that the economy has managed to grow far faster than the demand for energy. There is a lesson there about what happens when we make the right decisions. A building like Portcullis House does not use air conditioning; it has a more efficient system of cooling. There are ways to do that.

Mr. Atkinson: I agree but, globally, I predict that demand will continue to rise at a rate of 2 or 3 per cent. a year.

I would like to deal with various issues that were raised. My two colleagues sounded great enthusiasm for nuclear power, as did the hon. Member for Glasgow, North-West (John Robertson). I agree; there is opposition to it, but we should explore all possibilities. Renewables will play a role and clean coal technology is extremely important, as several hon. Members have said. This country is sitting on a great mound of coal and we cannot ignore that resource.

In the end, however, it comes down to what we do about nuclear. It is becoming evident that we need to replace the nuclear power stations that are going to close if we are to maintain the nuclear share of energy output in Scotland. The power station in the constituency of my hon. Friend the Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell) at Chapelcross would make an ideal site for a replacement station.

Attending the meeting of the all-party group on energy last night, I was able to talk to some nuclear engineers on the subject. The interesting thing about the new AP1000 generators is that they are much smaller and two could be placed on some of the sites of existing nuclear power stations. Setting aside the planning position, I also learned that new power stations could generate power three years from the day that the first sod was cut. That is a shorter time scale than those we

[Mr. Atkinson]

have talked about in the past. It runs the risk of planning difficulties, which would be ameliorated if new stations were put on existing sites where there is already a work force and people are used to having a nuclear power station in place.

On wind energy, if we consider all the outstanding applications in Scotland, the whole of the country would be covered in wind farms. I agree with many people who have deep reservations about that form of renewable energy. It is not just a question of the damage that it can do to the landscape, but the concerns that the Royal Society for the Protection of Birds recently outlined. I read the other day that it was very concerned about the huge wind farm plan for the Isle of Lewis, which will chop up golden eagles at the rate of four a day, if I read the report right. There are real concerns about that.

My hon. Friend the Member for Dumfriesshire, Clydesdale and Tweeddale mentioned biomass. He has a new biomass power station in Lockerbie in his constituency. That is to be encouraged because it helps the forestry industry to get rid of its surplus capacity. As always, there are two sides to this story and one of the problems with the Lockerbie power station is that it will predominantly be using woodchips to start with. Woodchips are destined for a large factory in my constituency, which will now have to pay much more for them because the renewables obligation means that the purchase of woodchip in Lockerbie will be effectively subsidised. It is never very easy to square the circle with regard to energy issues.

The Minister has to reply and we want to hear from him, but I shall say one last thing. There is a problem with the transmission arrangements and a review of those is somewhat urgent. There is a sort of illogic, whereby a power station at Peterhead has to pay £18 a kilowatt to transmit, while one in the south of England receives a bonus for generating. The Scottish Executive are talking about a subsidy—to put it that way—for the connectors to the islands, but nonsense is beginning to brew up in this situation and it ought to be addressed. It is important that Scottish power stations are not put at a disadvantage as far as other power stations in the United Kingdom are concerned because there is a good legacy of engineering skills and knowledge in Scotland that we would not want to be lost.

5.35 pm

The Parliamentary Under-Secretary of State for Scotland (David Cairns): May I begin by joining the chorus of congratulations for the Chairman and members of the Scottish Affairs Committee on securing the opportunity for us to debate energy issues in the Scottish context? I join the Chairman in thanking Baroness Adams of Somewhere in Paisley. [HON. MEMBERS: "Craigielea."] A fine place. I also thank the Committee members, and I join the Chairman in paying tribute to John Lyons and Peter Duncan, who made a significant contribution to the report.

There is zero prospect of me addressing many, if any, of the points raised in the debate, or the specific questions asked, in the fewer than nine minutes remaining. However, the report has drawn sharp attention to many important aspects of the problems facing us in Scotland when we consider our future energy policy. As has been said, the Government have formally responded to the Committee's specific recommendations and I shall speak about some of those in a moment.

The debate gives Parliament its first opportunity to discuss energy matters since my right hon. Friend the Prime Minister announced the energy review earlier this week. It is particularly fitting that this first debate should focus on energy policy relating to Scotland, given the importance of energy matters—ranging from those involving the North sea to our great renewables potential—in Scottish life. We have heard many excellent speeches, which reflected the variety of the issues across Scotland, from the south-west to Orkney and Shetland, and to the Western Isles and so on.

Mr. Joyce: Does my hon. Friend agree that the Beauly-Denny power line—Denny is in my Falkirk constituency—is fundamental to the future of renewables in Scotland? Scottish Power and the Scottish and Southern Energy Group proposed a sound project that minimises the environmental risk and has considerable support in my constituency.

David Cairns: My hon. Friend is right. The planning decision for the Beauly-Denny line rests with Scottish Executive Ministers, but it is clear that if one is going to generate renewable energy from sources in the far north of Scotland, or on the isles, it has to get to market somehow. Various ways of doing that have been suggested, including undergrounding, higher pylons and sub-sea cables. Those are matters for the Scottish Ministers. However, there is no getting away from the fact that it is essential to have some way of getting the electricity from where it is generated to the market. My hon. Friend is a strong supporter of the Beauly-Denny upgrade.

We have heard uniformly excellent speeches from my hon. Friends the Members for Glasgow, Central (Mr. Sarwar), for Glasgow, North-West (John Robertson), for Aberdeen, North (Mr. Doran), for Midlothian (Mr. Hamilton), for Glenrothes (Mr. MacDougall) and for Lanark and Hamilton, East (Mr. Hood). There were speeches of variable content from the hon. Members for Dumfriesshire, Clydesdale and Tweeddale (David Mundell), for Edinburgh, West (John Barrett), for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander), for Broxbourne (Mr. Walker), for Angus (Mr. Weir), for West Aberdeenshire and Kincardine (Sir Robert Smith) and for Hexham (Mr. Atkinson). The points that they made stand for themselves. I am sure that this debate will be drawn to the attention of my hon. Friend the Minister for Energy and those responsible for the conduct of the energy review, about which I shall speak in a moment.

On the energy scene last winter, the Committee identified the fundamental significance of the UK becoming a net importer of gas. As my hon. Friend the Member for Lanark and Hamilton, East said, we have been talking about that for many years, but it has not sunk into people's thinking. The Committee mentioned that last winter, but now it is significantly on the agenda and is one of the major factors behind the decision to have an energy review.

The Committee noted—this has been echoed in contributions today—the potential closure of much nuclear and coal-fired generating plant in coming years in Scotland, the cost pressures on remaining large-scale plants in Scotland and the challenges to be faced in bringing renewable generation forward. The importance of those challenges across the country was fundamental to the Prime Minister's announcement of the energy review.

I will not flatter the Committee unnecessarily by saying that its report was a trigger for the energy review, but undoubtedly the issues that it addressed and identified with great perspicacity also contributed, in the wider body politic, to the review's announcement.

The review will build on the goals set out in the 2003 White Paper, look at the supply and demand for energy beyond 2010 and consider the role of all forms of generation—gas, coal and nuclear. It will look at various renewables and consider the new technological opportunities of carbon capture. It will also—this is vital—consider transport and energy efficiency.

Mr. Sarwar: We have huge coal reserves in the UK, so coal must play a part in our future strategy. I understand that Scottish and UK coal are high in sulphur, so flue gas desulphurisation equipment will have to be fitted to plants. Will the Minister give a commitment that the Government will underwrite that cost to the coal industry?

David Cairns: My right hon. Friend the Prime Minister announced the review on Tuesday, and on Thursday afternoon my hon. Friend is looking for the answers. I cannot give him that commitment. I understand that the cost of installing such equipment is very high. As a result of the energy review, and when all the issues have been considered in the round, such a case may be made, but I am not in a position to give such an assurance at this stage.

The energy review will go a long way towards meeting the first recommendation in the Committee's report, which is that the

"Government undertake an audit of the energy resources that are currently available, and then . . . use that as a basis to work out the energy requirements that will be needed in the future."

As we have explained in the past couple of days, the context for energy policy has moved on in various ways since the White Paper was published almost three years ago. There is now overwhelming evidence of the nature of climate change, which we have not spoken about much in this debate. I believe that everyone accepts it as a given. No one is arguing that it is not happening, so we are considering the next stage. The evidence for climate change and the impact that that has on public policy are overwhelming.

Oil and gas prices have risen rise steeply—my hon. Friend the Member for Aberdeen, North made that point—and demand from the developing economies of China and India has increased. That has been referred to repeatedly by hon. Members, as has concern about the future security of UK energy supplies. Those things coming together mean that energy policy is back on the agenda with a vengeance, as the Prime Minister said on Tuesday. He spoke of the feverish rethinking that is taking place around the world on this paramount issue.

The review will consider the options for moving towards the goals set out in the energy White Paper. It will not be a nuclear review, or a review of a single technology. It must be about ensuring that we make the best use of a mix of technologies and sources of energy, and that we continue to press for greater efficiency in the use of energy. That point came up towards the end of the debate.

Inevitably, difficult decisions—or unpopular decisions, in some quarters—and trade-offs will have to be made. The Government intend to stimulate informed debates such as—all joking aside—the highly informed debate that we have had this afternoon. It is important that the debate move out from this Chamber to the whole of Scotland: it must engage the public, the business community, industry, academics, the private sector, non-governmental organisations and other experts, as well as members of the public. The Scotland Office and the Scottish Executive are already engaged with the review team, which is based at the Department of Trade and Industry. We will continue to engage with it, and, in the next six months or so, take forward many issues that have been mentioned today and in the Select Committee report.

Energy policy is mainly reserved to the UK Government, but many important aspects are devolved. The Executive will rightly have considerable interest in such matters. The Government fully recognise the importance of the Executive and the other devolved Administrations in energy policy issues, and we are committed to engaging with them during the review.

It is in everyone's interest to have a continuing dialogue in areas with a strong Scottish dimension. As with other aspects of ongoing energy policy, close contact between Whitehall and the Executive and an understanding of each other's concerns are important to securing the best outcome for Scotland and for the UK. Throughout the public consultation that will be launched at the turn of the year, we will make every effort to ensure that views in Scotland are fed into the review and taken into account in the recommendations. A series of events are planned to explain the review process and to hear the views of people in all parts of the country.

Question put and agreed to.

Adjourned accordingly at fifteen minutes to Six o'clock.

Westminster Hall

Tuesday 6 December 2005

[MISS ANN WIDDECOMBE *in the Chair*]

Bovine TB

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Cawsey.]*

9.30 am

Mr. Geoffrey Cox (Torridge and West Devon) (Con): I am very grateful and delighted to have secured this debate at a time when the subject is so topical. The effects of bovine tuberculosis in my constituency, across the south-west and throughout the country are becoming a subject of increasing public notice. Between January 1996 and August 2005, 123,800 cattle were compulsorily slaughtered as a result of bovine TB. In 2003–04, bovine TB cost the United Kingdom £88 million. The figure was £92 million in 2004–05, and I understand that it will be similar this year. The incidence of the disease in cattle is rising at an annual long-term rate of 18 per cent. According to the Government, if the disease continues to spread at the present rate, the number of slaughters will rise from the present level of 23,000 a year to 66,000 a year in just five years and the annual costs of testing and compensation alone will be £145 million.

Last year in my county of Devon, there were 396 new-herd incidents. However, I have been given access to the state veterinary service figures for 1 January to 1 December 2005, and they are shocking. The number of new-herd breakdowns in Devon has gone up from 396 last year to 669 in just those 11 months. The number of reactors slaughtered has risen to 6,056 and the number of slaughterhouse cases is 99. That increase from 396 to 669 in the number of confirmed new-herd incidents in Devon represents a rise of nearly 70 per cent. If anything demonstrates clearly that the economic cost to the country of bovine tuberculosis and its present almost uncontrolled spread is becoming financially unsustainable regionally and nationally, it is those figures. They are a call for action from the Government.

I know that the Government have not been entirely idle, and it would be wrong to suggest that the Minister's Department has been doing nothing. There are programmes afoot to look into the question of vaccination and to examine the efficacy of different tests. At the heart of the Government's policy—the subject on which I wish chiefly to dwell—have been the random badger culling trials, which concluded just a week ago.

The human costs of bovine TB, let alone the financial costs, have long been unsustainable. Bovine TB has a slow attritional effect on the morale of farming families. One in five calls to the rural stress information network—to whose work I pay handsome tribute—arises as a result of the direct or indirect effects of bovine tuberculosis. Each of us who lives in rural communities knows that the disease has many farming families in its seemingly relentless grip and we know of the strain that that imposes.

As well as the human costs, however, there are the economic costs. The Exeter university report in May concluded that

"there is little disagreement that the total cost of a TB incident generally exceeds payments for the livestock slaughtered."

I must tell the Minister that those effects will be exacerbated by the Government's proposals to introduce tabular valuations. The university of Reading found that 79 per cent. of dairy farmers and 65 per cent. of beef farmers suffered net losses from TB breakdowns of up to £17,000 per farm. Therefore, it is incumbent on all hon. Members, especially the Minister and the Department, to examine carefully the assumptions on which current policy is based. For some eight years, random badger culling trials have been at the heart of those assumptions. I wish to examine those trials. In 1997, Professor Krebs's commission found:

"There is strong circumstantial evidence to suggest that badgers represent a significant source of mycobacterium bovis infection in cattle".

Angela Browning (Tiverton and Honiton) (Con): I apologise that, due to other commitments, I must leave early. Having set up the Krebs commission when I was a Minister, I can tell the Chamber that the intention of the last Conservative Government was that the Krebs report should identify radical change to deal with this matter. That was eight years ago.

Mr. Cox: I am very grateful to my hon. Friend for that intervention because that is precisely what I wish to address. What was the purpose of the Krebs trials? What was their function? Professor Krebs never doubted that the badger represented a significant source of infection in cattle. He said that the strongest evidence came from the four cases in large areas of high herd breakdown incidents where herd breakdown rates were lower following badger removal. That evidence has been amply confirmed this year in the Republic of Ireland's four-areas trial, to which I shall return.

The Krebs trials were initiated with the principal aim of determining, if possible, not the qualitative contribution—not the fact that the badger was an influence in the spread of the disease—but the quantitative contribution, and the effectiveness of various methods of culling. Professor Krebs did not argue, nor, to my knowledge, has any sensible commentator ever argued, that the presence of infected wildlife was the only factor in the epidemiology of the disease. The question that no science has apparently yet been able to answer is that of extent.

The advice to the Government of the Science Advisory Council sub-group on bovine TB just two months ago was that the relative roles of cattle transmission and wildlife are still impossible to determine. However, it concluded that, in the current circumstances, cattle-to-cattle transmission was probably the dominant factor. It is important to be careful in examining what that might mean. The geographical spread of bovine TB within the UK may well be currently influenced by cattle movements.

Mr. Ian Liddell-Grainger (Bridgwater) (Con): Would my hon. Friend care to reflect on the fact that, during the foot and mouth outbreak when there were no cattle movements, TB still continued its spread across the country through some other medium?

Mr. Cox: I fully agree, but my intention at the moment is to examine the review of the Government's advice and the status of their thinking. For now, I shall not deal with whether I agree with the conclusions of the Science Advisory Council; I shall come to that at the end. I am examining the way in which the policy has developed within the Department, and I ask the Minister whether some of the assumptions that I am making and whether some of the inferences that I am drawing from the published material are incorrect.

I do not believe that the Minister or the Department dispute that whether cattle transmission totals 50 per cent., 60 per cent., 40 per cent. or more or less than that, the presence of a pool of infection within this country's wildlife—particularly in hot spots such as Devon—is a significant source of infection. I am fortified in that statement by correspondence from the Minister, which has been given to me by my constituent, Mr. Tony Yewdall. His family farm lost some 90 cattle over a period of two years, and I know that the Minister is familiar with Mr. Yewdall. In that extensive correspondence, the Minister did not seek to deny that the badger is a significant source of infection and likely to be implicated in the breakdown on the Yewdalls's farm, which, in common with many in the same predicament in my constituency, operates a closed herd.

Let us consider the Krebs trials. Will they be an effective way to determine the effectiveness of the culling and the quantitative contribution of the badger? Professor Godfray, who was commissioned by the Government to examine and inspect the Krebs trials, has concluded that they will not prove anything conclusive about the effectiveness of culling. Indeed, Professor Bourne, chairman of the Independent Scientific Group, told the Select Committee in 2004 that the trials' validity would apply only to the cull in the specific manner in which it was done in them.

There are at least serious doubts about the manner in which culling has been carried out in the suspended reactive and proactive triplet areas. In an answer to my hon. Friend the Member for North Shropshire (Mr. Paterson) on 8 December 2003, the Minister accepted that, in the poorest conditions, culling efficiency might be as low as 30 per cent. and it remains far below the 100 per cent. advised as essential by Professor Krebs if significant conclusions were to be drawn.

In his original report, Professor Krebs recommended that the reactive trial should involve the removal of

"all badgers, including lactating sows, from all social groups from territories including the breakdown farm."

He went on to stipulate

"sufficient follow-up to ensure that every member of every social group which could have caused the initial breakdown has been removed"

and that recolonisation of setts should be prevented for a reasonable period. There are strong grounds for believing that none of those conditions has been met. The Royal College of Veterinary Surgeons has pertinently observed of that failure:

"If the object is to control a disease by slaughtering potentially infected animals in a defined area, it is optimistic to expect this to work when a substantial proportion of them survive to spread the disease."

The importance of achieving 100 per cent. efficiency, which Professor Krebs initially regarded as crucial to the effectiveness of the trials, was emphasised by Mr. Alick Simmons, the head of the Department for Environment, Food and Rural Affairs's veterinary endemic animal disease and zoonoses division. In his evidence to the Select Committee in May 2004, he said:

"I think we have had a series of analyses done by various different scientists which show that if you remove all of the badgers from a particular area, then the effect of that on the incidence in cattle is quite dramatic, and I do not think there is any suggestion that we would consider anything else."

Thus there are serious questions about the effectiveness of the Krebs trials but, to conclude the trials, farmers throughout the country and in the south-west have been told endlessly to wait.

The badger population is currently estimated at well over 500,000. It has enjoyed protected status for many years and is not threatened. Indeed, the badger's status, given its lack of endangerment, is unique. That is entirely right. The badger is a unique and beautiful animal and occupies an affectionate place in the hearts of the British people. Gratuitous cruelty to animals is a disgusting practice and deserves the opprobrium and contempt that it receives when it is discovered. But bovine TB is a killer of badgers, too. Those with the disease can die a gruesome and harrowing death. I have read accounts by scientists of its pathology. A recent article by Dr. John Gallagher described the lungs of a diseased badger:

"But whilst in cattle very few bacilli are found in these destructive lesions the opposite occurs in badgers. As badger lesions mature vast numbers of bacilli can accumulate as necrosis gradually increases. Occasionally, massive colonisation can be seen in the tubules of damaged nephrons giving the appearance of a broth"

within the lungs of the infected animal. In parts of the country such as Devon, bovine TB is endemic in the badger population. We have a responsibility to deal with it in both the cattle and the wildlife population to the ultimate benefit of both.

Mr. Stephen O'Brien (Eddisbury) (Con): Unfortunately I, too, have to leave before the end of the debate. In the southern part of my constituency which borders on that of my hon. Friend the Member for North Shropshire (Mr. Paterson), we have a hot spot in the Audlem and Market Drayton area. It first appeared during the foot and mouth crisis, which rather reinforces the point that was made earlier. Does my hon. Friend recognise the need for a systematic testing of road kills, particularly in the light of the evidence he has just cited, because they are one of the best available sources of evidence to show the spread of TB and how it may not just be the result of cattle transmission?

Mr. Cox: I could not agree with my hon. Friend more. It is obviously vital that all instruments and tools available to us should be examined and expanded. I understand that the recent figures show that one in seven badgers from the road traffic accident testing were infected. Plainly we need to look at those tests much more carefully and expand the testing if possible.

On the strength of the Krebs trials, which the chairman of the Independent Scientific Group on cattle TB described as "of limited application", there has until recently been no development of a coherent and comprehensive strategy for the reduction and elimination of the disease that includes the vital wildlife factor. It is not surprising that events are reaching the pass that the statistics are showing.

Yet I do not want to paint a wholly gloomy picture. For on to this dark horizon, there came a ray of light. It seemed as if at last, for the Government and the Minister, the reality, although long obscured, had begun to dawn. There was the Government's strategic framework for the sustainable control of bovine tuberculosis. Many deride that document, regarding it as something that, after eight long years, is full of pious sentiments promising little in the way of immediate action. However, in the spirit that I intend to adopt for the purposes of this debate of trying to credit constructive action where credit is due, I do not think that all the criticisms are necessarily merited.

Having spent the last eight years in the pursuit of sound science based on the random badger culling trials, the framework acknowledges, just as Professor Godfray had warned over 18 months before:

"In this area, scientific results are always likely to be subject to debate and variable interpretation.

Decisions may have to be made taking account of scientific uncertainty. In considering the evidence on badger controls, we will, as well as assessing the scientific merits of options, need to focus on costs, practicality of delivery, conservation implications, and take in to account wider public opinion.

Partnership was essential to an effective strategy. There was to be an annual conference of stakeholders. A new national advisory body and a regionally tailored approach according to disease incidence and risk. Thus where there were areas of grave and intense infection, different measures might be called for.

There was to be an overall approach to the problem. Piecemeal solutions were to be rejected in favour of a combination of measures to tackle the disease that would encompass pre-movement testing, animal husbandry and measures to reduce the incidence of bTB in wildlife".

I do not believe that anybody could seriously object to any of the sentiments outlined in the framework document. Partnership: yes. We can also say yes to an overall, comprehensive approach that deals with both cattle and wildlife transmission. We can also say yes to a regionally tailored approach designed to target those areas where the infection is at its most intense, because in those areas there will be one risk assessment and in the areas that are relatively or entirely clean, the risk assessment will be different. That makes sense, and I understand it.

I also understand the other sentiments in the document, which states:

"How we tackle the threat from the wildlife reservoir, particularly badgers, is difficult to resolve scientifically."

It has taken the Government eight years to arrive at the conclusion that the science will not prove anything and that we shall have to proceed on the basis of scientific uncertainty. I applaud them if they have genuinely recognised that we shall have to use the best available evidence and assess risks in different areas, knowing that we cannot foresee the precise effects of the treatment that we prescribe in a particular area. As the document says,

"Scientific certainty and consensus are not always achievable. We need to find the means of interpreting science when there is conflicting advice."

I have to tell the Minister that it is his job to make such judgments. As the document says:

"Sometimes decisions need to be made on the basis of the best available scientific evidence and in the light of outstanding uncertainty."

The document then adds:

"It is important not to exclude the possibility of continuing to seek to control bTB through cattle based measures alone . . . In the case of bTB around 24,000 cattle are slaughtered each year to help control the disease, causing hardship to farmers and economic costs to Government and industry. We would not expect a limited/localised badger culling policy to be popular across the whole of society".

Finally, the document spoke of equity:

"Government must ensure that costs of controls are fairly distributed amongst beneficiaries. This is particularly sensitive given the existence of a wildlife reservoir of disease that is not currently controlled by Government (due to the uncertainty of the evidence) and that farmers are not permitted to control themselves."

In other words, the strategic document contained the clearest concession that there is an issue of equity and of basic, fundamental fairness in expecting the farming community to bear not only the cost of the pre-movement tests involved in controlling this disease, but the economic and human costs of being denied the right to defend their property and to protect themselves against a disease that, as the document said,

"farmers are not permitted to control themselves."

There is an issue about allowing this situation to continue and about loading ever more responsibilities on the farmer without tackling the wildlife reservoir of disease.

On 27 June, I attended a meeting with the Minister, along with constituents and representatives of the National Beef Association. The message from that meeting was unmistakable and was consistent with the strategic framework document, which said that it was important not to exclude the possibility of concentrating on cattle transmission alone. The interpretation of all those present was that the Government were moving slowly but ineluctably toward the inevitable conclusion. There was a lively discussion about the means by which a limited and humane cull might be carried out. The constructive engagement of the farming organisation was enlisted.

Then there was the scientific advice that the Government received. Just a few weeks ago, in September, the Science Advisory Council offered this cautious recommendation:

"Infection of cattle through cattle-to-cattle transmission and from wildlife reservoirs may occur in parallel. Where this occurs, both routes may need to be addressed for effective control . . . the results of the Irish Four Areas trial are unlikely to be directly and quantitatively applicable to mainland GB but provide strong evidence that in some circumstances proactive culling may provide a substantial contribution to control . . . culling may contribute to an effective control strategy in some heavily infected and geographically distinct and isolated areas, but only when coupled with other control measures."

It explained that the efficacy of culling would depend on local and geographical factors. Those are the very issues with which the national and regional policy sketched out in the strategic framework is concerned; hence the need for regionally tailored policies.

Finally, we have had consistent assurances from the Minister since the summer—repeated in this House—that an announcement could be expected in the autumn. I am willing to call December autumn if he will make his announcement now. Timing does not matter—as we know, we can suspend it in the House—so I shall be delighted if he will do so. I plead with him to show the

[Mr. Cox]

members of farming communities who have travelled a great distance to attend this debate that although the Government are moving slowly, they are going to take precise and specific action. Last month, the Minister said:

"I expect that some of the announcements that we will make later this autumn will be about what more can be done to prevent the spread of TB between cattle as well as how we may address the wildlife problem."—[*Official Report*, 17 November 2005; Vol. 439, c. 1089.]

All those statements, and the whole current of Government policy, seem to have been leading to a measured response to the problem of uncertain evidence and the long- neglected right of farming people to have their livelihoods and property protected in a manner in which they can have confidence. I accept that it is essential to assess risk and cost when considering that necessary buzzword in administrative law—what is "proportionate". The Minister has repeatedly said that that is what he is engaged in.

As the Government concede, however, in a genuine partnership, basic considerations of equity and fairness are at stake. Why should farming communities have to bear the cost of new cattle control measures, such as pre-movement testing, reduced compensation and the continuing and dramatic losses and effects of BTB while unable to protect themselves, their living and their animals from the reservoir of disease that everybody accepts exists? A limited resumption of culling must be available as a tool in any co-ordinated and comprehensive policy if it is veterinary opinion that circumstances on the ground call for it.

I accept that the Minister's Department has the spectre of a High Court judge looking over its shoulder, but I ask him to consider the terms of section 10(2) of the Protection of Badgers Act 1992:

"A licence may be granted to any person by the appropriate Minister authorising him, notwithstanding anything in the foregoing provisions of this Act, but subject to compliance with any conditions specified in the licence—(a) for the purpose of preventing the spread of disease, to kill or take badgers, or to interfere with a badger sett".

In other words, the Act clearly permits the Minister to issue a licence for the taking or culling of badgers to prevent the spread of disease. Subsection (9) of that same section says that that consent

"shall not be unreasonably withheld".

Thus, in a court, the onus would be on the Minister to prove that his consent to the licence had been reasonable.

Every farmer has rights to the peaceful enjoyment of his property under article 1 of protocol 1 of the European convention on human rights. Under the jurisprudence of that convention, a fair balance must be struck between the individual and the interests of society in protecting the badger. It was never the intention of Parliament that farming communities should be denied the opportunity of dealing with the wildlife reservoir if there were a prospect that that might be effective. Given that the Government seem to be unprepared to act even in the extreme circumstances described in the SAC's advice, a blanket policy denying all applications for a licence would stand a strong chance of being found to be unlawful. I hope that such action will be unnecessary.

Only the week before last, the *Farmers Guardian* announced that the Department had stated that the Minister's announcement could be expected today, so we have arrived at the end of a long and tortuous road—or have we? What new twist of the screw or the knife is to be inflicted on an anxious and expectant farming community? There are worrying developments, with which I ask the Minister to deal. In January 2006, the new EU food hygiene regulations come into force, which will require that dairy producers isolate and discard milk from TB reactor cows. What will that mean for producers in the south-west, where large herd breakdowns take place? We are in December, but there is no guidance from DEFRA on how to deal with the situation.

If there is to be a partnership, let there be genuine and greater flexibility to enable farmers to recover more quickly from a breakdown. Allow them to volunteer inconclusive reactors for slaughter. Where there are large herd losses, use the gamma interferon test to accelerate the diagnosis of infected cattle, and allow fast restocking. Where whole herds are removed—as has tragically been the case in my constituency and other constituencies throughout the south-west—if cattle-to-cattle transmission is the cause, fast restocking should be allowed after disinfection.

The feeling of the farming communities whom I represent is running very strong. They are law-abiding, courageous and decent people whom it is a privilege to represent, but they are at the end of their tether. They are stretched in every direction by one pressure on another and they cannot endure indefinitely. The human cost and misery of the tragedy, unfolding silently, unnoticed by a wider public, throughout the countryside, can no longer be ignored. If the Government fail to fulfil the hopes of an expectant farming community that, at last, pragmatic considerations have prevailed, they will rightly think that Nero himself could not have shown more shocking indifference to the fate of farmers, cattle and badgers alike.

I have received many letters on this subject from constituents—farmers, vets and others who have witnessed the burdens placed by bovine TB on farming families. I shall read only one. Mr. R. E. Colbear of Northlew near Okehampton says:

"I am writing as a farmer in the community and one who is at the present time under TB restriction. Since 1996 I have been shut down in my livestock business for BSE, F&M"—

foot and mouth—

"and now TB. On all 3 occasions the value of my livestock has decreased and my business activities have been either severely restricted or stopped, causing inability to pay my bills and trade to the best advantage . . . There have been livestock on this farm for a very long time, but the time is getting very close when that will change and I can see a time in the near future when no livestock remain.

Are the Government going to wait until the farming community become so desperate that badgers are slaughtered wholesale and become a thing of the past or are they going to rid themselves of fear of pressure groups and act? I cannot afford to wait any longer.

I have sought all my life to live an upright life according to Christian principles and shall continue to do so, but respect for government is waning fast.

More laws do not make people more law-abiding but more devious. If we do not see righteousness at the head of government, righteousness will not be in the nation.

Perhaps you could convey my circumstances to those above you in the House."

I hope that, at least in discharging that duty, I have been successful today.

10.4 am

Mr. David Heath (Somerton and Frome) (LD): I congratulate the hon. Member for Torridge and West Devon (Mr. Cox) on securing the debate and on his rhetorical flourishes in advancing the case on behalf of his constituents. It is very important that we discuss agriculture and particularly livestock industries in the House, but we rarely have an opportunity to do so. It seems to me there has not been a debate on this issue in Government time since before the election before last, which speaks volumes about the importance that is now placed on what is still, for many of us in the west country particularly but also for people in other parts of the country, an important industry.

This is an emotive subject for obvious reasons. None of us wants damage to be done to the wildlife in our areas, or rash decisions to be taken in dealing with this disease. As the hon. Gentleman said, there are many uncertainties. We are still vague about the transmission and the epidemiology of the disease, despite the best endeavours of many people over a long time. We know, however, that bovine tuberculosis is present in cattle herds and in the badger population and other wildlife populations, and although we cannot yet prove definitively the transmission between the two, the link is at least logical, given trials elsewhere and the experience of many of our farmers, whose herds are closed and have not been moved on and off their farms yet who see new instances of bovine tuberculosis in them.

It is clear that the major vector is cattle to cattle; everyone should accept that. Nevertheless, it is clear that other transmission methods enable the disease to get into our cattle population. That creates problems for the economy and for the welfare of the animals. I shall deal with the economic problem in a moment, but I want to stress welfare, because this is an animal welfare issue. Some 20,000 cattle are slaughtered every year. I do not happily accept the slaughter of cattle on that scale to eradicate disease; I know the effect that it has on the farmers involved.

I also believe that this is a welfare issue for the badger population—a key issue that has only just begun to surface in the public consciousness. Why on earth are we allowing an animal that we consider to be sufficiently important to list as a protected species to suffer and die from tuberculosis without doing anything about it? This is key to disease control.

Economically, the compulsory slaughter of cattle is costing the country roughly £19 million each year, as we have already heard. That is a huge sum of money that benefits no one. We should try to eradicate the disease rather than continually deal with a recurrent infection rate. The economic effects on each farmer are enormous. The compensation that they receive for their cattle is not important. What is important is the effect on their farming enterprises and the knock-on effects of the ban on movements off their farms that cause them all sorts of short-term management and husbandry problems. There are all sorts of economic and social effects on the farmers involved.

Bill Wiggin (Leominster) (Con): Has the hon. Gentleman had a case in his constituency like the one in mine, where people living in Pensax have been so intimidated by Department of Environment, Food and Rural Affairs officials—I have written to the Government about this—that they dare not release their cattle or even answer the phone? That is the extent of the problem, and I am grateful to the hon. Gentleman for talking about welfare.

Mr. Heath: Some of my constituents have had very unfortunate relationships with DEFRA officials, whose response to the disease has meant that there has been no plain sailing in dealing with it. There have been delays, particularly in dealing with bureaucratic aspects, which have caused those constituents a great deal of distress and have damaged their businesses.

I have outlined the economic and social effects on the farming population. I now return to the question of welfare and the disease that is endemic in the badger population. As the hon. Member for Torridge and West Devon said, it affects badgers far more than cattle. Another knock-on effect, which I shall not dwell on, is the illegal cull of badgers that is undoubtedly going on all the time. I do not condone it, but it is happening. Some of the road kills on our lanes—in Somerset, there is a dead badger on practically every lane—were not hit by cars, but were put there having been otherwise destroyed. Those are the lengths to which people will go if they feel that their concerns are not being properly addressed.

For a long time, I have advised people that they should have patience on this issue, and I have advised care and consideration for the processes that the Government have had in train. In some ways, I have defended the Government's position because I thought it important to get the scientific evidence that the Krebs trials were supposed to produce—in less time than was taken.

I have always wanted to see the holy grail of an effective vaccine for the cattle population and for other wildlife, and I am interested in the prospective trial of the BCG vaccine on badgers. If there is any evidence that it provides effective damping of the infection rate in the badger population, it should be used more extensively and quickly than is envisaged. Surely, we have learned from foot and mouth that if we get a ring of protection around infected areas and reduce the transmission of the disease within the relevant population by vaccination, we can then start to deal sensibly with the infected animals within the ring.

It seems to me that long-term considerations have outgrown their usefulness because we need to deal with the crisis on our hands that affects our farming communities and our cattle and wildlife populations. That has been emphatically brought home to many of us not only by the farmers whom we represent but by the veterinary surgeons, who have an interest in having a disease-free animal population, and who take no joy from telling people that they have to put down their cattle or take other measures.

[Mr. Heath]

The time has come for targeted badger control in infected areas—not across the whole country. I do not want to see a slaughter of badgers; they are an adornment and decoration to the countryside. I know that many people feel great affection for the species, but we have to deal with infected areas and individuals effectively. Given the prevalence of the species—certainly in Somerset, and, I suspect, the whole of the west country—I have no doubt that we will see recolonisation in a short time if such control is used, as there is only one natural predator of badgers: the motor car. The badger is an effective species, which clearly enjoys and proliferates in the ecology still available to it, so let us not be concerned about the future health of the population.

Pre and post-movement testing on mature cattle that are moved from farm to farm should be introduced as a matter of course, although we need to reach a satisfactory conclusion on who should pay for it. Putting more burdens on the agricultural community is probably unsustainable, but we need to put that testing regime in place. We need to maintain the research base for the reasons I gave: to discover the epidemiology and for vaccine effectiveness and production.

I do not know why there was such a small control experiment of post-mortem testing of road kill badgers, which was not done in some counties. Indeed, my county was excluded. That is a huge available resource. If there were post-mortem testing of road kills, we would have a much clearer idea of the extent of the spread of bovine TB in the badger population. That is an elementary step towards understanding the disease and its spread.

Mr. Philip Hollobone (Kettering) (Con): I would like to support the hon. Gentleman's comments about the routine examination of road kills. Fortunately, in Northamptonshire, there are very few cases of bovine TB. The Leicester animal health division of the state veterinary service reported only 39 bovine TB cases this year. There is no call locally for a targeted cull in Northamptonshire, but there would be popular support for the routine examination of badgers that fall victim to road kills.

Mr. Heath: That is interesting because that area is outside the main current focus, and I welcome what the hon. Gentleman said. It is not just badgers; we must be wary of widespread infection in other wildlife species. At least as a precautionary measure, we should be doing occasional post mortems of other road kill species—deer, in particular, in my area.

Mr. Ian Liddell-Grainger *rose—*

Mr. Heath: Have I just said what the hon. Gentleman wished to say?

Mr. Liddell-Grainger: As a fellow Somerset MP, I am aware that there is a large red deer population on Exmoor. During the foot and mouth epidemic, to which I alluded earlier, there was no cattle movement. One of the issues that we explored, and I know that the hon. Gentleman supports it, was the wholesale checking of all deer that had been killed on Exmoor. Would he concur with that? I think that he probably would.

Mr. Heath: Given that that is what I just said, the hon. Gentleman can be confident that I will agree with him. There is a large deer population, not just on Exmoor and the Quantocks, but in my area—although not red deer, sadly. If they are potential vectors, we ought to know whether bovine tuberculosis has entered the herd.

The last point that I should like to make concerns compensation. We continue to be told that the Government intend to move from a system of 100 per cent. valuation to a tariff or tabular system. That has potential problems. I can see its attractions from the Treasury's point of view, but I fear for its consequences for some of our farmers. Can the Minister consider the difference in value between different breeds of cattle? I am thinking particularly about some of our rare breeds, which have huge potential value, although their market value is not always recognised in the same way. We must at least have variations within that tabular approach to allow for the difference between a pedigree herd and a superannuated milker—without being unkind to the black and whites in my constituency. There is a big difference in potential valuation.

I should also like to re-emphasise the urgency of the matter. When I asked a question on 20 October, the Secretary of State replied:

"Although I recognise that there are serious problems in areas such as the hon. Gentleman's constituency, he knows that that is not the case in other parts of the country."

Yes, I do, but it is my constituents that I am concerned about, because I am paid to represent them. She went on:

"We are anxious to tackle the problem in areas such as his, but we are just as anxious, if not more so, to keep clean areas clean."—[*Official Report*, 20 October 2005; Vol. 437, c. 979.]

I agree with that as well, but if that anxiety is expressed by the Secretary of State, it must now be translated into action by coming to a decision. Frankly, we have waited long enough for that decision. I hope that today is an opportunity for the Minister to stand up and tell us what he is going to do about bovine tuberculosis. If he does not, many people who are concerned about our agriculture industry, and the welfare of our wildlife, will want to know why he is continuing to dither.

10.19 am

Angela Browning (Tiverton and Honiton) (Con): I apologise to you, Miss Widdecombe, and to my hon. Friend the Member for Torridge and West Devon (Mr. Cox) that I have to attend the Standards and Privileges Committee shortly. I shall make a short contribution because, like my hon. Friend who represents a neighbouring constituency, I have seen the situation in the west country aggravated by the spread of this disease in such a short space of time.

One of the reasons why the previous Conservative Government commissioned the Krebs report was that we realised that there had to be a fundamental change in policy if the geographic spread of this disease was to be curtailed. It was not only present in the south-west peninsular, but had gone round the corner from

Bristol and was already into Gloucestershire and Herefordshire. We have now seen the further spread of the disease in such a short space of time.

When I was elected 14 years ago, my most northerly parish, Morebath, which borders Exmoor, had just had its first case of bovine tuberculosis. However, the disease is now well down the Exe valley. Indeed, I say to the Minister—he too is a neighbour of mine—that if he had farms in his constituency, I think that the disease would now be in his constituency too.

The aim of the Conservative Government in commissioning the Krebs report was to stop the geographic spread; we hoped that Krebs would come up with an alternative policy that could be implemented. I understand the difficulty that the Minister has; indeed I have spoken to him privately about that and about what I believe to be necessary, and I now do so publicly. The political will is needed to do something about this disease, which affects farmers to the extent so eloquently described by my hon. Friend the Member for Torridge and West Devon—the impact on farmers and their families has to be seen to be believed. It is not just about the money, although that of course is important in any business, but about the sheer desperation that people suffer when they are restricted, when they can see their whole livelihood being taken away from them and feel totally impotent to do anything about it.

I have sat in the Minister's chair, and I know that when one is dealing with badgers, which are a protected species, one has to jump through lots of hoops. My hon. Friend mentioned the powers that the Minister has to take action. As a Minister, I issued licences for the killing of badgers but, in order to do so, I had to try to get the permission of all sorts of groups of people, such as badger groups and the official badger panel, that were set up when the species was first protected. I am sure that, at the time, their establishment was well intended. Those groups are there to introduce checks and balances on ministerial decision making but, in a case like this, they hamper the Minister in doing what is the right thing to do.

The Minister will know, because I know that he has seen the data, that there have been experiments and trials around the world, not least the one in the Republic of Ireland, which I have visited twice, once as a Minister and once since. We do not have to reinvent the wheel in the UK. We are part of the European Union, so surely we can respect the scientific analysis of a trial carried out in another EU country, without saying that we have now got to spend years trialling the same thing ourselves. There should be a much faster process by which we can say what works and what does not. I know that, in the absence of concrete scientific evidence, the situation is difficult, but it cannot be left as it is. The disease will soon become endemic in the UK.

My hon. Friend the Member for Kettering (Mr. Hollobone) said that there are just a few cases in Northamptonshire. Give it five years, and he will not be standing up here and saying that there is no public feeling for action, because we have seen the same situation in Cornwall, Devon and Somerset. As the disease has spread, we could predict what would happen.

This debate, raised by my hon. Friend the Member for Torridge and West Devon, is timely because, after eight years, we are now waiting to see what the Government will do to make a difference to the farming community. I urge the Minister to act on this matter. If he does, he will have the support of many people in the House. I am sure that, with his persuasive powers, he can convince even the people who sit behind him in the Chamber that this is not just a slaughter policy; it is about the farming community and how it is suffering and the huge slaughter of farm animals. However, it is also about the welfare of the badger. It was once suggested to me that somehow tuberculosis does not affect badgers as it would any other species—human or animal. That is rubbish. They drag themselves around the countryside and become weak.

I love British culture, but I am worried by an aspect of it to do with animals—"The Wind in the Willows" approach to badgers. That must be changed. If people care about moles, rats and badgers, and other parts of our heritage, the well-being and health of badgers and wild creatures should matter. The Minister is best placed to make that case as the foundation for a change in policy. If that is to succeed, I am convinced that selective culling will be needed. When we commissioned the Krebs report, it was with the assumption that it would result in a need for culling to produce a cordon sanitaire around parts of the country to stop disease spreading down through the south-west peninsula, or further north.

Ann Winterton (Congleton) (Con): My hon. Friend has mentioned the Krebs report, and she was the Minister when it was implemented. The lack of a cordon sanitaire has led to exponential growth in the number of TB cases in the north-west, Staffordshire, Shropshire and Cheshire. Everything that my hon. Friends have said this morning applies to those counties as much as to the west-country.

Angela Browning: My hon. Friend is right. It was to try to prevent that spread that we asked Professor Krebs to examine existing policies.

I fully understand the difficulties that the Minister has. As a Minister I had to protect staff in what was then the Ministry of Agriculture, Fisheries and Food from the criminal activity of activists and lobby groups who attacked their persons and their property.

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw): It is still happening.

Angela Browning: I know. I fully understand the sensitivities and difficulties that the Minister faces. However, the task requires political will and I hope that he will exercise that.

10.27 am

Mr. Colin Breed (South-East Cornwall) (LD): I, too, congratulate the hon. Member for Torridge and West Devon (Mr. Cox) on not only securing the debate but on the wealth of information that he has provided to hon. Members. Of course, we have been here before, and some of us who have attended such debates and been

[Mr. Colin Breed]

members of DEFRA Select Committees before which the Minister and others appeared, are experiencing a certain amount of déjà vu. A huge amount of concern has been generated over a long period.

The figures that the hon. Gentleman has brought before us, which have been available for some time and which show the rising tide of a terrible disease, cannot be disputed. As has been said, recent Government policy has been predicated on the Krebs trials. I had Krebs trials in my constituency: we have triplets in trials in South-East Cornwall. Everyone with any knowledge at all of the Krebs trials has no doubt of their proper intention. They were a real attempt to reach a scientific analysis. However, there are, and have been for some time, questions about the likely effectiveness of the outcome of the trials. If they are to be published, it will be interesting to see what, after such a period of time, they will definitely have established.

I was grateful to the hon. Member for Tiverton and Honiton (Angela Browning) who reminded us how long the process, which was set up in her time as a Minister, has been going on and what has been achieved. I am sure that she and her Devon colleagues know that the situation in Cornwall is just as dire. The so-called hot spots are becoming almost a rash, and we must consider where we are, rather than where we want to be or where we hoped or thought we would be.

The science is not exact, and it might not be for some time. The number of incidents has risen significantly, particularly in the south-west, at huge financial and personal cost—we must emphasise the personal costs to farmers and their families and those who work for them; they are under enormous stress—and no effective vaccine is in prospect. However, farmers have also to face other things that compound their problems, such as low market prices; the unprofitability of their enterprises; the introduction of the single farm payment, which will cause concern in the next year or two; and the increasing incidence of bovine TB outbreaks.

The situation is increasingly desperate. Liberal Democrats represent many rural areas, and it is sad to see a lot of empty seats opposite us. The Government have to recognise that, in rural areas, the cry for action is becoming louder. Given the fact that farmers have gone through BSE and foot and mouth and the desperate problems of low prices and outbreaks of TB, how many of them will decide that enough is enough and that they cannot continue? Despite all the social, financial and family implications that will inevitably follow, how many will give up?

In the past two months, I have received a huge number of letters and e-mails from constituents, and I know from colleagues in Cornwall and other parts of the south-west that the situation needs to be properly addressed. As my hon. Friend the Member for Somerton and Frome (Mr. Heath) said, the welfare of the badger has to be taken into account more often than it has been in the past; we are dealing with very sick animals. My party had supported the Government's intentions in the Krebs trials, and had been keen to ensure that animal welfare was at the heart of policy making. However, in view of the crisis, I asked my party to do something that took a lot of persuasion—to adopt a policy on selective culling. Such a move had been rejected a number of times because we had genuinely hoped that the Krebs trials would produce a scientific solution, that vaccine might be the way forward and that we would finally overcome the terrible disease. However, the situation had become so bad that if livestock farming were to survive in this country, even with long-term solutions in place, we had to get on top of it.

It is always said that bovine TB is a highly emotive issue, and that was true when my party discussed it. Some 10 weeks ago, we decided to adopt a new policy that had three elements: an immediate and focused programme of badger control in the hot spot areas to prevent or control cross-contamination between badgers and cattle; the introduction of pre and post-movement testing of cattle—that is not wholly supported by some of my constituents, which I can understand given the costs of testing, the impact on the value of animals and the effects on farming, but we felt that it was important if we were to support selective culling.

Mr. Heath: It is an important component. The hon. Member for Congleton (Ann Winterton) spoke about the situation in Cheshire. It is almost certain that that was caused by cattle-to-cattle transmission due to the movement of herds from the west country to Cheshire, rather than any spread through the badger population. We must be aware of that and be prepared to do something about it.

Mr. Breed: I thank my hon. Friend for that intervention; I entirely agree with him.

The third element was that the Government have a further role to play in providing immediate and increased support for the development of a vaccine. There may be some elements of work on the BSG that could be useful. However, having spoken to a number of companies that are involved in vaccine development, it is clear that they will require significant Government support if they are to advance the programme. The likely profits that will be generated from a vaccine when it ultimately is obtained are not likely to encourage those companies to put an awful lot of their money into research and development.

It was with a heavy heart that my colleagues came to the conclusion that the situation was so desperate and had reached such a crisis, especially in the south-west, that culling was perhaps an inevitability. That was not because mass wholesale slaughter of badgers is a good thing; that would not take place. There would, however, be selective culling in known and persistent hot spots, especially in the south-west, to get on top of the situation while medium and long-term solutions are devised. As has been said by all hon. Members, we, the farming industry and many individual farmers are looking to the Minister and the Government to accept that the time has come for action, however unpalatable that may be, which it is for many. If the situation is not tackled now in a positive way, we will see a continuing spread of the disease, continuing misery in the farming industry, and perhaps we will be no further forward than we are now.

10.37 am

Mr. Owen Paterson (North Shropshire) (Con): It is a great pleasure, Miss Widdecombe, to serve under your chairmanship. I heartily congratulate my hon. Friend the Member for Torridge and West Devon (Mr. Cox) not only on securing this debate, but on his splendid and robust speech. I should declare my interests as set out in the register, namely my agricultural rent. I should declare another interest: I am probably the only MP who has had one pet badger, and I can guarantee that I am the only MP who has had two pet badgers.

I entirely endorse the comments of the hon. Member for Somerton and Frome (Mr. Heath), and of my hon. Friend the Member for Tiverton and Honiton (Angela Browning). There are real concerns on animal welfare, especially as regards badgers, and it grieves me to think that the descendants of my badgers could be suffering a hideous death due to Government neglect on TB.

There has been a developing hot spot around Market Drayton in my constituency. I spoke to Heulwen Charles of the National Farmers Union yesterday, who estimates that 25 per cent. of the dairy farms around Drayton have been affected by TB. Since I became a shadow Minister, I have made it my business to go around the country. I have been to the constituency of my hon. Friend the Member for Torridge and West Devon, I have seen Mr Yewdall, and I have asked more than 600 parliamentary questions on this matter. I would like to thank the Minister and the civil servants for the manner in which they have answered my questions because we have flushed out a huge amount of information, some of which I shall touch on.

Conservative Members wish to see a healthy prosperous cattle industry alongside a sustainable, managed and healthy wildlife population. At the moment, we have neither. DEFRA's consultation document of last year stated that we will spend £2 billion of taxpayers' money over the next 10 years not curing TB. In the Minister's own words, in a parliamentary reply:

"The Government recognise that eradication of bovine TB is unlikely to be achieved in the next 10 years using current control methods."—[*Official Report, House of Commons*, 31 January 2004; Vol. 418, c. 1465W.]

The numbers are staggering. Another parliamentary reply states that, in 1997, we slaughtered 3,760 cattle. The latest figures up to the end of October show that, this year, we have already killed 25,757 cattle. By the end of the year, that figure will represent a 700 per cent. increase on 1997.

The phenomenon occurs because we will not bear down on disease in both sectors. There is disease in both cattle and wildlife. Transmission may be cattle to cattle, cattle to wildlife, wildlife to wildlife or wildlife to cattle. The phenomenon that demonstrates that is closed farms. A Mr. Evans from Yockleton near Shrewsbury sent me an e-mail last week. They have had a breakdown, with serious badger activity on the farm, and that farm has closed after operating for more than 100 years.

I went to St. Mawes after the Royal Cornwall show. The Miles from St. Mawes have had a farm since 1966. On two sides is the sea, on one side is a village and on another side is a clean farm. They have bought in only three bulls since 1966, yet two years ago they found sick badgers on the farm—four were dead—and they recently lost half their herd. In a letter to the Minister, Mrs. Miles said:

"We are now in an impossible position. We have a business in crisis without the legal means to eradicate the likely cause of our problems."

As Mrs. Charles told me only yesterday in an e-mail:

"it seems totally unacceptable to be forced into slaughtering farm livestock that have Bovine TB and yet as an animal loving country we allow badgers who we know to be suffering from the disease to live. This not only allows them to spread the disease but die a most inhumane death."

The Minister told me in a written reply of the *extraordinarily high level of infectivity of badger urine* when badgers have renal TB. He stated:

"Bacterial loads of up to 300,000"

colony forming units

"per millilitre of urine have been measured. This suggests that inhalation of as little as 0.03 ml of the urine could result in infection."—[*Official Report, House of Commons*, 29 January 2004; Vol. 417, c. 485W.]

Again, the Minister told us on 29 January 2004 at column 483W that TB will survive in manure for two years and on pasture for five to 11 months. He also acknowledges the cruelty to badgers. In another reply, referring to an animal that may have had late-stage TB, he states that

"there would undoubtedly be an effect on the quality of life of such an animal."—[*Official Report, House of Commons*, 10 December 2003; Vol. 415, c. 523W.]

We so nearly got rid of the problem. In the 1930s, 40 per cent. of dairy cows were considered tuberculous. By using the tuberculin test and slaughter, before we had a wildlife reservoir, we got the figure down to 0.01 per cent. of animals tested in 1972. In 1971, a badger with tuberculosis was found in Gloucestershire next to a farm where two heifers had gone down with TB.

We have seen what happens where we do bear down on disease in wildlife. In another written reply, the Minister said:

"Four large-scale badger clearances have been carried out, at Thornbury in Avon ... Steeple Leaze in Dorset ... Hartland in North Devon ... and in an area of East Offaly in the Irish Republic ... All four clearances were followed by a reduction in the incidence of TB in cattle."—[*Official Report, House of Commons*, 22 January 2004; Vol. 416, c. 1365W.]

Again, in the Minister's words,

"No confirmed cases of tuberculosis in cattle in the area of the Thornbury operation were disclosed by the tuberculin test in the 10-year period following the cessation of gassing."—[*Official Report, House of Commons*, 28 January 2004; Vol. 416, c. 385W.]

Again, in the Minister's words:

"The fundamental difference between the Thornbury area and other areas in south west England, where bovine tuberculosis was a problem, was the systematic removal of badgers from the Thornbury area. No other species was similarly removed. No other contemporaneous change was identified that could have accounted for the reduction in TB incidence within the area."—[*Official Report, House of Commons*, 24 March 2004; Vol. 419, c. 826W.]

For two years, we were told to wait for the four-counties trial in Ireland. We now have the results. Removal of the badger population led to a reduction in breakdowns of 57 per cent. in Monaghan, 74 per cent. in Kilkenny, 75 per cent. in Cork and 96 per cent. in Donegal. That was confirmed by a number of vets.

[Mr. Owen Paterson]

John Gallagher, who has huge experience in TB as a former adviser on TB to DEFRA and as the retired senior vet for Devon and Cornwall, wrote a letter to the Secretary of State in February. There are now 420 vets behind the letter. They have 150 years of experience—frankly, more experience than all the Government's scientific advisers put together—and they are disgusted that badgers are

"condemned to a worsening eternity of tuberculosis disease".

Pictures were revealed by Dr. Gallagher in an article in the *Veterinary Times showing the hideous deaths that* tuberculous badgers suffer. Those vets were clear. They said that the Krebs trial, which has been referred to, is now "hopelessly compromised" and that it is

"a hugely expensive exercise which is most unlikely to yield any valid results. It is thus unacceptable to continue using this trial as an excuse for inaction . . . tuberculous badgers suffer a prolonged and wretched death and . . . a quarter of over 5000 badgers tested by MAFF during 1996 to 1998 were infected".

Again, vets who are very knowledgeable on this disease are emphatic that TB leads badgers to die cruel deaths. They have said:

"Just killing more and more cattle was the approach we used forty years ago before we knew the badger was a maintenance host . . . Then it was understandable, now it is incomprehensible . . . We feel this charade should cease immediately allowing effective control to be started forthwith."

Those vets cannot be blamed for thinking that the Krebs trials are discredited.

In another reply, the Minister said:

"Evidence from post cull surveys suggests that trapping efficiency can vary between 30 per cent. and 80 per cent."—[*Official Report*, 29 April 2004; Vol. 420, c. 1189W.]

It is not surprising that there is perturbation if 70 per cent. of badgers were so scared out of their wits that they scattered around the country spreading disease. The Minister has also told me that 57 per cent. of the traps were interfered with and 12 per cent. of them were stolen.

It is clear at the highest levels of veterinary knowledge in this country what should be done. The president of the British Veterinary Association, Dr. Bob McCracken, said:

"The infected badger must be controlled and removed—we are no longer debating if the infected badger should be removed; what we are debating is how to do so in an effective manner".

Yet, as recently as two weeks ago, the Minister seemed to be in denial. In a written answer, he claimed:

"Eighty per cent. of TB cases are spread from cattle to cattle"—[*Official Report*, 17 November 2005; Vol. 439, c. 1089W.]

That is in total contradiction to the views of his own scientists. The central science laboratory said that the figure could be as low as 15 to 74 per cent. The Minister's claim has already been refuted in studies by Professor Wilesmith, a world-renowned expert who is convinced that there is badger transmission.

I repeat that transmission can be from cattle to cattle, cattle to badger, badger to cattle or badger to badger. We have to bear down on both sources of disease, but the Minister is absolutely determined not to do so. In a reply to me, he actually said:

"It is current policy not to issue any licences under sub-section 10(2)(a)"—

of the Protection of Badgers Act 1992—

"to prevent the spread of bovine tuberculosis."—[*Official Report*, 18 March 2004; Vol. 419, c. 433W.]

He has made up his mind. He has not told Parliament why he has, in effect, repealed a section of British law.

I have tried to help the Minister. I have met scientists at Warwick university, who are convinced that they can get round one of his biggest problems—his fear of unnecessarily culling healthy badgers. Those scientists are convinced that polymerase chain reaction technology—PCR—could identify setts where diseased badgers live, because badgers live in social groups and use latrines. In his reply to me, however, the Minister was looking for an excuse not to accept advances in technology.

I went to Michigan to see how the Americans have handled TB, and they dismissed the Minister's reply as quibbling. They are convinced that there is real use to be made from identifying TB around badger setts, which could help us to take out the diseased badgers and leave healthy ones. We all agree that we want to leave the healthy ones, partly because they are a barrier to the spread of disease by diseased badgers.

There are real lessons to be learned in Michigan. I was astonished by the severity with which the federal and state authorities treated the disease. The lessons are simple: bear down on disease in cattle using fast, accurate and modern means of diagnosis. In Michigan, the authorities gave cattle a skin test and used gamma interferon and PCR. They have rigidly enforced, but workable pre-movement testing and movement restrictions. I went there thinking that pre-movement control was probably a political gesture on the part of the farming community to get action from the Government on wildlife, but it is more than that—it is an integral part of the community success in getting rid of disease in cattle. The farming community recently went for two years without a single herd going down.

However, the authorities also took vigorous, if unpopular, action to bear down on disease in wildlife. The white-tailed deer is iconic, but the culling of deer by means of hunting exceeds the culling of cattle. There is a huge public education programme, and the white-tailed deer population has been reduced by half. People were astonished by the grotesque level of disease in this country.

To take the necessary measures, the Government must keep the confidence of the farming community. It is vital that they do not chisel on compensation, as has perhaps been proposed with the tabular valuation. That runs directly counter to the experience in America, where farmers really co-operated. Reducing the disease is simple, and that will reduce the cost, which will help the Treasury.

It is not only the cattle industry, the beef industry and the dairy industry that are at risk. As the US chief vet in charge of TB said, bovine tuberculosis is a serious zoonosis, which is dangerous to humans. It has already been transmitted to dogs and cats, and some humans have picked it up from cattle.

We were promised a statement on TB this autumn, but I do not count 6 December as autumn. The Government's attitude is incomprehensible. Whatever the reason for it, Government inaction is a scandalous dereliction of their duty to protect the people, cattle and wildlife of this country from an age-old preventable disease.

10.49 am

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw): May I, like other hon. Members, congratulate the hon. Member for Torridge and West Devon (Mr. Cox) on securing this debate and on his excellent speech, with its Shakespearean flourishes? I do not think that anyone has ever compared me to Nero, but there is always a first time. I am also grateful to him for mentioning the constructive meeting that we held with a delegation of farmers from his constituency. As a fellow Member representing the west country, I am well aware of the level of concern in his constituency, and much of our region, about bovine TB.

I want to correct some of the figures that the hon. Gentleman gave, which I do not think that he would want to remain on the record. I understand that he was not comparing like with like, but was comparing new herd incidence with confirmed incidence. The actual figures are that there were 396 confirmed new incidents last year and 350 confirmed new incidents between January and October this year. I think that the figure that he gave of 600-and-something was not confirmed. However, there is no doubt that there has been a significant increase, as he said. The current trend nationally is about 18 per cent. a year.

This is the most challenging animal health problem that we face. Successive Governments have grappled with it since incidence began to increase in the mid-1980s. As the hon. Gentleman acknowledged, the disease is complex, and some of the key related scientific issues still are not fully understood. However, he was also gracious enough to acknowledge that the Government have not been idle—I think that those are the words he used. I shall come to the wildlife controls shortly, as that is the issue about which hon. Members have been most concerned this morning.

As the hon. Member for North Shropshire (Mr. Paterson) has just acknowledged, international experience shows that good cattle controls are also absolutely essential in the fight against bovine TB. Those controls have been improved in the past year. We have taken a number of measures: we have calculated the routine testing intervals; applied movement restrictions immediately TB tests are overdue; developed a more rigorous and systematic approach to identifying and dealing with potential new TB hot spots; and introduced rigorous testing schedules for new and reformed herds.

It is now widely acknowledged on both sides of the House that the pre-movement testing of cattle is vital to prevent the spread of TB to the majority of areas in the country that are relatively clear of the disease. Scotland has already introduced it, and the rest of Britain cannot delay any longer.

Towards the end of last year we convened a stakeholder group—chaired by a farmer—to recommend an effective and practical mechanism of pre-movement testing. Details of how that will be applied will form part of our forthcoming announcement, which is also likely to contain details of changes to the way in which compensation will be paid, an expansion of the use of the gamma interferon test as a supplement to the skin test and an update on research, including that into vaccines.

Several hon. Members stressed the importance of developing a vaccine, which is, of course, our ultimate goal, but, as they accepted, that is some way off. Vaccine trials in the field have recently been approved, including one on badgers and a new study into potential cattle vaccines.

As hon. Members on both sides of the House acknowledge, just as bovine TB cannot be successfully tackled without strong measures to prevent the spread of the disease between cattle, international experience suggests that it cannot be contained or eradicated if its presence in wildlife is not addressed. That brings me to the thorny issue of badgers.

It has long been accepted that, in this country, badgers are the main wildlife hosts for bovine TB. The problem for the Government, in formulating policy, was that no proper scientific work had been done to study the role that badgers play in spreading the disease to cattle, or what wildlife controls might help to reduce the level of the disease in cattle. That is why they set up the Krebs trials, which started in 1998 and are almost complete. The final season's culling has finished and data will continue to be collected, but because of the urgency of the situation, I asked the Independent Scientific Group, which runs the trials, to provide us with its interim findings as soon as possible, which it has agreed to do. Those findings are currently being peer reviewed. They will help to inform the nature of the announcement that we intend to make soon. We have also carefully studied the experience in the Republic of Ireland, which has carried out its own badger culling trials.

I am grateful to the hon. Member for Torridge and West Devon for accepting—at least in his terms, if not those of his hon. Friends—that December still constitutes the autumn. It was always our intention to make an announcement before the recess, and we intend to stick to that. It is going to be made slightly later than we had originally proposed because of the interim findings from the ISG and the need for them to have a rapid peer review. However, that will be completed on time. A number of hon. Members have tried to tempt me to make an announcement here today, but I beg their patience for a few more days. They will understand, when they see the interim results from the trials, the reason for us wanting to wait for them before making an announcement.

Mr. Liddell-Grainger: Will the announcement be made before the recess?

Mr. Bradshaw: That is our current plan, yes.

Mr. Cox: Will the announcement address the question of the use of culling policy as a tool?

Mr. Bradshaw: It certainly will. As the hon. Gentleman acknowledged himself, there is still quite a lot of uncertainty about the science. He used the phrase that he hoped that policy would be based on the best available science, and I can certainly reassure him that that is the case. However, that leads me on to some of the simplistic solutions that are sometimes volunteered, including, I am afraid to say, by the hon. Member for Somerton and Frome (Mr. Heath), who gave the impression that targeted culling of infected badgers is a solution. I do not want to have to wait to make a policy announcement on badger culling until the PCR tests, for which the hon. Member for North Shropshire called, are available. That would mean that we would have to wait too long. Given that, any badger culling policy will not be restricted to badgers that are infected. I do not have a problem with that, but there must be honesty in the debate that that is what would happen.

The other thing that Liberal Democrat Members need to be aware of is that, although the science is uncertain, the overall burden of scientific evidence seems strongly to suggest that for a badger culling policy to be effective, it must be intensive and widespread, and that localised, targeted culling—whatever one wants to call it—at best, probably does not help. Most of the evidence so far seems to indicate that the sort of limited culling that is advocated by the Liberal Democrats would make things much worse.

Mr. Breed: Just to clarify that, we are not talking about individual farms, or even a cluster of farms, but about fairly significant areas within the south-west, which, as a part of the whole country, are a localised situation.

Mr. Bradshaw: I am grateful for that clarification, and I am sure that when the announcement is made in the next couple of weeks, we shall have a discussion on the sort of details to which the hon. Gentleman refers.

I think that I am right in saying that, in his previous life, the hon. Member for Torridge and West Devon was a lawyer.

Mr. Cox: Yes.

Mr. Bradshaw: Indeed. In that case, I have even more reason to feel grateful for his free legal advice about the pros and cons of badger culling policy. Let me assure him that, in my brief experience as a Minister, I always listen carefully to the advice that our lawyers give me, but then I make a decision based on what I think is the right policy. As he pointed out, it is possible to get legal advice that would militate in favour, as well as legal advice that would militate against, a badger culling policy, for different reasons. What is important is that Ministers make the decision based on what they believe the right policy is.

We have had a constructive debate, although I am sorry not to be able to liberate hon. Members who have attended it from their impatience. I share that impatience, but this is a serious animal disease that causes a great deal of grief and distress, not just to farmers, but in rural communities. I know the constituency of the hon. Member for Torridge and West Devon reasonably well. As we have repeatedly said, if the evidence suggests that badger culling would be a successful, cost-effective and sustainable tool in our battle against the terrible disease, the Government will not shy away from recommending it.

10.59 am

Sitting suspended until half-past Twelve o'clock.

New Electronic Media

12.30 pm

Michael Fabricant (Lichfield) (Con): I am delighted to have secured this debate. Most discussions so far about broadband Britain have focused on technical infrastructure, and more attention must now be paid to the content that will fill the new high-capacity pipes.

First, it is important to set the scene. We can be proud that broadband is available to 99.6 per cent. of the population of the United Kingdom—the highest coverage in any G7 country. However, that does not mean that the task of constructing the infrastructure is complete. Most broadband users can access speeds of only 512 kilobits per second. That is not true broadband, but it is a darn sight faster and broader—10 times faster, in fact—than dial-up. True broadband should have the ability to stream moving images, and that requires a stable data transfer rate of at least 2 megabits, perhaps 4 megabits, per second. The challenge that faces the Government and the telecoms companies already involved in development is to make such feeds widely available.

The ability to access still and moving images is one of the key advantages of true high-speed broadband, and I want to focus on the audiovisual content. Hollywood movies, soap operas and high-level sport will continue to play a large role, but the potential of broadband networks will not be fully realised if they are used simply as an additional platform for the distribution of traditional television channels, or as an alternative to the video rental shop.

By a happy coincidence, at the same time as broadband is cutting audiovisual distribution costs, the costs of professional-quality AV production are also falling. Some of the digital video cameras on sale in the high street are equivalent to the BBC's most sophisticated colour equipment of only a few years ago. Furthermore, the podcasting phenomenon has already demonstrated that there is a large public appetite for do-it-yourself content, produced by individuals outside the mainstream media. There is, therefore, good reason to expect the audiovisual markets of the future to be very different from those with which we are familiar. It is feasible to anticipate the development of a rich ecosystem of niche content providers serving local communities and minority interests, rather than the mass national audiences that we have today—and even those have shrunk, thanks to the diversity of TV channels now available.

That development represents a particular opportunity for the UK economy. We already have a strong creative sector that accounts for more than 8 per cent. of gross domestic product. In addition to the economic benefits, it has huge potential to enrich individuals' quality of life. However, the European Commission plans to regulate all audiovisual services, and that is a matter for concern. Specifically, it will shortly present proposals for the revision of the so-called television without frontiers directive. The legislation will establish an effective single market for traditional TV services by forbidding any member state to block the reception or retransmission of broadcasts made in conformity with the law of all the other member states. So far, so good. However, in pursuit of that objective, the Commission will lay down minimum standards for national legislation in a number of areas, the three most significant of which are advertising, protection of minors and European content quotas.

The Commissioner responsible for the rules, Mrs. Viviane Reding, has announced her intention to amend their scope so that they apply to all services that involve the delivery of moving images to the general public across electronic networks. As we move to a world in which every citizen is a potential content provider, the plan presents huge scope for unnecessary constraints and unintended consequences. That is inevitable, as the regulation is happening to an industry that—for all practical purposes—does not yet exist. Nobody knows what successful business models will look like in that fast-moving sector. The Commission is nevertheless suggesting a leap in the dark.

Such a leap is, in fact, completely unnecessary. None of the justifications that Mrs. Reding has advanced for additional EU regulation stand up to scrutiny. Let me take three points. First, there is no need for EU action to ensure that there is a level playing field between traditional broadcasters and providers of new on-demand services. All European countries agree on the need to prevent children from having access to unsuitable material, and to avoid exposing consumers to untruthful advertising. In other words, they will try to ensure that new on-demand services respect the same public policy objectives as traditional services, whether or not they are forced to do so by European Union legislation.

In most EU member states, on-demand services are already subject to some form of control. In the UK, for example, a successful self-regulatory regime—the Association for Television on Demand—has already been established by the industry in question, and the internet is not excluded from the jurisdiction of the Advertising Standards Authority. If any gaps are revealed as the sector develops, they can easily be filled by national legislation, which is better able to accept rapidly evolving circumstances than inflexible EU regulation. I think that that is what is called subsidiarity.

Secondly, although underlying public policy objectives need to be the same in both areas, the principle of technological neutrality demands that traditional broadcasters and providers of on-demand services are not regulated in the same way. By definition, the latter offer greater opportunities for user choice and parental control. Password controls can be used to ensure that children are protected. Such protections are unavailable on traditional TV. The 9 o'clock watershed is almost irrelevant as younger children stay up later. And what protection is that? Has anyone here seen the latest episode of "Rome"? Consequently, it is far from self-evident that on-demand services should be subjected to requirements designed for a world where user choice was limited to a small number of licensed broadcasters, where the broadcasters rather than the viewers decided what their audience would watch, and where a large part of the population watched the same thing at the same time.

Thirdly, there is the freedom to provide services across borders, which should be the Commission's central concern. That freedom is already guaranteed for on-demand services by another piece of EU legislation, the so-called e-commerce directive. Mrs. Reding argues

[Michael Fabricant]

that that guarantee is not firm enough; member states may still block foreign services in certain circumstances. However, no amount of Brussels harmonisation will remove the need for service providers to continue to tailor audiovisual services to national languages and cultural preferences. The guarantees provided by the e-commerce directive are therefore proportionate to the foreseeable scope for cross-border trade in services.

In fact, the only argument in favour of the Commission's proposals appears to be bureaucratic neatness; it looks untidy if EU rules apply to one type of audiovisual content but another escapes. Although that argument may appeal to some of the more Cartesian controlling minds in Brussels, I should like to enter a plea for good old Anglo-Saxon pragmatism: "If it ain't broke, don't fix it." That viewpoint is shared by practically all the UK organisations that would be affected by an extension in the scope of EU legislation—and many of their European counterparts. In the UK the broadband stakeholders' group, the ICT trade association Intellect, the Internet Service Providers Association and ATVOD, the self-regulatory body that I mentioned earlier, are united in their opposition to such a move. In the EU, the European Telecommunications Network Operators Association and the European Competitive Telecommunications Association also oppose it.

It has therefore been gratifying to note the Government's response to the final round of consultations conducted by the European Commission prior to the adoption of its proposal. In short, the Government appear to concur that Mrs. Reding's plans are completely superfluous. Does the Minister agree with that summary? Does he further agree that those plans stand in direct contradiction to President Barroso's better regulation agenda, which requires new EU legislation to respond to a clearly defined need, to be proportionate and to be accompanied by a reliable impact assessment? Will he provide an assurance than the UK will maintain robust opposition to the extended scope of EU legislation when the proposals are discussed at the Council of Ministers, which he will attend?

Sometimes we can see bad legislation only with the benefit of hindsight, but in this instance we can it coming like an express train. I hope that the Minister can reassure me, the telecoms industry and future users of this new medium that he will stop this bad legislation in its tracks.

12.41 pm

The Minister for Industry and the Regions (Alun Michael): I am grateful to the hon. Member for Lichfield (Michael Fabricant) for the way in which he introduced this interesting debate on a challenging policy issue. I am particularly pleased that he acknowledged at the start the enormous success that we have had in recent years in moving from the rear of the pack in the broadband race to pole position. Broadband is now available to 99.6 per cent. of the UK population—the highest level of any G7 country. We can both celebrate that development.

The hon. Gentleman said much that was positive and much with which I can agree. He also said a great deal about ambition, which fits with the work being led by my colleagues at the Department for Culture, Media and Sport and with the ambitions of the Government's digital strategy, on which I am the lead Minister. For those reasons, I shall focus on the way in which we need to revise European legislation on this issue, and I hope that my comments will command the hon. Gentleman's support.

Essentially, we need converged light-touch regulation fit for a converged world, but I suspect that we are unlikely to reach that stage in one leap. Indeed, when the pace of change is so fast, it might turn out to be a leap in the dark. Let me explain. Since it was last revised in 1997, the television without frontiers directive has delivered significant economic and cultural benefits to consumers and producers. Europe has benefited from a single market in TV services—however imperfect—and that has also enabled the industry to prosper. Consumers have benefited from an increased range and variety of programming and from the various protections under the directive.

However, times have changed. Over the lifetime of the directive, we have seen massive technological advances and the convergence of different media and technologies. In the light of that, and of the fact that parts of the directive are getting on for 20 years old, the European legislative framework for broadcasting needs to change. We would have had to reassess it anyway to see how well it was standing up against the requirements of the television industry and consumers. However, because of the acceleration of technological change and the major challenge of convergence, it is not enough to ask whether the directive is achieving its goals of promoting trans-frontier broadcasting in tandem with cultural diversity and the development of the European programme industry. We have to go much further—a point on which the hon. Gentleman and I also clearly agree. We have to look 10 years ahead and persuade politicians across Europe, and—this is sometimes an even bigger challenge—administrations across Europe, to understand and anticipate a world that they can hardly imagine in their wildest dreams, and to ensure that our European legislation will be fit for purpose then, not just in the present era.

We therefore welcome the re-examination of the directive. We want a flexible and proportionate directive that adheres to the better regulation principles being propounded by President Barroso, as the hon. Gentleman said. That will allow e-industry to grow and ensure that the regulations are future-proofed as far as possible. That task is not easy, and it is made risky by the enormous pace of change in the technological base of the industry.

The preamble to the 1997 revision of the television without frontiers directive actually mentions

"the opportunities for growth"

in the audiovisual sector

"opened up by new technologies".

But the difference between 1997 and 2005 is that we were then predicting convergence in a general sort of way, whereas today we are in the middle of the reality of convergence and, as both the hon. Gentleman and I have said, we can see that pace increasing rather than

decreasing. In today's world, television and on-demand services can be delivered down telephone lines, and viewers can have access to TV over the internet. The development of both fixed and mobile telephony is accelerating those changes. We can therefore be clear about one thing: convergence and the blurring of boundaries between previously separate media will continue and will produce new challenges—almost daily, probably.

Those challenges go to the core of the way in which broadcasting is regulated. What do we mean when we talk about broadcasting? What distinguishes broadcasting from other forms of communication? In the UK, we have tried to cope with that by having a technology-neutral definition of what a television service is, and have tried to make it future-proof by providing flexibility in the Communications Act 2003 to amend the definition should technological change require it.

Defining the scope of future regulation is at the heart of this issue. The Commission proposes that a revised directive should be underpinned by the new concept of "audiovisual content services", with different regulation for what are termed linear and non-linear services. Linear services are conventional TV-like services, whereas non-linear services are those pulled down by viewers, such as video on demand.

I see the key objectives of television without frontiers as to secure a genuine single market, to drive enterprise and to protect consumers and cultural diversity. In order to design changes that will work, we have to ask ourselves certain questions. I hope that many of the hon. Gentleman's concerns will be answered by the reassurance that we are asking the right questions, as that is the only way to get the right answers.

We should be asking the following questions. Can the distinction between linear and non-linear be made, or has it already been overtaken by technological change and new business models? Can we bridge the clear differences of view between traditional broadcasters and the providers of new services? There are some opportunities here. The hon. Gentleman mentioned Commissioner Viviane Reding; she and I co-hosted an event in July for the chief executives of a variety of organisations across Europe, at which there was an exciting debate in which it became clear that leading figures in the industry not only see the impact of convergence, but are starting to engage with issues of content. That goes across the scope of television, mobile telephony and the internet. The question that I posed—can we bridge the clear differences of view between traditional broadcasters and the providers of new services?—remains a challenging one for them as well as for us.

My third question is: should we—indeed, can we—level regulation down rather than up? We are keen on the model of light regulation and proportionate regulation, but it takes a good deal of effort at the design stage. I might return to this issue if provoked.

My fourth question is: can we design a system of co-regulation and self-regulation that achieves virtue with the minimum of red tape for the good guys while coming down heavily on the small minority of bad guys? In other words, can we create a system with the light-touch effectiveness of the antisocial behaviour order instead of the pedantic and expensive bureaucracy of the traditional court system? I dare say that I might get into trouble with the lawyers by making that point, but that is the way in which we should proceed. My fifth question is: can co-regulation and self-regulation bridge the divide between traditional broadcasters and the providers of new services?

Finally, given that the ultimate in self-regulation is the use of the off switch, we must consider how far we should regulate for protection and how far we should provide audiences with the tools to control what they want to watch, what they do not want to watch, and what they do not want their children to watch. I am sure from the hon. Gentleman's introductory remarks that he will agree that that question must be part of our approach.

In considering those questions, part of my answer is to point to examples of success. One of the best examples is what we have done in the UK to prevent access to child abuse and child pornography. The hon. Gentleman mentioned that, and said that it was an issue on which we could all agree. It is, but agreeing that one wishes to eradicate something is not the same as doing so. In this area, the strength of legislation often flies in the face of Edward Gibbon's advice that legislation often fails to prevent what it forbids.

This is not a case of the industry saying, "It can't be done," although one would have to go back only a short time to find the industry and those who had a particular interest in the internet saying that it could not and should not be done. We do not want the Government to produce heavy legislation under pressure from child protection non-governmental organisations and Members of Parliament, who are frequently swift to call for light regulation or no regulation until it comes to something they do not like, in which case they demand immediate legislation

Instead, the industry, the NGOs and the Government have worked with the police to produce a light-touch example of effective co-operative action that has achieved more in a year without legislation then we could have achieved in five years with it. I can confirm that that is the approach that we will be arguing for in the Council of Ministers. Clearly, it has limitations, but it has much to commend it. In a market that is moving very rapidly that approach has even more to commend it, because the time that it takes to produce national legislation—never mind European legislation—means that the industry and the technology is likely to have moved on a considerable distance by the time of implementation.

It is not for me to say much about the potential challenges for advertiser-funded broadcasting. The potential impact of personal video recorders has led to a great amount of debate among providers of free-to-air broadcasting. On one hand, there is the question of whether some of the rather detailed quantitative rules in the directive might be relaxed; on the other hand, there are divided views on the acceptability of new product placement techniques. I am sure that the latter issue should be thoroughly considered as part of the process.

[Alun Michael]

One strength of the current directive is the clear and distinct difference between programming and commercial promotions, so that audiences know when they are being sold something, and when they are receiving an independent communication. That separation maintains the confidence of consumers in the editorial integrity of programmes. One major challenge is to maintain that distinction in any new arrangements, given the range of questions and complications that we have already spelt out in the course of this short debate.

We must also examine costs and benefits. As the hon. Gentleman said earlier, with any new regulatory instrument it is important to weigh up the benefits against the costs and burdens, so we will have to scrutinize carefully the Commission's promised full regulatory impact assessment of its forthcoming proposal. Just as we apply that sort of impact assessment to our legislation in an increasingly stringent and professional way, we wish to see that become ever more effective with European legislation.

New legislation must be effective and enforceable. However, if we are to deliver the Lisbon agenda, it must also be flexible to encourage the growth of European businesses and markets. I have frequently made the point that the growth of our GDP across Europe has been some 40 per cent. dependent on information and communication technologies in recent years. However, the level in the United States is some 80 per cent. I suspect that if we could find a UK figure—these are figures from the Organisation for Economic Co-operation and Development—we would come somewhere between the two. That shows the benefits of our more open market and greater competitiveness, although that is still not at the level seen in the United States and some of our competitor countries in the far east and elsewhere. There is a big challenge to ensure an effective focus on the Lisbon agenda—which was, incidentally, the focus of debate in the European Telecommunications Council that I chaired last week.

If we fail to ensure that regulation has a light touch where possible, is fit for purpose and addresses the realities of technology and industry, we will fail Europe, and Europe will live in the past instead of competing dynamically with economies such as the USA, never mind China, India, Korea and Japan. There is still some way to go in resolving the detail of the directive, but when the Commission has published the draft we shall be in a better position to consult stakeholders, respond properly to the proposals and debate the issue properly, thoroughly and in detail with parliamentarians.

In areas such as i2010, the policy that we agreed last week, and which Viviane Reding, the Commissioner, has actively promoted during the UK presidency, I found her to be extremely forward-looking, and to have real vision about being ambitious for Europe. I am sure that we will be able to persuade her that the process of revising the television without frontiers directive must be dynamic, forward-looking and imaginative, and must find new and non-bureaucratic ways of achieving appropriate regulation and avoiding inappropriate regulation and bureaucracy. That can be achieved if we use our strengths and talents to the full across the different sectors.

In the short period since I took on this brief, I have been impressed by the amount and quality of the engagement between officials in the Department of Trade and Industry and the Department for Culture, Media and Sport with industry leaders in this important and challenging area of policy. I share some of the hon. Gentleman's concerns, but I am optimistic that we will be able to deliver the type of legislation that he seeks, and I look forward to debating the issues with him over the months to come.

Community Courts

12.58 pm

Mr. Graham Allen (Nottingham, North) (Lab): While health, education, the police and local councils now all work closely together in partnership to tackle our social problems locally, one institution stands aloof, not pulling its weight—the legal system. It often uses judicial independence and impartiality as an excuse to avoid the social responsibility that we must all share. That is an attitude as damaging and corrupting of social justice as was the canteen culture of the police—which, to their credit, they are changing. The legal system, too, must change.

That is felt at its keenest in constituencies such as mine and the Minister's, where despite the personal commitment and professional dedication of local professionals and practitioners, the culture of the legal system stands in the way of the comprehensive, multi-agency approach that we are all trying to build. Things need not be like that, and the Lord Chancellor needs to reposition the Department for Constitutional Affairs as a public service—customer-driven not producer-driven, freeing our talented local professionals to engage with our communities, not staff a system that looks down on them. That needs vision at ministerial and departmental level, and there are several strategies for achieving it. I want to talk about one of those strategies today.

Several weeks ago I had the opportunity to visit Red Hook in Brooklyn. Having had the usual problems of overburdened magistrates, ineffective results and high recidivism rates, the deprived neighbourhood of Red Hook established the Red Hook community court in 2000. The court emphasises rehabilitation, prevention and community involvement rather than punishment alone. Defendants were brought in one after the other before Judge Calabrese, and they had a personal and direct relationship with him. What I saw illustrated the emphasis on mediation and the strong commitment to helping with the lives of those, often young, people rather than simply locking them up to reoffend later.

Community courts are about taking proactive steps to prevent antisocial behaviour and criminality. Community justice involves identifying, acknowledging and addressing the range of problems that contribute to entanglement in the criminal justice system, rather than simply focusing on the crime itself. A single judge hears multi-jurisdictional cases in one court and becomes an integral element of the community. He can hand down sentences of up to one year. He goes to community meetings; indeed, he initiates them—an experience that has not ended civilisation as the judiciary knows it, or called his integrity or impartiality into question. A judge whose tiny staff take polaroids of damp and squalid housing conditions in the community and bring the municipal landlord to court is seen to be delivering justice impartially in the community. In some people's eyes, that is the first time that that has ever happened.

The results are as follows. Some 75 per cent. of defendants complied with sanctions in Red Hook, compared with 50 per cent. at the traditional court in downtown Brooklyn, the re-arrest rate among drug offenders who had completed a community court-monitored treatment plan was 29 per cent. lower over three years, and the annual arrest rate of defendants who had completed at least 90 days of court-mandated drug treatment fell over three years from 2.3 annual arrests before the intervention to 0.9 annual arrests.

Justice is seen to have a real impact on the community. The average arrest-to-arraignment time was 18.9 hours, compared with 29.2 hours at the downtown Manhattan court. The arrangements deliver justice swiftly. With results such as those, the community court movement began to expand, and the empirical research on those jurisdictions reinforces the successful data coming out of Red Hook.

The Department for Constitutional Affairs conducted a study of the US community courts and released the results in May 2005. It found that the community courts had less backlog, the community was more satisfied and defendants were more compliant with sentences.

The movement to create community courts in the UK is building. Lord Falconer, the Secretary of State for Constitutional Affairs, observed:

"Involving the community in deciding the priorities of the centre will mean that local people will see their main concerns being tackled with real and visible payback for the crimes that affect their way of life in their neighbourhood."

I agree wholeheartedly.

That ties in perfectly with neighbourhood policing and all our other local initiatives to put a human face on public services. The public respond whenever we do that, especially in the criminal justice system. In Nottingham tenants, residents, beat officers, neighbourhood wardens, probation officers, the Crown Prosecution Service and many others to whom I have spoken welcome the idea of a community court.

The very nature of community courts encourages an atmosphere in which a greater number of parties become involved in the process, and leads to wider justice for all. If a youth breaks someone's window, justice might involve getting the perpetrator to apologise to the owner and to work in community service projects to fix what they have broken. Rebuilding respect for the criminal justice system so that it is seen to deliver for people in local communities is radically different from the alienated process to which we have become accustomed in magistrates courts and other courts.

In community courts, those who violate the law see how their actions adversely affect other members of society. In addition, members of the community are more confident about giving evidence and helping to prevent problems from recurring. I am sure that witness intimidation is as big a problem in the constituencies of other hon. Members here as it is in mine, and it has to be tackled at the local level. Once we can administer justice at that level, community confidence will begin to be rebuilt. In community courts, those who are wronged also get a greater sense of justice because they are involved with the system, and feel better compensated by the unique process that the court offers.

Neighbourhoods' positive sentiments towards community courts are corroborated by the evidence collected, again, by the Department for Constitutional Affairs. The Department's research found that community residents' perceptions of safety had risen and, even more remarkably, that a majority of residents were willing to pay slightly increased taxes or to transfer

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money from other criminal justice agencies to fund the continuation of community courts. As a result of all that enthusiastic support for this innovative justice system, the United Kingdom's first community court opened its doors in January at the north Liverpool community justice centre. In the first six months after the court's introduction, north Liverpool experienced a decrease in crime, compared with the same time frame in the previous year.

Although Judge David Fletcher, who runs the community justice centre, is disparaged by some of the more conservative elements in the judiciary, he has emerged as an engaged community leader and personifies the success of the community court. My right hon. and learned Friend the Minister of State, Department for Constitutional Affairs has described him as having

"a very unique role of building community relationships across north Liverpool, as well as passing sentences and following cases through after conviction."

That personal element of the community courts prevents defendants from becoming alienated from the process and allows for true rehabilitation so that they have the option of becoming productive members of society. My right hon. and learned Friend has also said that the centre in Liverpool is

"already making a difference by listening to local people and giving them an opportunity to get involved in reducing local crime."

If we are to generate capable charismatic judges who roll up their sleeves, step outside the comfort zone of a cosy judicial career ladder and are proactive in our communities, the Department needs to initiate fundamental cultural changes. It needs to start by revamping the monochrome judicial training and ensuring that judges have a lifetime engagement with the communities that they are meant to serve.

Over 18 years I have put a great deal of effort into trying to meet the judiciary in my own city, and I have managed to meet judges and others on only a handful of occasions. However, within five minutes of entering the judge's jurisdiction in Brooklyn, on my way to Red Hook, I was sitting at the top table watching him administer justice. He showed photographs to a defendant who was going through a drug rehabilitation scheme, but who was wobbling and perhaps thinking of leaving the scheme to go back on to the drugs. The judge showed the defendant pictures of himself taken 40 days earlier and asked, "Is that the sort of thing you want to return to? Do you really want to go back to looking like that?" That sort of direct follow-through communication with defendants should be looked at and replicated in the UK. Ensuring that our judges are more in tune with their communities does not for one second mean that they are less impartial or less independent; it simply means that they are more capable of delivering the justice that we need.

Community courts are gaining momentum in the United Kingdom, and many more communities, including those in Nottingham, are ready to embrace this innovative system of justice at a lower level. Although I would prefer there to be a single judge, if that option were available, we can look at other levels, too. The Salford community justice initiative recently opened, and community justice panels in Chard and Ilminster are now operational and continuing the trend of success that the community courts have repeatedly shown since their creation.

We are serious about getting the legal system to be a part of Nottingham. This morning the idea of community courts will be discussed at our local criminal justice board. We have seen the adverse effects of antisocial behaviour and criminality and the need for an integrated way of tackling those growing problems. On Monday on one of my local estates we will launch Operation Kingdom: a multi-agency approach, with the addition of dozen extra police officers, will go in to fill a vacuum created by the very positive arrests of some of the key villains in the east midlands. We are going in there with housing, social security, CCTV operatives and additional police personnel to ensure that that community can be helped to rebuild itself now that those significant arrests have taken place.

That community, and Operation Kingdom, would be a classic case for assistance at judicial and legal level, but at the moment those connections are not there. What would the people on the Bestwood estate give to have an active involved judge repairing the damage done by a decade of criminality by one key family? We need such people in our communities. We need the Minister to make every intellectual effect to see how she can spread those pilots further.

A community court in Bestwood, or in St. Ann's or the Meadows in the constituencies of my hon. Friends the Members for Nottingham, East (Mr. Heppell) and for Nottingham, South (Alan Simpson) could be the spark that really makes our communities' fight-back unstoppable. We have had some adverse publicity in the city of Nottingham, some of it self-generated, but that would be a demonstration that Nottingham itself had thought this through, got everybody around the table and found another way to fight back and regenerate our communities.

In October, just to show that we are serious about this idea in our city, we had the privilege of playing host to district attorneys from Red Hook, who came to examine our magistrates and exchange notes on the best ways to deal with crime. They met our chief Crown prosecutor Kate Carty, and helped us to understand the steps that we need to take to make community courts a working reality for Nottingham. I invited those two female DAs from New York to the House of Commons and we had a chat here about the exciting possibilities, and how they had changed the community in Red Hook. The Crown prosecutor and I also took our case for community courts to Baroness Scotland, who is the relevant Home Office Minister. She, too, gave us encouragement and listened carefully to our ideas about the possible way forward for community courts in Nottingham.

I do not know whether I should have declared an interest at the beginning and I apologise if I have transgressed in any way, but I am the chairman of our local regeneration partnership in Nottingham, One Nottingham, which is the local strategic partnership charged with the regeneration of our city. Our priorities, too, tie in closely with ensuring that the legal system and the criminal justice system are a part of the revival and are not aloof and watching from afar. While maintaining their judicial integrity and independence, they should be in there with us helping us, as any other

public institution would, to revive and revitalise some of the deprived areas in my constituency. The community court is a perfect fit in that regeneration strategy and it helps the legal system to play its part as a full and active partner in regenerating our communities.

One Nottingham stands ready to hold the ring for any proposals coming forward for our city. We would be available to discuss with Ministers or officials how that might best be done. To show the seriousness with which we are preparing for that possibility, a conference will be held in March in the city of Nottingham under the umbrella of the Magistrates Association and a local trust in order to take those ideas forward. I do not know whether it is right for me to invite my right hon. and learned Friend the Minister to address that conference, but I shall ask her diary secretary whether she is available. As always, she will be very welcome. We were sad that she was unable to attend a day that we had planned for her in Nottingham; it would have included a discussion about the concept of community courts. I blame my former colleagues in the Whips Office for that misadventure, but I hope to make up for it on another occasion.

It is understandable that the Government want to see the completed results of some of the UK pilot programmes. However, if she does not know already, the Minister needs to be told that we stand ready to move whenever we are given the signal. Empirical data and community feedback show that community courts are having some success. The sooner we in Nottingham can begin to take those strides forward, curbing antisocial behaviour and criminality in our communities, the better.

Some may say, "We can't afford a community court; we'll have to pay for a judge, and the housing and accommodation." But our communities, which already pay billions of pounds as a result of petty criminality—the costs of the police service, the Prison Service, drug rehab, the broken families, the poor, and low educational attainment—would not agree that we cannot afford those courts. They would probably say that we cannot afford not to have them. Indeed, the quality of life of those in my constituency who live in the large former council estates in the outer city is diminished daily. They live in fear of the crime caused by the local yobs and the dealers. They, too, would probably say that we cannot afford not to have those courts.

I look forward to the day when my constituency can witness an innovative court with a spirited and positive judge like the one whom I saw in Red Hook, and probably like the one in north Liverpool. We have the support of our local community and our regeneration body, and we are supported also by the Government's vast research on the matter.

Nottingham is more than ready to become a pioneer in the revolutionary field of community justice. We ask only that the Government give us the opportunity, as soon as possible, to establish a community court in Nottingham. We, too, can then begin to have a positive impact on regeneration. We do not want justice to be an alien concept unrelated to everyday life; we want justice to be delivered locally, and to be seen to be delivered locally. We hope that that will help rebuild confidence not only in our judicial system but in our social system. We believe that the courts and the law have a central role to play in the regeneration of our communities, and community courts are a key way of demonstrating that.

1.18 pm

The Minister of State, Department for Constitutional Affairs (Ms Harriet Harman): I congratulate my hon. Friend the Member for Nottingham, North (Mr. Allen) on choosing to debate community courts. I admire the way in which he argued his cause. He made a strong case—and what we heard about in his short speech is just the tip of the iceberg. I know from discussions that I and my ministerial colleagues and officials have had with him that his work on this subject is based where it should be: he listens to what people are saying in his local community. The policy development is not being undertaken in an ivory tower, but is based on what his constituents are saying to him. It is therefore hugely important.

I also pay tribute to my hon. Friend's patient and measured approach. I appreciate that it must be hard for him—seeing the needs of his constituents and the downright urgency of the agenda that he is putting forward—when it sometimes takes a while to get ancient institutions to step forward and work together in different ways. I congratulate him on his patient persistence in taking this matter forward.

My hon. Friend made a point about the culture of the legal system, on which I can only agree. It is hard to believe that if we asked members of the communities whom we represent to design a system for resolving disputes and identifying criminal responsibility, they would conjure up the current system. I think that we all believe that many changes are needed—although many are already under way. The fact that something has been as it is for many hundreds of years is not a reason not to consider what it could do better.

My hon. Friend is right to say that we need to look at the courts and the legal system as a public service; the Secretary of State, Lord Falconer, strongly agrees with that point. That service is there to prevent crimes from being committed by acting as a deterrent, and to bring offenders to justice and punish them when crimes are committed. It is also there to resolve disputes within families that cannot be resolved outside court, and to resolve civil cases. Therefore it is a public service, and it needs to look outward more. That is the culture that Lord Falconer is leading forward from his position as Secretary of State.

My hon. Friend made several points about Red Hook. His point about multi-jurisdictionality—if that is not too long a word—was well made. Why do we have such a clear sense of the different silos of the civil and criminal jurisdictions? Many of the issues about which he spoke stray across those jurisdictions. He talked about people going out and taking photographs of damp conditions. There might be damp conditions in a block of flats. There might also be criminality there, problems with children not attending school as much as they should, and family problems. I agree with his suggestion, and thank him for making it, that we need to consider what the problems are and make the courts work to solve them, rather than making individuals or agencies go from pillar to post.

In the domestic violence court in Croydon, there are sometimes families who have family problems involving contact with children and decisions about property, as

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well as domestic violence issues. Why make one family go in front of two judges? Why not have all the facts go before one judge? That will happen in Croydon: one family, one judge. That idea needs to take root throughout the legal system—basing work around the problem, rather than making people go from pillar to post.

Mr. Allen: The multi-jurisdictional aspect is not merely internal to the law. In places such as Red Hook one can get drug rehab, child care and health care in the court building, and there is a children's court there, too. All sorts of facilities are satellites around the court, because it has become such an engine for the community.

In the UK we have the LIFT—local improvement finance trust—project in the health service, which means that a new building may contain not only a health centre, but a gymnasium and a local police station. I do not want to give my right hon. and learned Friend ideas—but on second thoughts, perhaps I do. Perhaps the Department for Constitutional Affairs should have a budget for an equivalent to the LIFT project, and consider doing similar experiments in the UK.

Ms Harman: That is an interesting point, which I will consider. My hon. Friend makes the point that in that community justice centre—it is not really a court building: it is more than that—there is drug rehabilitation provision and the like. I hope that as well as spending all the time that he does in his constituency and visiting Red Hook, he will visit north Liverpool community justice centre. I have not been to Red Hook, but I have been to north Liverpool, and his description of the judge at Red Hook reminded me of Judge David, as the community groups call him, of the north Liverpool community justice centre—out and about in jeans and a T-shirt with the community groups at the time of night when the community is particularly beset with problems because of kerb crawling and prostitution. I would like to take this opportunity to thank Judge David Fletcher for taking on his shoulders the responsibility for everyone's hopes and fears for community justice, and for his commitment to that.

When I was in Liverpool and met the community groups, I was struck by the fact that they have a sense of owning the judge, and why should they not? He is supposed to be providing justice in their community, and he does not fight shy of that; he knows that his working relationship with them helps him to understand what he has in front of him, and the right way to solve the problems. That is why, upstairs from the courthouse, there are drug and housing projects. On the same site there is a youth activities centre. That model is being developed there, and many of the community's hopes, and our hopes, rest on it. As I said, I hope that my hon. Friend will visit the centre.

My hon. Friend asked whether the initiative would be too expensive. Much of this initiative is about people seeing their work differently. Obviously, the more money that can be spent on it the better, but there is a possibility of change just because people see that they can do things differently. The domestic violence forum in Southend said that the judge from the family court was prepared to attend a meeting of the forum to hear about the effects of domestic violence, and that its members felt much more confidence as a result. I am sure that as a result, many more people were prepared to report domestic violence, because they felt that that person understood what was going on. My hon. Friend is right to say that this is a question of public confidence. He is also right to say that we need an opportunity for the wisdom of the community, which best knows the effects of the problems and how they can be solved, to be fed into the process. That means the judge and the community meeting, knowing each other and working together regularly.

My hon. Friend said that this initiative could unleash the spark that made the community fight back. We all know the reality of communities who just feel beaten. The community must be engaged to solve problems, but people will engage only if they feel that there are some prospects and some hope. My hon. Friend is right about that. He has asked for a community court in Nottingham, and he made a very powerful case. He also said that a conference was being prepared. Can it be on a Monday? It is much easier to escape the Whips on a Monday morning, and then I would be delighted to go. Community courts work well if the agencies are engaged—my hon. Friend has worked incredibly hard to make the agencies work together in Nottingham—and if the community is optimistic and prepared to engage. Again, he has led that process with his colleagues in the city.

I am sure that my hon. Friend's powerful case will elicit a positive response. I am also sure that in the meantime, what he is already doing is effecting change. He wants more and faster change for his constituents, and we in the Department for Constitutional Affairs, with our colleagues in the Home Office, want to work with him to help to deliver that, but make no mistake: he is already effecting change through those arguments.

We must consider what people want from the justice system and measure it not against what it used to do and what it does, but against what people want. Timeliness is an issue. People do not expect an ordinary assault to take eight months to come to court; they think that it is probably more reasonable if such a case comes to court within four weeks. That is the measure of the gap with which we have to deal. My hon. Friend is a champion of trying to remould the justice system into something that people want—and after all, they should have what they want. The justice system exists in their interests and they are paying for it; it is a necessary public service. We look forward to working with my hon. Friend in partnership on the public service reform agenda for the justice system.

Post Codes and Post Towns

1.30 pm

Dr. Vincent Cable (Twickenham) (LD): I am grateful for the opportunity to introduce this debate on a subject that causes a great deal of grief to many of my constituents and, I am sure, to many others across the country. It is not a conventional political issue, but none the less it causes a great deal of local concern and there is an element of ministerial responsibility. There are two related problems: the issue of post codes and post towns, which, under the current system, is not open to change, and that of the postal address files—the so-called PAFs—which, in theory, can enjoy some flexibility but in practice enjoy little.

Looking back over the *Hansard* reports, I have discovered a long history of local concerns about addresses. It reached a peak in 2002, so much so that there was an exchange between Postcomm, the post office regulator, and the Post Office, which was persuaded to introduce a more flexible system—a code of conduct—for changing the postal address file at least. I have some feedback on how that system is or is not working.

From the outset, I want to say that I fully understand the need for a standardised system. We have 28 million or 30 million homes in this country, with hundreds of millions of letters flying backwards and forwards. It is obviously important for the efficiency of sorting and distribution that there is a standardised system of post codes that can be read by machine. I fully understand that and why there need to be rules and an element of inflexibility. My basic concern is that the way in which the system operates is wholly inflexible and I want to ask the Minister whether there is anything that he can do. He is indirectly accountable for the Post Office and one stage removed from the regulator. Can the Government do anything to help deal with the problem?

It might be helpful if I split the problem into two halves. The first is the issue of post codes and post towns, which are the inflexible part of the framework. The Post Office and the Royal Mail are clear that only in the most extreme circumstances can those be changed. That presents some serious practical problems, and I will enumerate a few that arise in my constituency.

One cluster of houses—about 250 homes—was transferred to my borough of Richmond and my constituency about 12 years ago. The address of those homes is Twickenham road, Twickenham. However, the Post Office requires the post code to be TW13. That requires the homes to be referred to as Hanworth, Feltham—the post town of Feltham is in another constituency and another borough, Hounslow. That causes a great deal of confusion. Delivery people—both postmen and delivery companies—see the road signs for Twickenham, but they have a letter addressed to Feltham so they do not know what to do with it. A great many letters and deliveries go astray, leading to confusion and inefficiency.

Feelings were sufficiently strong for residents to petition and they involved me in the process. We took the matter up with the Royal Mail and invoked the support of the consumer watchdog, Postwatch, which was strongly supportive. We received an unequivocal negative from the Royal Mail. All we were doing was asking it to update the post town system to reflect the change of administrative boundaries; it would not do it.

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): I want to mention a specific point about the regulations that apply to Postwatch, and in my case to Postwatch Scotland, which arose when I was taking up an individual case. The residents in the upper Tweed part of my constituency have an ML12 post code, which relates to the post town of Biggar, and although there have been no issues such as those set out by the hon. Gentleman about delivery problems, there have been numerous other problems such as identification with the wrong local authority region, being omitted from telephone directories and the effect on insurance costs. Postwatch is unable to support a referendum among local residents if it does not solely relate to the quality of the postal service. That is a deficiency in the regulations.

Dr. Cable: The hon. Gentleman is right. I entirely recognise the problem that he describes. I am, perhaps, somewhat more fortunate than him in that the consumer watchdog took up an identical case in my constituency and Postwatch was severely ticked off by the Royal Mail, which wrote:

> "I am . . . surprised that Postwatch have offered their support given the contents of the Code of Practice."

The Post Office consumer watchdog was very firmly put in its place by the producers on that occasion. However, that is just one example; there are others.

In my constituency, there is a cluster of homes around the historic palace of Hampton Court. The residents live in the borough of Richmond, in the Twickenham area, but they are regarded by the Post Office as belonging to a Kingston post code—KT8—and are assigned the post town of East Molesey, which is a different community across the river in a different county, having no historical connection whatever. That causes great confusion. There is also part of a community named Whitton on the fringes of my constituency that has been allocated the post town of Hounslow, causing many comparable problems.

What are the problems? The hon. Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell) listed some of them. First, a great deal of mail and delivery goes astray. Residents such as those involved in the Twickenham road case cited examples of crucial legal documents, bank statements and bills being returned to sender because the postmen did not know what to do with them. Several residents have described being offered books of stamps by way of compensation. That is ironic because the whole justification for the Post Office maintaining its inflexible system is to maintain efficiency. This is an inefficiency for which there is, apparently, no redress.

As the intervention of the hon. Member for Dumfriesshire, Clydesdale and Tweeddale suggested, post codes are often linked to commercial services with the result that references in the Thomson directory are misleading. Insurance is often based on post codes. In one area of my constituency, the crime rate is quite low due to good, safe neighbourhood policing, but residents are given home and car insurance quotations on the

[Dr. Cable]

basis of their post code, which is in a different borough that has a much higher level of crime. Therefore, they pay a direct financial penalty as a result of the arbitrary allocation of a post code.

There are more serious matters. After I had secured this debate, I received an e-mail from a Leeds councillor whom I had never met, but who had a very informative point. He wrote:

"I have several parts in my ward which, though in the Leeds . . . area, have Bradford postcodes. This causes confusion—sometimes highly dangerous—where people are taken to the 'wrong' A&E Dept in emergencies, have calls transferred to the wrong police division, and are initially refused Council services—not to mention the predictable problems with mail".

Quite apart from the matters of commercial service, postal delivery and emergency services, there is the subtle psychological issue of identity. I do not represent an area where that is a powerful concern, but I believe that the Isle of Wight, for example, is not recognised by the Post Office, which regards it as part of Southampton. There are parts of Wales and, no doubt, Scotland that have English post codes and post towns. People in those areas value their identities and are disconcerted by that discrepancy. There are all sorts of reasons why a degree of flexibility should be introduced into the system governing post codes and post towns, while recognising the need for standardisation. A better balance should be struck.

The second problem relates to an area where there should be more give in the system but, in practice, there is not. That is the system of Post Office address files under which a geographical identity can be added or subtracted. Subject to the rules suggested by the Post Office regulator, the Royal Mail will add those extra details, subject to a referendum. A change can be accepted if 50 per cent. of people vote in favour of it. Indeed, there is now a negative procedure in which a change that the Post Office recommends will be accepted if no more than 20 people object to it.

Despite the fact that there is now a democratic way of changing people's postal address file names, it does not work at all well in practice. There are some happy examples, however. A small town near Barnsley in Yorkshire managed to change its postal address file name as a result of a campaign led by the umpire Dickie Bird, an example that is often cited to me as a model of what is possible. A counter example from Whitton, a town in my area, has aroused very strong feelings and has given rise to a petition of several thousand signatures, which I shall deliver to the Minister and the Royal Mail.

My constituency is made up of many urban villages and towns. Whitton has a very strong sense of identity and history. It has five schools, four churches and a railway station. Ordnance survey maps going back 150 years refer to it. At its centre is the famous Kneller hall, the home of the Royal Military School of Music. There is a very powerful community association and a very active business association. There are also annual carnivals and much else. Its name, however, has been removed from the postal address file, which has had very serious consequences.

The Minister for Industry and the Regions (Alun Michael): Such is the logic of the hon. Gentleman's remarks that I hesitate to intervene, but does he accept that Whitton has never been on the Royal Mail's postal address file and so has never been eliminated, as he says it has been in his rather dramatic press release? Does he also accept that correspondence advising the citizens of Whitton how to petition and allow the change to be implemented has never been pursued, and that it would be more sensible to use the process rather than to petition?

Dr. Cable: The right hon. Gentleman is wrong about several facts, but we shall return to them. We used the process, but the Post Office refused us support for the change. That is why the democratic election choice was impossible, although we would be very happy to use it. The local council supports it, the MP supports it, which is one of the conditions, the chamber of commerce supports it, and the local community very much wants to have a ballot, as the code requires.

The Minister is right to suggest that I used slightly colourful language in saying that Whitton was "eliminated", and that it was probably never included in the first place, but the situation has become more serious in that increasing numbers of commercial vehicles are using the postal address file while Thomson directories' maps, for example, no longer refer to Whitton. The telephone directory gives Twickenham, a town four miles away, as the address. Local atlases do not refer to Whitton at all.

Some of the practical problems that arise as a result are quite serious. Delivery vans often turn up in the borough looking for, say, Kneller road in Whitton, but all the directories refer to it as Kneller road in Twickenham, so they look in Twickenham, which is four miles away. Deliveries very often go astray, and a great deal of inconvenience is caused to businesses and individuals. Associated with that is a very strong sense that the identity of a community is being lost, and all the community groups are now pressing for a change.

The Minister said that the local communities have not used the appropriate methods, but there has been extensive correspondence, which I can show him, in which the local community associations and I have pressed the Royal Mail to hold a ballot to make the necessary change. The Royal Mail has simply refused to support the change. The reasons that it has given, which the consumer watchdog describes as inflexible, bear no relationship to the standard arguments that it advances about the need for a sophisticated computer-based sorting system. It refers to the confusion that could arise among the manual sorters. It is difficult to understand the arguments. Indeed, the Post Office consumer body, which has no axe to grind—there is no reason for it to support us—takes much the same view. However, if the Minister thinks that all that is required is for the local community to activate the process, we shall be delighted to do that. The key bodies, the council, the chamber of commerce and I are all in favour and anxious to achieve the necessary change.

To conclude, I ask two things of the Minister. First, is it possible to have some flexibility in relation to post codes and post towns, rather than the current rigid refusal to contemplate change? I understand about economies of scale and the need for standardisation, but

surely some kind of cost-benefit analysis must be made. There are severe costs in some cases—the 250 homes in Twickenham road that I cited make a good example. Can we not have some mechanism by which the Royal Mail is required to evaluate costs and benefits, and to allow a process of change?

Secondly, we seem to have run into the buffers in relation to the PAFs—I mentioned the example of Whitton. There is a process for change, but if the Post Office refuses to contemplate it, it is difficult to use it. Can the Minister help by finding a way around that obstacle?

1.46 pm

The Minister for Industry and the Regions (Alun Michael): I am grateful for the opportunity to respond to the debate, and I shall try to address all the points raised by the hon. Member for Twickenham (Dr. Cable). However, I urge him to be more accurate in future press releases, rather than chasing the quick headline.

I share instinctively his view of the importance of place, and his feeling that identity as a community and as a society depends largely on having a sense of place. It follows that, as community animals, we will want any post code to reflect both place and community. However, let us reflect on purpose: what is the post code for? What is the point of a post town?

As the hon. Gentleman acknowledged, the Royal Mail manages a massive operation that extends to every house and business in the United Kingdom. Its operational success is based on the efficient use of postal addresses, particularly post codes. Some 84 million postal items are delivered every day, and more than 950 million parcels every year. To meet its obligation to provide a universal postal service, Royal Mail has given every house and business in the UK a postal address. There are 27.5 million addresses and 1.7 million post codes, one for every 15 UK addresses.

Why has Royal Mail specified a correct way of addressing post to help its operations? Every delivery point in the UK has a postal address. Customers are encouraged to use the correct postal address, for the simple purpose of avoiding delays. A minimum amount of information is required by Royal Mail for accurate sorting and delivery: the addressee's name, the house number or name, the locality name, the town and the post code. The post code enables small numbers of adjacent properties—sometimes a single property—to be identified. The Royal Mail's postal address file—the PAF, to which the hon. Gentleman referred—also includes other information relevant to a postal address, such as the names of businesses. The file is subject to continuous updating to reflect changes in postal address information such as new housing developments and the renumbering of buildings or renaming of roads.

A post code is not a definition of personal or communal identity, it is a sorting and routing instruction. Its sole purpose in the postal context is to help to identify the most efficient route for delivering mail to customers. Society might use it in a variety of other ways, but that is what it is for, and why it was designed in the first place.

David Mundell: Will the right hon. Gentleman give way?

Alun Michael: No. The hon. Gentleman really ought to check protocol before he seeks to intervene in an Adjournment debate.

The post code allocated to each district and address is linked to Royal Mail's network of sorting and delivery offices. It was never intended to signify a geographically definitive address by local authority or other administrative boundary. Indeed, it is not a geographically accurate description of where a property is located, which explains some of the examples given by the hon. Member for Twickenham. It might include the name of the town where the delivery office is situated, which might be several miles away, or even in a different county.

I said that I instinctively shared the hon. Gentleman's affection for the identity of place, and the situation can be even worse, in that the town referred to by the post code might even be in a different country. Places such as Llanrhaeadr-ym-Mochnant have what appears to be an Oswestry post code and address. That can be a bit disconcerting, unless one accepts Owain Glyndwr's world view, in which case not only Oswestry, but Exeter, Gloucester and Leicester as well, are in Wales. However, the post code is not about perception or community, or even national identity; it is about delivery.

The hon. Gentleman referred to the use of the name Whitton, but that has never been a post town, as used by Royal Mail under the postal address file; it is used as a locality in the Twickenham post town area, so it follows that it has not been "eliminated" as such. Currently, it is used only it is if required to identify similarly named streets in the Twickenham area, such High street, Whitton, Twickenham.

Royal Mail received a request from a resident of the Whitton area in November 2004 asking for Whitton to be reinstated in the addresses of the area. It was explained that Whitton was not required as part of the postal address for the efficient delivery of mail, but that the code of practice allowed for its inclusion if certain criteria determined in the code were met. The three criteria are that inclusion of the name would not have an adverse affect on Royal Mail services—in other words, that the primary purpose of using names was met—that support for the change is obtained from customer representatives for the area, and that a clearly defined set of geographical boundary data are provided.

That would have allowed Royal Mail to undertake a consultation with affected residents, and if less than 20 per cent. objected, Whitton would have been included as a locality in the Twickenham post town area. Royal Mail never received a response to its letter. The residents of Whitton still have that option available to them. The hon. Member for Twickenham might feel that he gets a good deal of publicity locally by drawing up a petition, but as I have said, there is an avenue open to him to achieve the change, if it has the support that he claims.

Dr. Cable: May I point out for the record that there was extensive correspondence with Royal Mail in 2003,

[Dr. Cable]

the year before that letter was sent? It explored all the options, but Royal Mail specifically refused to allow a democratic ballot.

Alun Michael: I have given the hon. Gentleman the reply, and I think that he is wriggling. I suggest that he use the process, rather than asking for it to be changed. It would make provision for Whitton to be included, if such a change had the support that he suggests.

As I said, I instinctively accept that there can be problems with other uses, or the sense of location, if the purpose of the post code is misunderstood. That can sometimes affect the perceptions of an area. If other organisations—whether private or public, or in central or local government—decide to use post codes for other purposes, they must recognise and take account of the limitations of the PAF and post codes. Postcomm's 2003 consultation on the issue concluded that it was not reasonable to hold Royal Mail responsible for the use to which other bodies put the information that it provided. If there is evidence of a problem caused by the way in which the PAF is used by third parties, it should be brought to the attention of the authority with responsibility for the service in question.

The UK post code system was developed by Royal Mail in the 1960s to sort mail more efficiently, and to cope with population growth and increasing mail volumes. Efficiency is achieved by using the one-line post code as a shortcut for the full postal address. In an electronic age, the advantages of that must be manifest to everybody. If other organisations use the post code system for other purposes, they need to understand properly the way in which the post code system is constructed. They also need to understand that although flexibility seems attractive, it would result in a large number of complaints if it led to confusion in the delivery of mail. Mail with a post code can be sorted more quickly, accurately and efficiently. The alphanumeric combination used in the UK post code structure has proved robust, resilient and easy for mail users and the public to remember. That is why the UK has one of the highest levels of post code use in the world.

Royal Mail continues to develop and maintain high standards of post code compliance. That has a direct influence on its mail processing efficiency. Its automated sorting systems, address interpretation and optical character recognition machinery function by matching addresses against the postal address file. The routes taken by the men and women who deliver our post throughout the country are similarly devised on the basis of the postal address file.

The code of practice was adopted by Postcomm in 2001 to govern changes to Royal Mail's post code address file. It was reviewed in 2004 and adopted by Royal Mail. Under that code of practice, changes can be made for two reasons: first, to maintain or improve the service offered by Royal Mail—I am sure that that would have the support of everybody in this Chamber—and secondly, to reflect consumer demand. In the first case, Royal Mail can review the way in which it routes its mail to provide a better service. That may happen as a result of the siting of a new delivery office, new housing or business development, or the renumbering of buildings or renaming of roads by local authorities. In such cases, Royal Mail reviews existing post codes or addresses to maintain efficient handling and delivery.

Under the code of practice, Royal Mail will also consider requests from customers for changes to postal addresses. Locality information can be changed if the request is widely supported by customer representatives, such as Postwatch, local authorities, parish or district councils and Members of Parliament. An acceptable and clearly defined set of geographical boundary data must be available and there should be no significant level of objection from those affected by the proposed change of address.

In that event, Royal Mail writes to all affected addresses to advise them of the proposed change, giving customers who are likely to be affected the opportunity to register concerns or objections. As I have already indicated, if fewer than 20 per cent. of those affected register objections, the change can be made with immediate effect under the fast track system introduced in the code in 2004. If 20 per cent. or more of those affected raise objections, Royal Mail will carry out a poll of all households affected by the change. The decision on the change is based on a simple majority ruling. Royal Mail aims to conclude such polls and implement any address changes within two months of the ballot.

Changes to post towns affect a large number of addresses and have widespread implications. A post town acts as a clearing point for a particular district, so it is the basic unit of the postal delivery system. However, as I have indicated, that has implications for the perceptions of identification of localities, which sometimes go across not only local authority boundaries but even national boundaries. Royal Mail will consider requests for changes to post towns only when an area is being recoded to meet an operational need.

The post code forms the basis of Royal Mail's distribution network. Any change to post codes could compromise Royal Mail's operations, resulting in a poorer service to customers. We should be hesitant about introducing anything that would undermine the consistency of the service. Royal Mail will consider making changes to the last two characters of a post code in exceptional circumstances, but before it does, it requires evidence that all those affected by the change are in favour of it.

It is for the individual initiating such a request to obtain the necessary support. That is because Royal Mail's primary concern is to ensure that it can deliver mail efficiently to its customers. It will not consider making changes to the postal addresses that do not serve to improve its operational efficiency. I am sure that the hon. Member for Twickenham and others will, if they consider that process, accept that the first and most important consideration must be that Royal Mail is able to deliver an effective service in undertaking its responsibilities to deliver to all properties throughout the country.

It being Two o'clock, the motion for the Adjournment of the sitting lapsed, without Question put.

Westminster Hall

Wednesday 7 December 2005

[MR. ROGER GALE *in the Chair*]

Housing Benefit Pathfinders

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Heppell.]*

9.30 am

Vera Baird (Redcar) (Lab): Not having expertise in housing, my attention was drawn to the housing benefit pathfinders for three reasons when they were announced in 2002. First, housing benefit issues featured in my Redcar constituency surgeries. The system appeared to be complex and administered slowly, and people were getting into trouble because things were taking so long. However, there is no particular reason to think that Redcar council is poor at dealing with such matters.

Secondly, I thought of what I shall call the impact of the system on South Bank—a wonderful community in the old-fashioned sense in my constituency. Everyone knows each other and, although they might not all love each other, there is a strong sense of belonging to the town. Victorian terraces were built adjacent to a nearby steelworks, which has long since closed down and been demolished, although I am happy to say that we still have a strong steel industry in the constituency. When someone dies or a void occurs for one reason or another in those Victorian terraces—people might move out of South Bank to get off-street parking and a garden, which, one guesses, are major features missing from such areas—that void is hard to fill. There is no obvious market for those houses.

As the voids increase in number, the houses are bought in job lots by absent landlords. People in Redcar always say that the landlords live in London, from where all evil emanates. The houses are let on the sole condition that those who rent them are on housing benefit. The landlords have never seen the houses, let alone ever been to South Bank. They have no intention of maintaining the property and no interest in the conduct of the tenant, who often, since he is lives in a hard-to-fill area, has probably made himself less than welcome elsewhere. No good from that syndrome comes to the people of that good old-fashioned community in South Bank.

It is slightly ironic and very odd that the remoteness of the method of paying for rented accommodation—in housing benefit—seems to contribute to that. The money is paid by Redcar council and goes to London, many miles away, and neither the landlord nor the tenant has any interest in or connection with the community. I accept that the argument is slightly overextended, but I began to perceive housing benefit and how it is paid as capable of damaging such a community.

The third reason for my attention being drawn to the project is that Middlesbrough was invited to be a pathfinder. Although hon. Members might think that it is famous for its football club, its real claim to fame is that it is next door to Redcar. Middlesbrough declined that opportunity, because the same voids exist on both sides of the border between Redcar and Middlesbrough, and it was feared that, if people in Middlesbrough received generous amounts of money in their hands, the effect on the rented market in Redcar could be damaging. There would have been a flight of tenants to the pathfinder area, so, for that reason, Middlesbrough—and, for all I know, others—declined that opportunity.

Although I followed that argument, I was sorry that I had no closer prospect of seeing how such a pilot scheme would work. However, others have been monitoring these schemes and it is possible to see some emerging passions. *[Interruption.]* I apologise, I mean patterns. There is not much passion on a wintry December morning in Westminster Hall.

I should say for the sake of clarity that I am not a housing expert, but let me explain how the new local housing allowances work. Instead of an individual valuation being done on each property, the allowances are paid on the basis of the average rent in a broad rental market area. The average rent is calculated by the Rent Service—as I understand it, on the basis that each broad rental market area has at least two distinct residential areas. It takes off the lowest and the highest rents, and averages out the remaining rents. That is reviewed monthly and, in greater depth, quarterly.

David Taylor (North-West Leicestershire) (Lab/Co-op): My hon. and learned Friend is right to explain the notional way of calculating the rent for an area, but is she surprised to know that in a good number of areas fewer than 10 per cent. of available houses are available at the standard rent or lower? Sometimes the calculations are clearly adrift of what is happening in the local housing market.

Vera Baird: I imagine that my hon. Friend says that from his experience of his own locality, which he may be going to tell us more about. From the reports that I have had an opportunity to read, I think that the picture is variable. Sometimes the local housing allowance is generous and people can move up or pocket some of it; sometimes it is insufficient. I accept that it is a function of averaging that that is likely to happen, but it is important that there is sufficient fine tuning so that no one is disadvantaged.

The next characteristic of the local housing allowance is that it is paid to the tenant, not the landlord. As I have just said, if it is higher than the rent, the tenant can either keep it or move to a better property; if it is lower, he either has to make the rent up or move to what I suppose one would have to call a more appropriate property. The other point about the local housing allowance is that the amount is published, so people know what they will get in a particular area.

The primary point of the scheme is to try to drive personal responsibility and financial inclusion. That must be said to have worked in the pilot areas. According to Citizens Advice, 93 per cent. of people have now opened bank accounts, although not without some difficulties in the first instance and some continuing difficulties. A further purpose is to remove any stigma attached to being a recipient of housing benefit, whose rent was paid for as a sort of welfare case.

[Vera Baird]

Now individuals have their own money in their pocket. The scheme also must enhance flexibility in the sense that if a person were offered a job somewhere, historically they would have had more difficulty in moving than will be permitted by having the local housing allowance in their pocket.

David Taylor: Mine is not a pathfinder area, but I observe what is happening elsewhere. My hon. and learned Friend will acknowledge that, despite the successes, there are a fair number of occasions and examples involving people on a low income using housing benefit payments to cover other bills, instead of prioritising rent payments. As a consequence, some landlords—corporate landlords of the sort that she may be suggesting operate in South Bank—are withdrawing from this market.

Vera Baird: Yes, I am aware that there have been some withdrawals and that there might be some potential withdrawals. I imagine that the situation with vulnerable tenants would be worse if we were considering this system in the social rented sector, which I will come to in due course. I acknowledge that what my hon. Friend refers to has been something of a feature, although things have not been as bad as was expected at first. The point is that if the money is no longer paid directly to the landlord, the landlord has less guarantee of its receipt and less certainty that his income stream will continue uninterrupted.

The pilot schemes have been observed by the Department for Work and Pensions, Shelter, to which I am indebted for its report "On the right path?", and Citizens Advice—I have had a chance to read its report, "Early days". I am also indebted to the National Landlords Association, with which I had a conversation earlier this week. It represents about 7,500, mainly smaller, landlords. Of course, we are considering the pilot schemes about half way through the two years—they have been running for a year.

The first thing that drew my attention to the schemes was the issue of complexity in processing and the delays in getting housing benefit. It appears that, broadly speaking, that has improved, although there are some staggering figures. In Edinburgh, it takes 38 days less to process a local housing allowance application than it took to process a housing benefit application before the pilots. In Leeds, however, processing seems to be taking 35 days more.

There are some extraordinary results, but, by and large, it seems that the processing is being done more quickly. That is significant because delay can lead to debt and bank charges. It is important to have a bank account so that the money can be paid in and the direct debit can go out. That complexity needs addressing. For example, Post Office card accounts cannot have direct debits, so one has to get a proper bank account, although identification is sometimes a difficulty. It is a key point that the administration of that benefit should be done quickly, and there are signs that it has improved.

I am told by the National Landlords Association that landlords tend to make a business decision about whether to rent in the housing benefit sector. If they decide to do so, they accept that they will get the rent monthly in arrears, not up front. However, they think it will be paid steadily once they have started to receive it. Clearly, therefore, processing delays will now become more of a factor in blocking landlords' willingness to go along with housing benefit tenants, because landlords have no ultimate guarantee. That guarantee was their payback for waiting for processing delays to work their way through in the first place.

There is a default position: if a tenant is eight weeks in arrears with their local housing allowance paying the rent, it is resolved back to being paid into the hands of the landlord rather than those of the tenant. I have referred to the extent to which Leeds has increased the processing time—on average, it takes 69 days. That is very nearly 10 weeks, which means that, theoretically, anyone who applies for local housing allowance in Leeds will, by not having paid their eight weeks' rent, default before they even start. That is not a good way to start a new relationship with a landlord. That is worrying and it points up the fact that delays in administration must be conquered, although they are going in the right direction.

Next year, as a consequence of the Housing Act 2004, there will be one or more tenancy deposit schemes, which I imagine will become more important, granted that payment is not so easily guaranteed under local housing allowances. My understanding from Shelter is that the demand for tenancy deposits has increased from 66 to 75 per cent., presumably so that landlords might feel more reassured that at least that money is available. If the fear is of a flight of landlords—granted the lack of guarantee in the local housing allowance—it is important that tenancy deposit schemes are up and running quickly to reassure landlords and forestall any flight from the housing benefit sector.

A tenancy deposit scheme does not make it any easier for a person who does not have any money to find the deposit, but I am clear about the fact that the homelessness directorate of the Office of the Deputy Prime Minister is encouraging local authorities to fund deposit guarantee schemes. They will be important in giving people the flexibility to move, following their local housing allowance. That will also give some support and encouragement to landlords. It is important to process quicker, and that the guarantees from a deposit scheme come into play fairly quickly.

There is already some evidence of flight by landlords from renting to the housing benefit sector. Shelter noted a slight upward trend in landlords advertising, "No tenants on housing benefit." Its deeper research showed that there are more landlords who, although they do not advertise that they will not have people on housing benefit, do not take on such applicants. One landlord in four is not happy to take someone on housing benefit, apparently, but Shelter did not register that as representing a significant increase in the rate of refusal of housing benefit tenants as compared with the situation before the introduction of the local housing allowance.

The National Landlords Association says that there has been no flight from letting to housing benefit tenants within the organisation. However, Department for Work and Pensions research, published on 3 November, pointed to a marked withdrawal by corporate landlords, whose numbers are small but whose portfolios are large.

Individual landlords noted an increase in demand for letting, presumably as a consequence of the withdrawal of some corporate landlords. The general estimate across the three reports to which I have referred appears to be that about 10 per cent. less property is available for the housing benefit sector. That would be serious if it were replicated nationwide.

I want to discuss another element of that. Something that might help to resist further flight by landlords is the injection of better choice into how local housing allowance can be used. At the moment, it must be paid to the tenant and there is no real choice of having it paid direct to the landlord, although there is the default position that I mentioned: if someone has not paid their rent for eight weeks, it is automatically redirected to the landlord.

There is a test of vulnerability, however, and if someone is vulnerable due to some external factor, or has a history of not paying rent or already has debt, the money can be paid direct to the landlord if the local authority so certifies. However, that removes an element of choice, and because part of the point of the scheme is to give people choice and to make them exercise responsibility over their finances, it seems incompatible that tenants do not have the choice of having money paid direct from the local authority to the landlord. Perhaps that should be looked at.

Of course, tenants must be protected from there being conditions in the leasing agreement requiring their rent to be paid direct, and we must resist any prospect of landlords pressurising tenants into having the rent paid direct, but it is likely that that could be achieved, perhaps through a balancing mechanism established with the local authority. We picture landlords as dreadful people, but that is often completely false, and tenants and landlords have a close relationship and are on good terms. The ability to guarantee the landlord the rent on the basis of personal choice, sanctioned by the local authority, might further empower tenants and, in addition, give landlords some guarantee and perhaps impede any further flight.

I understand that a growing sector of landlordism these days consists of relatively young people who buy a property to let, considering it their security, rather than paying into a pension fund. In such circumstances, if there is no guarantee under the local housing allowance that the rental income will be paid regularly, the landlord's mortgage may be undermined and they might be put in real difficulty.

At the moment, if someone cannot pay rent regularly because they are vulnerable, it can be paid direct. If someone will not pay, or just does not want to pay, there is no way of having rent paid direct to the landlord. I am indebted to the Library for putting together a press pack for this debate, which contains a good deal of information. It refers in particular to the Grimsby area, where some people allegedly spent their local housing allowance on drugs, beer or holidays in Spain, although I do not know why there is a reference to Spain in particular. Such things will happen from time to time, and tenants are more vulnerable if they are susceptible to temptation of that sort, but if payments were made direct, at least they would not be without a roof when they returned from Spain. The element of choice needs to be looked at and perhaps adjusted in the mutual interest of tenants and landlords.

Rent can be paid direct now if someone proves their own vulnerability, which is a curious notion. It is self-evident that the most vulnerable people will be least able to demonstrate their vulnerability. Requiring someone who is vulnerable but completely compos mentis and together to go to their local authority to try to prove that they are sufficient of a fool that they cannot manage their own rent is also curious. The test of vulnerability is odd and needs to be reconfigured.

There is a report in the Citizens Advice research on the project of someone who wanted to have her rent paid direct and to admit that she was vulnerable because, historically, she had been unable to manage her finances well. However, she was too afraid to do that because she thought that social services might use it as leverage and a reason to take her child away. One can imagine how such concern could arise. That shows that better criteria are necessary if rent is to be paid direct, if that is what people want and it is in everybody's interest.

The new system does not appear to have caused significant rent inflation, although it seems fairly rational to say that there should be some rent inflation if the local housing allowance is worked out as the average rental and is higher than rents that are being demanded. Some landlords have increased their rents to local housing allowance level, but there do not seem to have been significant affordability issues for tenants—although I hear what my hon. Friend the Member for North-West Leicestershire (David Taylor) says about a pathfinder he observed—and, according to the reports, homelessness does not appear to have increased. There has been a 93 per cent. take-up of bank accounts, which must be a good step towards financial inclusion for a lot of formerly excluded people.

This scheme has been well resourced. The local housing allowances have been decent and, in many cases, the pathfinders have also involved contracts with advice agencies such as citizens advice bureaux—smoothing the way with landlords, explaining why there are delays, and helping applicants to get their processing done and to get a bank account. Without that, it seems highly likely that the scheme would have been significantly less successful.

With those few adjustments, the scheme is broadly to be welcomed. I am interested to know what the Minister and other hon. Members think of such possible ways of preventing a disastrous flight from the supply of housing. Over time, I hope, people will become more responsible with their money due to this mechanism, although I do not know how the problem will evolve.

The sector involves some 500,000 people on housing benefit; the social rented sector involves another 3.5 million people. I understand that there is an intention at least to consult on, or perhaps to pilot, rolling out local housing allowances in the social rented sector. I am interested to hear what the Minister has to say, because there is a much higher proportion of vulnerable people in the social rented sector. Pensioners, for example, are vulnerable for a range of reasons—it is not that they are profligate, particularly—and as people age and become weaker and less able to manage their affairs, it is key that they should not fall into debt for any such reason.

There are a lot of vulnerable people generally in the social rented sector, and major landlords in it fear that the lack of a guarantee could compromise rental income

[Vera Baird]

streams for registered social landlords, which would increase borrowing costs over the long term and perhaps cause difficulty. There may be stronger reservations about rolling out the scheme into the social rented sector, and I would be pleased to know what others think.

In my much-loved South Bank in the Redcar constituency, a lot of people who own houses are poor none the less, but they get no significant support with their housing costs. They certainly do not get such a benefit. Is not that an anomaly, particularly in such a setting, where people do not have a great deal of capital value protecting them? In derelict housing market areas such as the one I have described, capital values just collapse, so it is not as if people have property that they could realise in order to support themselves.

I broadly welcome the local housing allowances. I hope that they will be rolled out soon, and that Middlesbrough and Redcar will be included. For the reason that Middlesbrough chose not to become a participant in a pathfinder, it is important that there is a systematic way of rolling the schemes out so that availability in one local authority does not damage the housing market in an adjacent authority.

Several Hon. Members *rose—*

Mr. Roger Gale (in the Chair): Order. For the benefit of Members, I intend to call the Front Benchers from about 10.25 am. There should be ample time to accommodate those who want to speak.

9.54 am

Sir George Young (North-West Hampshire) (Con): We are grateful to the hon. and learned Member for Redcar (Vera Baird) for raising this subject this morning. She said that she is not a housing expert, but, if I may say so, she did jolly well. I am not a housing expert, but as I was a Minister with responsibility for housing for 10 years, I was one—or I certainly hope that I was. It is residual memories of that experience that prompted my interest in this morning's debate.

The hon. and learned Member for Redcar is right to raise this subject, because many in this Chamber know that, in the early 1990s, an apparently innocuous change to housing benefit was passed and was implemented on 1 April of a given year. Shortly afterwards, our postbags were full of complaints and the whole system had to be revisited. In a moment, I will say a word or two about a reform that has some comparison with the one we are discussing: the community charge. I put down a warning to Ministers about that.

This debate is being responded to by a Minister from the Department for Work and Pensions, whose presence I welcome. There is inevitably some tension between the DWP's view and that of Housing Ministers when it comes to housing policy, particularly when the payment for housing policy comes not from the Housing Minister's budget but from someone else's. I hope that the Minister will be able to say that he speaks as one with his colleagues in the Office of the Deputy Prime Minister, who have responsibilities for housing policy. There have been tensions in the past.

I want to pick up a point that the hon. and learned Lady raised at the end of her remarks about the Government's intention to roll this scheme out to registered social landlords. The arguments for doing so are weaker than they are in relation to the private rented sector, because extortionate rents are not being underpinned and there is no need to require people to shop around.

I hope that the Minister will consult those who provide the funding for housing associations—the Council of Mortgage Lenders and other institutions. They are interested in the cash flow of housing associations, to whom they advance funds. If, for the sake of argument, there was evidence that the scheme might slow down the cash flow and have some impact on bad debts, that would not stop them lending to housing associations, but it would affect the rate at which that lending was made. That would in turn have an impact on the output of social housing.

The Joseph Rowntree Foundation pointed out last week that fewer new social houses are currently being built than at any time since the 1920s. I do not think anybody would want to introduce a policy that further reduced the supply of social rented housing. I hope that the Minister will give an assurance that if the Government are to roll out the scheme to the RSLs, they will consult mortgage lenders and others to ensure that it does not damage the supply of such private rented housing.

I have had informal consultations with the housing association in my constituency, Testway, which is a large-scale voluntary transfer organisation. I discussed the matter with tenants and the housing association. They are concerned about the impact if the policy were to be rolled out to social landlords. I agree with what the hon. and learned Lady just said about the potential disadvantages if that were to be carried out.

I mentioned a moment ago that the policy had something in common with the community charge. Before the community charge was rolled out in England, which, I hasten to say, I voted against, those on low incomes had 100 per cent. of their rates paid direct to the local authority. They were not troubled by the rates. When the community charge was introduced, they were asked to pay roughly 10 per cent. They got that through their benefit and what they received was based on the average.

The theory was that that would act as an incentive to vote for prudent local authorities, so that the average that they received left them in pocket if they had a prudent local authority. The policy was not a thundering success. It failed mainly because it was regressive. People should not forget the administrative chaos that accompanied the introduction of the community charge. The money was paid through their benefit to people on low incomes—they got their 10 per cent.—but it did not find its way to the local authority, because it had other priorities and there were lots of bad debts. There is a risk of that particular feature of the community charge being replicated in this particular social policy unless precautions are taken.

Another point I want to make is that if one listens to the policy of the Government, one would think they were keen on choice. In their education and health policies, parents' choice and patients' choice are key

elements. However, this policy removes choice, as the hon. and learned Lady said. People will have no choice. Instead of people opting to have their rent paid directly to their landlord, the money will be given to them, unless they can prove that they are vulnerable. To that extent, this sits uneasily with the vocabulary of the Government, which is pro-choice, because this is a social reform that removes choice.

The hon. and learned Lady also mentioned the potential impact on the supply of private rented housing. One of the housing policy successes of the past 15 years has been the revival in private renting. There has been all-party agreement on the tenure form—the assured tenancy. The percentage of housing stock that is privately rented has shot up; speaking from memory, I would say that it has risen from about 5 per cent. to well into double figures. It would be sad if that revival were arrested because a change in the way housing benefit was paid led to private landlords withdrawing from the market, particularly in respect of the supply of houses to those on low incomes who for whatever reason are not a priority with local authorities, but who can currently get good quality accommodation from the private rented sector.

The community charge ended with the downfall of the then Prime Minister. I do not know whether the Secretary of State for Work and Pensions is hatching a sinister plot to bring forward the departure of the present Prime Minister by steaming ahead with a social policy that will have the same outcome, but he and his colleagues would be well advised to think it through before they steam ahead.

My final point comes from helpful analysis by the citizens advice bureaux. They made a clear recommendation about the rate for the under-25s, who have a lower rate in respect of entitlement. Is the Minister minded to accept that recommendation? Does he smile sympathetically on it?

To pick up a point of the hon. and learned Lady, a lot of resources went into the pathfinders. I expect that that helped to minimise the damaging fallout from the policy. Unless the same amount of resources is invested in the roll-out of this scheme, and unless the allowances are pitched at a fairly generous rate, the outcome now will be worse than in the pathfinders. If the Treasury has anything to do with this—I am sure it will—it will be anxious that the average rate is not pitched at too high a level. There will also be some drift, as the hon. and learned Lady said, and in respect of local rents what is the average will become the floor. What is the Minister's reaction to the CABs' sensible recommendations? Will he give an assurance that if and when this scheme is rolled out, the CABs' recommendations will be an integral part of the roll-out policy?

10.3 am

Mr. Iain Wright (Hartlepool) (Lab): It is always an honour to follow the right hon. Member for North-West Hampshire (Sir George Young), who spoke with obvious authority and experience as a former Housing Minister.

I thank my hon. and learned Friend the Member for Redcar (Vera Baird) for securing the debate, and I am grateful for being allowed to speak briefly in it. Her constituency is next door but one to mine—just a brief hop over the Tees—and the experiences of her constituents in Redcar are similar to those of mine in Hartlepool. I want to touch on two areas that she mentioned—the scheme's effect on antisocial behaviour, and the need for financial inclusion and the subsequent education of people to help to promote that—although I will not be able to deal with them with her assurance and eloquence.

The housing benefit pathfinder scheme promotes fairness, simplicity and transparency in the benefit system. It promotes financial responsibility for the tenant on housing benefit, but—this is crucial—also imposes a degree of responsibility on the landlord, which the traditional housing benefit does not. There is a requirement under the pathfinder scheme to make the landlord, for his or her own financial gain, ensure that the housing benefit has been received from the tenant and to chase the matter up if the rent has not been paid.

In my constituency, as in Redcar and many other northern industrial towns, decent areas have been destroyed by absentee landlords who do not know where Hartlepool is, let alone where in the town their particular property is located. Those landlords could not care less about the social repercussions of putting—let me be frank—antisocial scum in an area, thereby blighting the lives of decent residents.

I hold weekly constituency surgeries. Last Friday, a couple came to see me. They had lived in their property for some 40 years; they had raised their children there, and they now enjoyed their grandchildren coming to visit. In the past two years, private absentee landlords—from where, I am not certain, although I am tempted to say "that there London"—have bought the properties on either side of the couple's house. Now, day after day and night after night, this decent man and woman have to put up with 24-hour drug-dealing, noise and threats of violence. Accompanying that is the terrifying ordeal of their neighbour banging the walls all night and threatening to kill them, although they have not even met.

This couple now want to move out of their home of 40 years, because they are frightened of possible repercussions should they complain about these antisocial tenants. They are not the only ones. I could mention a range of areas in the centre of Hartlepool, populated by good people who wish to improve their community by participating in such groups as the West End and Hartwell residents' associations, but whose areas are being damaged when a thoughtless and often absentee landlord puts—again, let me be frank—all manner of yobs into their property. That is not right.

I passionately believe that landlords have a responsibility to ensure that their tenants respect their neighbours and the community in which their property is rented. I want the pathfinder scheme to be extended to my constituency, so that those committing criminal and antisocial behaviour get it into their heads that they cannot go around taking the mick out of decent people—or worse, making those people fear for their personal safety—but that if they do, they stand a good chance of being evicted.

Should the landlord be forced to take a greater role and assume more responsibility for getting the rent, that will have a positive impact. I know that residents in those areas of Hartlepool that I mentioned would like

[Mr. Iain Wright]

the landlord to be required to visit their property to receive rent, checking that the property is in good repair and that no antisocial behaviour is taking place. I accept that that may be impractical in many cases, but I see benefits to the community even when a direct debit or standing order is used. The tenant can stop that payment if financial resources are tight. The landlord therefore needs to maintain some awareness of the tenant and his or her behaviour, which has not previously been the case.

I want to convey that main point, but will finish by saying that we need to provide additional financial education for tenants participating in the pathfinder scheme. The aims of the local housing allowance, as outlined by the Government, are generally to be supported. The scheme simplifies complex housing benefit regulations and, importantly, provides an element of fairness, which had hitherto been lacking.

Tenants in the same area and in similar circumstances, for example, receive the same amount of housing benefit based on a set amount, rather than the amount of rent paid. Crucially, the tenant in receipt of the reformed local housing allowance is also provided with some personal responsibility. It should be made clear that the payment that enables a person to live in a property is not plucked out of fresh air, but comes with a degree of financial control and responsibility. That should help the person, where applicable, to make the transition away from benefits altogether and into employment, which is good for the individual and good for the community.

I am gladdened by the findings in the DWP evaluation, which show that most pathfinder claimants have a bank account or have been able to open one. Overall, six in 10 claimants who are paid housing benefit directly under the local housing allowance are paid via an automatic system of some sort. The pathfinder evaluation also demonstrates impressive financial control from tenants: across all pathfinder schemes, nine out of 10 remained up to date with their rent for about 10 months.

Nevertheless, I wonder whether the evaluation findings contradict all other known evidence regarding financial inclusion. As my hon. and learned Friend pointed out, being out of work and on benefits enormously increases the risk of financial exclusion. Some 25 per cent. of those people—at the poorest end of society—have no access to a current account. I was a member of the Consumer Credit Bill Standing Committee, and I am aware that the poorest in society are, for example, excluded from discounts for direct debit payments because they have no bank account, while affordable short-term credit is replaced by money sharks offering interest rates of 100 or even 1,000 per cent.

Being financially excluded can cost, and the most deprived pay the price. That is why there is a genuine need for substantial financial education for those tenants participating in the pathfinder scheme to ensure that the risk of financial exclusion and deprivation is minimised. In general, I welcome the pathfinder scheme. It is fair, it simplifies the system, and it promotes responsibility on the part of the landlord and the tenant. Despite the teething troubles that my hon. and learned Friend so eloquently pointed out, I am keen for the scheme to be implemented in Hartlepool as soon as possible.

10.10 am

Danny Alexander (Inverness, Nairn, Badenoch and Strathspey) (LD): I congratulate the hon. and learned Member for Redcar (Vera Baird) on securing this debate on such an important subject. This is a good time to have this debate, given that at one stage we had expected the Government by now to have published in the form of a Bill proposals for the roll-out of housing benefit reform. Perhaps it is as well that that has been delayed, as it gives a chance for greater reflection on the results from the pathfinder areas and on the issues that Members have raised. However, I would like the Minister to give us some idea as to when the Government might expect to introduce proposals for reform of housing benefit to be rolled out on a national basis. Can we expect a Bill in the near future? I also hope that the Minister will assure the House that the views expressed in the debate will be taken into account in the drafting of any future Bill.

As Members have said, the proposal to roll out the local housing allowance is based on a number of perceived problems with the current system of housing benefit. The LHA is intended to tackle lack of fairness and choice, complexity, disincentives to work and the issue of encouraging claimants to take more personal responsibility—as the hon. Member for Hartlepool (Mr. Wright) mentioned. They are aims that are worth considering in more detail.

The first of them is fairness and choice. The Department for Work and Pensions suggests that paying different amounts to different people in the same area is unfair. The LHA allows choice in terms of both the quality and the price of accommodation. However, a Shelter report found that one of the major barriers to claimants finding good, affordable accommodation is the shortage of suitable housing overall—that is certainly the experience in my constituency. In areas with a large and liquid housing market where there is plenty of supply and choice, the shopping around benefit might prove to be significant.

A couple of months ago, I visited the pathfinder pilot area in Lewisham to talk to the people who had been involved in rolling that out there, in order to find out how well it had worked. In Lewisham, there seemed to be some evidence that the shopping around benefit was being maintained. However, I am concerned that in rural areas and small communities that benefit might prove to be more of an illusion than a reality. Therefore, greater scrutiny of results, especially from the Argyll and Bute pathfinder area, would be useful. The LHA might be fair and allow greater choice in principle, but that will not happen in many areas without a greater supply of good, affordable housing.

Another fairness issue is the single room rent for young people. Shelter has reported that the SRR is a factor in homelessness among young people. I concur with that. The Minister recently answered a parliamentary question on the matter. On the most recent figures, approximately 12,000 people receive the SRR, so the costs of providing the full housing benefit—or the LHA, in the future—to claimants of all ages

would not be too great, and that would enable younger people in particular to be dealt with fairly. I would be interested to hear the Minister's reflections on that point.

Mr. Paul Goodman (Wycombe) (Con): The hon. Gentleman mentioned Shelter with regard to this restriction. He will also know that the CAB has said that it is regrettable that the research evaluating the impact of the LHA to date has not said anything about the impact on under-25s. It would be useful if the Department published research on that. Does he agree with that view, which is evidently a sensible one?

Danny Alexander: I agree with that point. Publication of more research on the impact of the single room rent on under-25s and how it has worked in the pathfinder areas would be useful. It is an important part of the debate and one that the Bill on reforming housing benefit should take forward, to provide greater fairness for under-25s.

The hon. and learned Member for Redcar also referred to deposit schemes—schemes to support people making deposits. Raising a deposit can be a major barrier to people moving into rented accommodation. I suppose that part of the idea behind the LHA is that the landlord need not necessarily know that someone is on housing benefit, but if they are not able to raise a deposit, that is clearly impossible. Supporting or encouraging rent deposit schemes is a sensible way forward, and I was pleased to hear the hon. and learned Lady's comments about the ODPM encouraging such schemes. I would be grateful if the Minister would reinforce or amplify that point.

On complexity, it seems that the LHA can speed up the processing time for private tenant claims. However, it is also the case—this seemed to be confirmed by the evidence that we heard in Lewisham—that the time taken to make checks on vulnerability can, for those people who seem to have the status of being vulnerable or who suggest that they are vulnerable, counteract the savings in assessment time.

The DWP evaluation found no significant improvement on error and fraud as a result of the change to the LHA. Rent-based fraud seems the most likely to be tackled, but claimants keep the difference between the LHA and their rent if there is any. Savings, in that sense, are unlikely. We welcome the announcement in this week's pre-Budget report that more funding will be provided to reduce housing benefit fraud by reviewing or visiting at least 50 per cent. of claimants each year. Will the Minister tell us what the overall funds are? When will benefit authorities find out how much they are likely to get in future years so that they can start planning how to undertake this work?

A further question concerns how difficult it is for claimants to understand what they will receive. The LHA should make that simpler, although there is still a degree of complexity to do with the number of rooms, which particular broad market area someone lives in and so on. I welcome reports from the pathfinder authorities suggesting that claimants find understanding their likely entitlement much easier.

The question of the incentives to work or otherwise is an important one. It crosses the whole gamut of welfare and benefit reform that the Government are proposing. Removing disincentives to work and increasing incentives to work through the benefits system is an important and worthwhile objective. The DWP website suggests:

> "Greater certainty about what in-work benefit they could receive is expected to help tenants bridge the gap between being out of work and taking a job."

So far, there is little evidence in support of the DWP's claim in the evaluation from the pathfinder areas.

One of the major disincentives in the housing benefit and council tax benefit system is the tapers: there is a 65 per cent. taper for housing benefit and a 20 per cent. taper for council tax benefit, leading to an overall benefit withdrawal rate of 85 per cent. In my experience, from people coming to my surgeries, the rate at which those benefits are withdrawn acts as a significant disincentive to work. Will the Minister be addressing that issue in any proposals to be introduced?

Encouraging people to take more personal responsibility for their own finances and for paying their own rent is a laudable objective. Clearly, as has been said, the ending of direct payments to landlords in the vast majority of cases, except where vulnerability is an issue, is perhaps the most controversial part of the reforms. It is opposed by several organisations. In Lewisham, there has been a 20 per cent. increase in the amount of unrecovered overpayments due to direct payments to landlords. Although increasing responsibility and financial management skills is an excellent aim, which we support, it is still unclear whether the pros outweigh the cons in this scheme.

Some pathfinder boroughs are accepting any vulnerability requests without making checks, as a way of speeding up the processing of vulnerability claims. That may well be the best approach for authorities to adopt in practice, but I would be grateful if the Minister could describe the rules for the best way of dealing with vulnerability claims in practice.

I want to raise one or two other issues, first with regard to the broad rental market areas. There are concerns in some areas that it is still a blunt tool, and that more account must be taken of local variations. So far in the pathfinder areas, we have not seen any sudden increase in rents to match local housing allowance levels, which was one of the fears. However, there is evidence that some stakeholders see signs of it happening through a creeping effect. Given that the LHA is based on market rents, the effect could be to push rents and the LHA higher over time. I hope that that will be carefully monitored. The Minister may want to say something about it.

As the hon. and learned Member for Redcar said, a number of private landlords were reported in the Department's evaluation as saying that they should take on fewer housing benefit claimants, believing that payments to tenants under the LHA would lead to rent arrears. It is worth noting that that is the landlords' perception; there is not a great deal of evidence to support it. However, following a national roll-out of the LHA, what action does the Minister propose to take to prevent that response from landlords?

[Danny Alexander]

There is an issue about the high level of failure by local authorities to make interim payments within 14 days. That failure is unfair on claimants, and it can lead to debt and homelessness. The Government must ensure that there is sufficient sanction in place for those authorities that fail to make interim payments, so that people are not left for a long period—perhaps while a vulnerability claim is being assessed—without any payment whatever.

The question of the funding of the roll-out of the LHA has also been raised. Shelter suggested that the £180 million allocated by the Treasury for national roll-out is not enough. Will the Minister confirm that that figure is correct? Will he also describe how that funding will compare with that received by the pathfinder authorities, once it is shared throughout the country? Was the figure derived from the DWP's evaluation of costs required by pathfinder authorities, or was it just what could be squeezed out of the Treasury?

The right hon. Member for North-West Hampshire (Sir George Young) made the point about the conflicting priorities of the Treasury and the Department. If the roll-out happens nationally, it will be important to ensure that funding is made available to deal with some of the problems that have arisen, and not least to continue the funding for advice services. They have been running with citizens advice bureaux and so on in pathfinder areas, and in Lewisham and in other areas they have been valuable.

Will the Minister confirm that although there are no firm plans to roll-out the LHA to the social rented sector throughout the country, consideration is being given to a pilot? Will he confirm that there will be no roll-out to the social rented sector throughout the country without further primary legislation or a debate and a vote in the House of Commons? That is clearly a matter of concern to housing associations and other landlords in the social rented sector.

Sir George Young: I understand what the hon. Gentleman is saying, but what would be the point in piloting the scheme unless there was a plan to roll it out?

Danny Alexander: The purpose of a pilot is to evaluate a proposal to see whether it works. My point is not that the scheme should not be rolled out, but that there should be no automatic provision for its roll-out without a further debate and vote in the House of Commons. Only in that way can those authorities and the many thousands of tenants in the social rented sector be assured that the scheme will not be rolled out for cost-cutting purposes—for reasons to do with the Treasury, which the right hon. Gentleman described—when the pilot showed that in that sector the scheme was not sufficiently beneficial, given the greater level of vulnerability that is often found among tenants in the social rented sector.

In conclusion, it is clear that the system of housing benefit needs reform, but the assessment of the pathfinder areas shows some pros and cons. It must be clear how a housing benefit reform Bill will improve on the pathfinder pilots so that a national roll-out is worth the cost and disruption that will be caused to local authorities. I hope that it will also address problems such as the single room rent, which I have referred to, the work disincentives in the current housing benefit system and the failure to issue interim payments. I look forward to the Minister's response.

10.25 am

Mr. Paul Goodman (Wycombe) (Con): Mr. Gale, it is a pleasure to see you in the Chair. The House owes a debt to the hon. and learned Member for Redcar (Vera Baird) for introducing this timely debate on the pathfinders. She said at the start that she was not an expert and my right hon. Friend the Member for North-West Hampshire (Sir George Young) said that he was not either, but, in a positive way, they both touched on many key points that I want to return to. The hon. Member for Hartlepool (Mr. Wright) made a point that we will all sympathise with about antisocial tenants. Given that the pathfinder scheme has not been extended to the social sector so far, I am not clear exactly what the pathfinders do or have done to address that problem. Perhaps the Minister could be helpful and tell us the Department's thinking on the Prime Minister's scheme to, as I understand it, withdraw housing benefit from antisocial tenants, which we heard a great deal about in the previous Parliament.

The hon. and learned Member for Redcar began by drawing attention to a kind of irony in that Middlesbrough is best known for being on the doorstep of Redcar and she was on the doorstep of a pathfinder that collapsed. I think that she said that for all she knew there may be others. As far as I know, Middlesbrough is the only pilot that collapsed.

Vera Baird: It did not collapse. Middlesbrough council decided that it did not want to have a pathfinder because of the knock-on damaging effect that it might have on rented accommodation in Redcar next door, where people did not have as much money in their pockets.

Mr. Goodman: It sounds pretty much like a collapse to me, and the reason for it is the one that the hon. and learned Lady gave. There were worries that tenants would come in from outside to take advantage of the relatively favourable terms of the scheme. That alerts us to a point that was made by my right hon. Friend the Member for North-West Hampshire, which is that, in all areas of legislation, as many of us know from other areas, there is such a thing as the law of unintended consequences. The pathfinders must be examined extremely carefully because—I do not say this in an unhelpful spirit—they may bring about unexpected consequences.

It seems reasonable in practice to try to simplify the system by paying a standard allowance that will allow tenants to shop around in search of rents. That is certainly the view that we expressed when the pilots were first announced. As the Minister knows, Beveridge called a chapter of his report "The Problem of Rent" and debated whether rents should be subsidised individually or whether there should be standard allowances. In fact, he came down in favour of standard allowances, so the Government are trying to get back to the original spirit of Beveridge. However, theory is only

theory. What really matters is the practice and that is where the evidence from the pathfinders is a bit ambiguous.

The Minister will have read the Citizens Advice report, "Early days: CAB evidence on the Local Housing Allowance", which the hon. and learned Member for Redcar and others alluded to. Citizens Advice states that the

"report raises a number of concerns which must be addressed before the reforms are rolled out nationally".

Shelter is concerned about aspects of the new scheme and the National Landlords Association has specific reservations. Many of those reservations have been aired this morning, but perhaps only one is overwhelming. It falls into two interlocking parts.

First, if the scheme were rolled out nationally, some vulnerable tenants would spend some of the money that is paid up front, as the hon. and learned Member for Redcar said. Landlords would not get their money, legal action and homelessness would follow, and landlords would withdraw property from the market.

Secondly, that outcome could be avoided if the Government were to replicate the apparently favourable terms of the local housing allowances: generous standard rates and the provision of, for example, money advice services, which have been a feature of local housing allowances. The problem for the Department and the Minister is that might be too expensive for the Treasury to bear. That is the dilemma with which the Minister is wrestling.

The Citizens Advice report states:

"We question whether the procedure is sufficiently robust to cope with a national roll out",

and a previous Secretary of State, the right hon. Member for Sheffield, Brightside (Mr. Blunkett), was sceptical about the practicality of rolling out the pathfinders for broadly those reasons.

We were promised in the Queen's Speech in May

"legislation to reform support for housing costs."—[*Official Report, House of Lords*, 17 May 2005; Vol. 672, c. 5.]

The hon. Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander) referred to that. On 18 May, the Bill was described in no less a source than *The Guardian* as "an early priority". So where is the Bill?

We need to step back for a moment and look at what is in the Department's in-tray. There is the debate about the Turner report. Clearly, there is disagreement between Turner and the Department, and the Treasury. There is the debate about incapacity benefit. The Prime Minister's office put forward eyebrow-raising proposals about vouchers, which, apparently, are being resisted by the Department. There is the debate about the Child Support Agency, which the Prime Minister has said is unsustainable in its present form. The Department has a lot in its in-tray.

How big a priority for the Department is rolling out pathfinders, and to what degree does it think that such a roll-out is practicable? I hope that the Minister can give some guidance about that. Do the Government plan to introduce a Bill shortly after the Christmas recess, or have they concluded that more evidence from the pathfinders is necessary? One point that it would be helpful for the Minister to clear up is whether any research will be done on the second wave of pathfinders, or whether results from the first wave will continue to be evaluated.

The Department's initial research on the impact of the LHA in the pathfinder authorities was overwhelmingly positive, but Shelter's monitoring of the impact suggests that the evidence is more mixed. Does the Minister agree with that assessment? Can he guarantee, if the scheme is rolled out nationally, that tenants who receive standard allowances will receive the same assistance that has been available in pathfinder areas, such as the advice services that were referred to earlier? What implications does that have for cost? When will the promised consultation on applying the pathfinder model to social housing be published? There have been reports that it will be issued at the same time as the Bill. Can the Minister give us some guidance on that and rule out the possibility that the Bill will apply to social housing as well as to the private rented sector? Clearly, that would clearly be premature.

The overall challenge posed by housing benefit is daunting. In the last Work and Pensions Question Time, it was pointed out by the hon. Member for North-West Leicestershire (David Taylor), who was here earlier, that

"housing benefit regulations consist of 967 pages, five parts, six schedules and 40 statutory instruments."—[*Official Report, House of Commons*, 28 November 2005; Vol. 440, c. 12.]

The right hon. Member for Sheffield, Brightside described housing benefit as "a nightmare". The cost of administering appeals has risen in each of the past three years, as I found out recently from a written answer, and is now more than £2.3 billion. The number of appeals has risen in each year since the appeals service assumed responsibility in 2001.

The Department has a target to reduce fraud and error from its 2002–03 levels by 25 per cent. by March 2006. When I asked the Minister during a recent debate on fraud and error whether he was confident that the Government would hit that target, he was unable to confirm that they would. Perhaps he will say something about that today.

Choice is one of the key words of this debate. The Government argue correctly that the pathfinders extend choice, because paying the allowance at a certain rate enables recipients of housing benefit to shop around. Clearly, that is what is meant by "choice". However, as the hon. and learned Member for Redcar and my right hon. Friend the Member for North-West Hampshire said, the pathfinders do not give choice in one crucial respect, which is that the tenant does not have the choice to receive housing benefit direct or have it paid to the landlord. As other hon. Members have said, if the Government want to build on the choice principle, they could go in that direction, particularly since passing the vulnerability test, to which the hon. and learned Member for Redcar referred, is rather complex.

The Government want to simplify the system, which they are doing by looking to pay the flat rate, but they are building in other complexities by making special arrangements to assess vulnerability. As the hon. and learned Lady said, many tenants will not want to approach the authorities and say, "Hey! I'm vulnerable. I can't manage my own finances."

[Mr. Goodman]

Perhaps the Minister will say whether it is possible that, rather than introducing a Bill, he will want to see a further roll-out of pathfinders.

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. James Plaskitt) *indicated dissent.*

Mr. Goodman: The Minister is shaking his head, so I do not think that that is so. We will see in a moment.

Be that as it may, it would be helpful if the Minister gave some indication of how the Government view the way forward. If he thinks that more research is needed before a Bill is introduced, it would be helpful for him to say so. If he thinks that a national roll-out would be too great a financial obstacle for the Treasury to bear, he might want to say something about that. We would be grateful if he gave some indication about the progress of the Bill.

10.37 am

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. James Plaskitt): This has been a good and informed debate, prompted by the excellent contribution by my hon. and learned Friend the Member for Redcar (Vera Baird), who does not describe herself as an expert but who sounded perilously close to being one. The subsequent contributions were also of a high calibre and rightly so, because this is an important subject.

It might be helpful if I clarified where we are with the proposal, because almost everyone who has spoken has touched on that. Pathfinders have been running for a couple of years in some cases, although some were initiated much more recently, and we are regularly evaluating their experiences. To date, my Department has published seven documents covering different aspects of that evaluation. We are doing this with a high degree of transparency. A lot of people are closely following the policy as it evolves.

We have said many times that the evaluation of the pathfinders' experience will continue into next year, so we will be issuing further information as we go forward, learning from their experience. We also made it clear in the Queen's Speech that during this Session we would introduce legislation to deal with the reform of housing benefit. The context of where we are should be pretty clear.

As well as doing our own independent evaluation of the pathfinders, we are listening carefully to the representations coming to us from all other interested bodies and organisations. I pay careful attention to publications issued by Shelter and the citizens advice bureaux. We are listening carefully to the landlords organisations, too. As well as my listening to those representations and taking on board what is being said, the pathfinders are receiving information from the organisations in their localities. Extensive information and assessments are coming to us and it is important that we consider everything that we learn. Before moving to a national scheme, we must be sure that we have made the most of the pathfinders.

I say on behalf of the Department that I am extremely grateful to the authorities that agreed to do the pathfinder work for us. It is invaluable. I meet them regularly and visit the areas in which they operate. They are doing a high-quality job and it is proving informative for us as Ministers as we move towards setting up a scheme for wider implementation.

Many points have been made in the debate. I shall respond to some specific issues that have been raised, after which I shall deal with a few others more substantively because they were common to all contributions. My hon. and learned Friend the Member for Redcar was right to emphasise the problems with housing benefit. None of us would start from here if we wanted to come up with a scheme to support people in meeting their housing costs. The system is incredibly complicated and we must move towards simplification.

My hon. and learned Friend asked whether there was a risk of a flight of landlords. The evidence from the pathfinders showed that that was not the case. Many landlords organisations were concerned about such matters at the outset and we have monitored the position carefully as the pathfinders have been rolled out. I wish to share with her the views that have been expressed recently by Blackpool, a pathfinder authority, about potential landlord flight to which she and other hon. Members have referred. A few weeks ago, its newsletter stated:

> "After the initial procedural changes at the point of going live with the LHA, we are content that our current practices are working well, and we even received praise by a number of landlords at a recent landlord training event. This is a massive turnaround as these same landlords were very sceptical about LHA when we first started talking to them in the summer of 2003. We have proved, that if you listen to landlord concerns and put procedures in place to reassure them then landlord confidence can be maintained."

That is an encouraging response. It has been echoed by other pathfinder authorities.

My hon. and learned Friend then referred to worries about the element of the local housing allowance that concentrates on paying the benefit direct to the tenants, not the landlords. She encouraged us to return to the position that pertains whereby housing benefit is paid directly to the landlord. We want to get away from that because we are encouraging personal responsibility. It is part of the welfare reform programme, and another aspect of the reform that I have been monitoring carefully is its impact on those who had their housing benefit paid directly to their landlord, but who now, having switched to an LHA, receive it themselves. They are now responsible for ensuring that the rent is paid.

We hoped that the system would have a beneficial impact, and evidence has shown that it has. We have published some research that merits careful examination. We asked people who were not in work, but whose housing benefit was being paid direct to the landlord, about their expectation of an eventual return to work. We found a low level of anticipation that they would return to work within the next year or so. We took a similar group with a similar period of unemployment who lived in an area where we were piloting the LHA. They were receiving that allowance and had taken on the responsibility for managing their own finances and for making sure that their rent was paid. We asked them the same question: what was their expectation of seeking a return to work in the near future? A very substantially higher number said that they were seeking such a return.

If there is to be this welfare effect of the reform, we must welcome it. It has been suggested that we should switch back to a situation in which the tenants' relationship is entirely passive, and where they are not involved in handling the money or in taking responsibility for the payment of the rent. If we were to return to that situation, we might pay a price in terms of their not making the move of coming out of welfare and thinking of returning to the world of work. That is an important aspect of the reform, and I do not want us to lose it. I am trying to reassure my hon. and learned Friend that the early indications are that the impact of the reform is beneficial.

Vera Baird: I was not suggesting that that element should be forgone. I see it as a very real benefit. Additionally, there is the impact on the kind of community in South Bank which I talked about. If an individual has chosen to live there and is paying their own rent, they are far more likely to be engaged in the community than if the rent is simply paid anonymously from the authority to the landlord. Therefore, I can see many benefits in having that responsibility imposed on people. However, I wonder whether there is scope for widening the criteria for having the payment made direct to the landlord, in order to get away from the awkward situation of vulnerability having to be proved, which seems to me to be a difficult thing to do. I also wonder whether it might be possible to widen the element of choice—to give more responsibility, rather than to take it away. Opposition Members spoke about that.

Mr. Plaskitt: I am grateful to my hon. and learned Friend for those comments, because I see that she is tying this matter to the issue of vulnerability, and to the current provision whereby we can switch back to making the payment direct to the landlord in instances of vulnerability. Let me reassure her and other Members who spoke on the matter that we are looking at this aspect very carefully in the evaluations, and I am receiving reports from the pathfinder areas specifically on how the vulnerability test is working. We are learning about that matter from our experience in the pathfinder areas. I will try to deal with the other points that my hon. and learned Friend raised more substantively, because other Members also raised them.

The right hon. Member for North-West Hampshire (Sir George Young) took us on a trip back down memory lane to the great poll tax disaster. That is not easily forgotten. He also asked if my Department was in sync with the Office of the Deputy Prime Minister. It is of course true that responsibility for housing issues crosses the two Departments—that is certainly the case when the element of supporting the cost of housing is included. Some housing responsibilities lie with the ODPM and others lie with my Department. I assure the right hon. Gentleman that the two Departments are working closely together.

My hon. Friend the Member for Hartlepool (Mr. Wright) raised the issue of tackling antisocial behaviour, and our two Departments work jointly on that all the time. Other points raised were to do with choice, which I have already touched on, and with the single room rent, which I want to deal with more substantively in a moment.

The hon. Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander)—it would be helpful if we could think of a shorter version of that constituency name—raised a series of points, some of which I want to pick up on in detail because other Members also raised them. He asked in particular about tackling fraud in respect of housing benefit, as he has done before. He asked about funding for local authorities to help with that, and he will be pleased to hear that, in consultation with local authority representatives, we have agreed changes to the way that money is allocated for anti-fraud activities. Local authorities will now get an all-in sum for administration and fraud that is notified up front each year. This week, we issued a circular on that which I hope he and local authorities will find helpful. The hon. Gentleman said that he thought there was no evidence of an impact on work-readiness from the pilot authorities. As I have just said in response to my hon. and learned Friend the Member for Redcar, we have some encouraging evidence that there is a positive impact and are certainly looking carefully at that aspect of reform.

The hon. Member for Wycombe (Mr. Goodman) rightly asked about the advice services at the time of roll-out. We have put some funding into the pathfinder experience to support financial advice services. I have been looking carefully at how that has been working, and it has been very effective. We have taken on board the point that there needs to be some element of continuing support for financial advice, both for vulnerable tenants and perhaps for others at the time of national roll-out. It tends to be an initial need and does, of course, tail off. The more progress we make in broadening financial inclusion, the less need there is for such support. What we have seen in the pathfinder areas was a quick, high-level demand for that support, but it very quickly tailed off. Once those who needed support to get through the transition had done it, the issue was largely dealt with. So it is an important point, but one which we have taken on board.

In the remaining time, I want to deal with some points that were common to all contributions. I return first to the views expressed by Shelter. I continue to be grateful for its close interest in the matter; Shelter's submissions are indeed helpful to us. Overall, the feedback from Shelter on the LHA has been quite positive, supporting the objectives of the new scheme. In its interim research report "On the right path?", which has been referred to in our debate, Shelter concludes that

> "many of the concerns expressed when the HB Pathfinders were set up have not materialised. The evidence reveals that removing the choice of direct payments to landlords has not led to an increase in homelessness ... Likewise, the reforms have not, so far, lead to a widespread increase in rents".

Shelter thus has reasons to be broadly supportive of the reform.

While visiting Brighton recently to talk to Shelter about its experiences there, I was struck by the fact that one officer told me that if she was drawing up a wish-list of things that the Government should do to reduce homelessness, she would have put the LHA at the top of the list. We need to consider the effects, and Shelter rightly keeps testing us there. I can certainly assure hon. Members that, on this issue, we want to be confident of being right at the time of national roll-out.

[Mr. Plaskitt]

We also take seriously the response from the National Association of Citizens Advice Bureaux; it too has recently published reports on the LHA, which I have studied. I am heartened that NACAB is also generally supportive of the LHA and reporting that implementation is going relatively smoothly. I note the concerns that it has raised: difficulties for some tenants in accessing bank accounts, some concerns over direct payments and, again, the need for continued money advice. However, the evaluation is interesting in putting into context the issues around access to bank accounts. It showed that 95 per cent. of tenants now have a bank account—with a quarter of those tenants having opened their account specifically to receive the LHA—while there are no significant reports of tenants complaining about encashment charges.

I now return to the issue of private landlord reaction, which I have already touched on briefly. First, I should make it clear that landlords have generally been supportive of the concept of local housing allowance. What they have objected to is the removal of automatic direct payment to landlords, which saves them having to collect the rent and reduces any risk of non-payment. Again, the findings coming out of the pathfinders are quite encouraging there. Secondly, the experience is that landlords have raised concerns and continue to do so. However, resistance has reduced markedly in the pathfinder areas now that the scheme is running smoothly. As I have said, many of the concerns raised now come from those not yet involved in the LHA. I assure hon. Members that we continue to listen carefully to the views expressed by landlords.

A couple of hon. Members raised the issue of the single room rent. I recognise that its abolition is a top priority for many stakeholders and hon. Members present. However, there is a fundamental principle of fairness and equity to uphold. Young single people under 25 have earnings prospects well below those of older people, and 60 per cent. of those who rent in the private-sector who are not in receipt of housing benefit rent shared accommodation. It is not unreasonable to expect young people in receipt of housing benefit to share accommodation.

I am aware that in some areas young people may have difficulty accessing shared housing, and that for them choice is limited. Extra help is available in the form of discretionary housing payments and flexible support from local authorities on a case-by-case basis. In LHA areas we have implemented a more generous shared room rate that more accurately reflects the accommodation available in the area. As we move forward with housing benefit reform we will continue to review the single room rent, to ensure that young people can access appropriate accommodation.

A number of colleagues asked about rolling out the reform into the social sector. I appreciate that conditions in the social housing sector are very different from those in the private sector. We understand that. For example, we cannot pretend that social sector tenants always have the same degree of choice as those in the private sector, because they clearly do not. Differences such as those will need to be taken seriously in developing any proposals for reform.

We should not shy away from reform in that sector just because it will be difficult and because the sector is so different. We need to address issues such as choice and fairness and we need to ensure that housing benefit keeps pace with our wider welfare reform agenda—for example, by ensuring that it supports our 80 per cent. employment target and does not act as a barrier to people returning to work. We are going to do this in discussion with the experts on social housing, which is why we will continue to proceed cautiously in developing this reform in respect of the social rented sector.

Everyone who has contributed to the debate appreciates the immense complexity of the world of housing benefit. Local authorities who administer it also find it complex. While we are working on a more substantive and quite radical reform, certainly in respect of private sector accommodation, our eye is not off what we need to do in the meantime to improve the administration of housing benefit.

The Department is engaged closely with local authorities, trying to assist them in improving the processing of the benefit. We are supporting them with additional financial assistance; in fact, we have allocated £180 million to support that. The vast majority of local authorities have taken up some of that support. Overall, the processing times on housing benefit are coming down.

As my hon. and learned Friend and others have said; the performance is patchy. The average performance is markedly better; a couple of weeks have been taken off the average processing time for housing benefit. The Department asks authorities to achieve 34 or 35-day processing. The majority of local authorities have reached that. The laggards have caught up to some extent, but there are still many whose processing times are unacceptably long. I assure all hon. Members that we continue to concentrate heavily on that issue. It is not acceptable that processing times should be of that length; it creates problems for people trying to secure rented accommodation and support for it. We concentrate on that area at the same time as we are concluding our thoughts on the future roll-out of a reform to housing benefit in the private rented sector.

Rural Pubs

11 am

Mr. Michael Wills (North Swindon) (Lab): Rural areas face problems with employment, housing, transport and health, but sustaining their communities can present them with particular challenges. Although my constituency is largely urban, it does have rural areas that suffer from all those problems, and I have constituents who want to see further progress made in tackling them.

This Government have done more than any previous Government to invest in sustainable rural development with a range of measures, including help for rural transport, rural post offices and rate relief. I secured this debate to ask the Government to continue that important work with further support for the institution that so often represents the beating heart of rural communities—the rural pub.

As the supermarkets tighten their grip on our shopping habits and as patterns of work and settlement keep changing, increasingly the village pub provides the main, and sometimes the only, focus for social activity in rural areas. Without such a focal point, the sense of community evaporates from rural areas, and that sense of community is essential for regeneration. Yet the rural pub is under threat. Some estimates suggest that six are closing every week. There are many reasons for that: drink driving regulations inhibit many people from driving out into the country for an evening at the pub as they might have done 30 or 40 years ago; the extremely competitive prices charged by supermarkets for beer are encouraging some to drink at home instead of going out to the pub; and the changing composition of villages means that more and more people are commuting in and out of them. All those things challenge the viability of many rural pubs.

Those problems are well known and a lot of good work has gone on to tackle them. The Campaign for Real Ale, for example, has been indefatigable in championing the cause of choice, and small breweries, to make all pubs more attractive to the discerning and committed consumer.

There are good examples of what can be achieved. Some pubs have been making themselves sustainable by diversifying into other areas, including prescription deliveries, DVD rentals, and even delicatessen and broadband facilities. There have been inspiring examples of villagers giving their pub a new sustainable financial basis by buying it as a co-operative.

When, as the Minister with responsibility for small business six years ago, I set up the Small Business Service, I wrote into its remit that it should encourage mutual enterprise as an instrument of regeneration. I believed then, and still do, that such co-operation and mutuality can be an invaluable instrument of community regeneration. It is encouraging to see rural communities putting that into practice by supporting their local pubs in that way, but more needs to be done. I hope that the Minister can reassure me that his officials and those in the Department for Trade and Industry will work with the Small Business Service to ensure everything possible is being done to provide support for villages that might want to form co-operatives to run their local pub.

The Minister will be aware of the role of the Pub is the Hub initiative, originated by Business in the Community, in spreading best practice. Again, I would welcome his reassurance that he and his officials, and those in the DTI, will work with Pub is the Hub to ensure that it receives the funding and other support to enable it to develop its work so all rural pubs can benefit from it. I should be grateful if the Minister could write to me by the end of March about the action that is under way in those areas, so I can reassure my constituents about the good work being done by the Government.

I would welcome reassurance from the Minister about how the fairness, equitability and sustainability of the commercial environment in which rural pubs operate can be ensured. He will know that in recent years ownership of pubs has become increasingly concentrated. The top six so-called pubcos control almost 40 per cent. of UK pubs. He will also know that a year ago the Select Committee on Trade and Industry conducted a thorough investigation of their relationships with their tenants. I do not intend to rehearse all those arguments today, but I have some concerns that I shall raise with the Minister. Before I do so, however, I stress that I have no quarrel with the Select Committee's balanced conclusions about the trade-off between the so-called dry rent and the wet rent charged by the pubcos—the profit they make from contractually exclusively supplying beer to their tenants.

I recognise that some pubcos have moved some way towards addressing concerns about their relationship with tenants. The largest have codes of conduct that stress that tenants should take professional advice before entering into any contract, and their websites offer clear and helpful accounts of different business models available to potential tenants.

However, there are still grounds for concern. Pubcos start from a strong position, first because there remains a strong demand for tenancies, not necessarily because a tenancy offers a viable living but because many people still dream of the rural idyll of running their own business in a pretty village. There are other attractions. The chief executive of Punch Taverns plc said earlier this year that taking on a lease with accommodation

"can appear a very attractive deal when house prices are so expensive".

Such a lease can also seem attractive because the entry costs into the business in that way are lower than taking on a free house.

However, such attractions must not be an excuse for abuse of a dominant position in a contractual relationship, and there is certainly a price to pay for the low cost of entry. For example, I have seen detailed figures prepared by a successful and experienced publican in the Swindon area, who is now a contented tenant of a local brewery, but was previously an unhappy tenant of a pubco. Those figures suggest, among other things, that the percentage of gross profit taken by rent will be less than 10 per cent for a free house but more than 20 per cent. for the lessee of a pubco.

[Mr. Michael Wills]

The Trade and Industry Committee rehearsed the main complaints against alleged exploitation by pubcos a year ago, and some of the questions it raised have still not been properly answered. The Select Committee said that pubcos should insist

"as a condition of acceptance that tenants obtained all necessary professional advice. This should be one element of an industrywide code of practice."

The new code of practice is now out for consultation by the British Beer and Pub Association and goes a long way towards meeting that objective. That is important because Morgan Stanley, for example, found that 40 per cent. of prospective tenants took no legal advice before signing lease agreements, 42 per cent. said they were encouraged by the pubco to do so and 63 per cent. were not asked by the pubco whether they had done so.

Obtaining such advice should ensure that tenants understand better what they are getting into, but that does not guarantee that pubcos will alter objectionable clauses. There are often two or three potential tenants pursuing the same lease, which puts them in a difficult position. It is a seller's market and the pubcos hold most of the cards. Some of the clauses that they put in their contracts are worrying. One, from a contract issued by one of the largest pubcos, states:

"the tenant agrees to pay trading accounts and statements . . . on the dates specified by the Landlord".

That is followed in the same agreement, which ties the tenant to buying beer only from the pubco landlord, by the statement that

"the landlord shall on the signing of this lease and from time to time thereafter supply the tenant with a pricelist of beers".

In other words, there is no contractual fetter on the landlords to prevent them from raising prices as often as they want and as high as they want, and demanding payment as frequently as they want. Those clauses are not subject to any test of reasonableness or tied to any increase in the pubcos' charges from the brewery. In this case, the pubco seems able to charge whatever it wants, whenever it wants.

The pubcos frequently claim that their business model depends on their tenants prospering, and the argument is advanced that it would not be in their interest to bleed tenants dry. However, there is a difference between the extreme position of bleeding them dry and simply exploiting them by charging unreasonably high prices for the tied beer, secure in the knowledge that their tenants will often work extremely long hours to make the business pay, and swallow any disproportionate increases in costs.

It is hard to avoid the conclusion that such clauses leave pubcos in a position where they can use their dominant economic position to exploit their tenants. That does not mean that the tenants will necessarily go bankrupt. They may survive by working hours, and at a standard of living, that no pubco director would accept, but survival can be consistent with exploitation and nothing in the new code of practice issued by the British Beer and Pub Association will prevent that, as far as I can see.

The so-called wet rent, which is derived from the profit made on the exclusive supply of beer to tenants, is justified by the claim that it is partly offset against the rent charged for the premises so that such rent is competitive. However, I am also concerned about the so-called dry rent. The Trade and Industry Committee report stated:

"The industry could and should establish clear guidelines for the rent valuation process"

with

"new national guidance for rent calculation . . . The profit assessment method of calculating rent should be carried out in accordance with national accounting standards".

However, the British Beer and Pub Association code of practice states that

"company codes of practice should, as far as reasonably practicable and possible, provide for the making available to the lessee of information relating to how the rent will be determined initially",

which is not quite what the Select Committee recommended. It suggests that the fixing of rent and rent reviews will remain contentious, and, in the absence of the national standards suggested by the Select Committee, that there will still be scope for pubcos to exploit their tenants. Apart from anything else, the more vague and opaque the process, the more disputes over unjustifiably high rents and rent increases can be resolved only through litigation. How many tenants can afford to litigate against huge powerful pubcos?

Apart from the operation of the charges for tied beer and rent, I am also worried about the appropriate disclosure of information to tenants and potential tenants, which, again, was called for by the Select Committee. There are disturbing signs that the pubcos are not fully signed up to that. The Select Committee said that

"pubcos should advise their tenants of the average discount they receive"

from brewers, and

"how this compares to the free market discounts available, and how much of this discount pubcos are passing onto their tenants".

Enterprise, which is one of the largest pubcos, said in response that that was

"entirely irrelevant to the tenant's decision-making process".

I am baffled by that response. It hardly suggests that pubcos view their tenants as partners. Of course such information helps tenants understand the business model of their competitors and, indeed, the strength or weakness of their position in relation to their landlords. As such, it seems to be highly relevant to tenants' decision-making processes. Of course, contracts with suppliers are subject to commercial confidentiality, but why could tenants not be bound by such clauses? It is not unreasonable to expect partners to share commercially important information.

At best, tenants will not be able to invest in improving their facilities for the community that they serve if they are squeezed too hard. At worst, they will go out of business. That could be a personal disaster for the tenant and could damage the rural community that they serve, but the pubco faces less risk. For them, there will always be the option of liquidating the asset and turning the pub into, for example, housing. That distorted balance of power must be worrying for rural communities that depend on their pub.

I recognise that the worries that I have expressed today may prove groundless. Pubcos may use the latitude in their contracts to behave fairly towards their

tenants over the tied supply of beer, rent and other matters. They may consider that it is in their own interests to do so—but there is often no contractual imperative for them to do so.

There are many reasons why it is hard for tenants to fight their contractual corner. The pub can remain a hub of village life only if it is a sustainable business, but sustainability is damaged by unfair exploitative relationships between pubco and tenant. The survival of the rural pub is too important to village life for the Government to abandon this issue. I hope that the Minister agrees that it is important for pubcos to be aware that public scrutiny of their relationship with their tenants will not disappear with their response to the Trade and Industry Committee report a year ago. I would be grateful if he could confirm that his Department and the DTI will continue to monitor the situation, and, if the problems identified by the Select Committee, some of which I touched on today, persist, that they will take any action necessary, including introducing a statutory code of conduct, if appropriate.

11.14 am

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Jim Knight): I congratulate my hon. Friend the Member for North Swindon (Mr. Wills) on securing this important debate. It reinforces his reputation as an excellent campaigning Member of Parliament who consistently raises issues of concern to his constituents.

The future of pubs is of great public interest, nowhere more so than in rural settings where they not only perform the social function that they do anywhere else, but may be the only place in the community where the village can meet, trade, and, in one or two cases, even vote. I know from more than 10 years of living and working in Wiltshire that that county has a great many fantastic rural pubs. The north of the county, in particular, enjoys the beautiful setting of the landscapes that we associate with the Cotswolds.

Some pubs, such as "The Red Lion" in Castle Eaton in my hon. Friend's constituency, offer the chance to have a relaxed drink in a beer garden on the banks of the Thames. I am sure that the wise voters of Swindon not only enjoy the local pub, but take advantage of some of the wonderful countryside around and about for a walk at the weekend. What better way to round off a nice Sunday walk in the Cotswolds than to enjoy a nice lunch and a pint of Wiltshire's fine Wadworth 6X in a rural pub? I enjoy a similar experience in my constituency on a monthly basis when the Red Ramblers get together and enjoy a good walk, political discussion and a fine pint of Dorset Badger beer at the end.

Rural pubs play a crucial role in promoting local food and tourism. I was lucky enough to visit "The Three Fishes" in the Ribble valley this autumn. The owners not only served excellent food and drink in a quality environment, but positively celebrated the local sourcing of that food. The walls of the pub were decorated with photographs of the local farmers who supply the superb produce. That reconnection of consumers with producers is crucial to the future of rural areas as a whole. The work of "The Three Fishes" demonstrated the best practice in that regard.

For all those reasons, I share my hon. Friend's concerns about the economic viability of pubs. If they are to continue as important community centres, vital parts of the tourism industry and, as he described them, the beating heart of rural communities, they need to continue to be a viable part of the rural economy. Evidence of their state of health is not clear. I heard what he said about the number of closures. On the other hand, an analysis of the interdepartmental business register indicates that there were about 12,000 public houses in rural England in 2003, employing about 50,000 people. The same analysis suggests that the number of pubs in rural England increased by 3 per cent. from 2000 to 2003.

I would add the caution that, although the analysis has not been carried out in sufficient detail to be certain, the growth in rural pubs appears to be largely in those areas with higher numbers of visitors, and we know from the same work that the number of independent pubs has fallen by 8 per cent. I have studied the report from the Trade and Industry Committee that my hon. Friend referred to and I am aware of concerns about the functions of the relationship between a limited number of pubcos and their tenants. There may be a relationship between the fall in the number of independent pubs and the state of the sector in rural areas in general.

We live in a world of seemingly ever-increasing change. The changes affect every corner of life and inevitably have an impact on rural areas. Change can be viewed as a threat or an opportunity. The 2004 rural strategy sets out how the Government will support rural communities through the change. Both elements of the priority on social and economic regeneration are relevant to pubs in rural areas. At one level, rural pubs are simply businesses. They are important to the area of the economy that they serve. They operate in a free market and must respond to market forces, given the strengths and weaknesses that my hon. Friend describes. Government intervention should be a last resort and should deliver clearly defined public benefits.

The Government will support such businesses by ensuring that the business advice is tailored to meet local needs, including rural needs. I pay tribute to the work done in that regard by my hon. Friend when he was small business Minister. Officials from my Department work closely with the Small Business Service and representatives of the social enterprise sector to explore the best ways of meeting the objectives of the Department for Environment, Food and Rural Affairs. Yesterday, I talked to the Plunkett Foundation about some of these matters. Where appropriate, co-operatives should be encouraged in the running of pubs. I am happy to write to my hon. Friend to reassure him on that and the other points about which he wanted me to correspond with him.

The Government allow councils to reduce business rates by between 50 and 100 per cent. for pubs that are the last retail outlet in the village. The Government's new licensing rules also provide good business opportunities for pubs. Rural pubs know their customers better than anybody else and we are giving them the freedom to offer the services that their customers want in a single licence. They need only the one licence to cover a range of activities and no longer have to make trips to court to renew licences or apply for new ones. They no longer have to apply for a range of separate permissions if they want to open longer for special events, whether it be for St. George's day celebrations or for late-night viewing of sporting events.

[Jim Knight]

As well as being businesses, rural pubs are often the focal point of village life— especially in those villages without a village hall or other centre. The Government want local communities to be empowered to control their own destiny. That includes keeping services that the communities consider important, including pubs as appropriate.

The Government support that social function. Public houses are explicitly recognised in planning policy statement 7 as one of a number of services and facilities with a role in sustaining village communities. Local authorities can refuse to grant permission for a change of use and thus provide an opportunity to keep a pub. The evidence suggests that this power has been successfully used on a number of occasions.

Beyond that basic protection, I am also interested in what more pubs can provide and are providing. Part of the challenge of running a business or providing a public service in rural areas is achieving a viable economy of scale. It is often achieved by diversifying a business and by co-locating services. Co-location can be good for the pub and good for the community.

I want to take this opportunity to pay tribute to the Pub is the Hub initiative, which my hon. Friend mentioned in his speech. Pub is the Hub is an initiative of His Royal Highness the Prince of Wales, president of Business in the Community, to encourage pub owners, licensees and local communities to support and maintain local services, and increase the viability of rural pubs. It was set up in 2001.

Pub is the Hub is an independent advisory trust, and it is assisted by the rural action team of BITC, together with the professional pub and drinks industries and other Government and statutory bodies interested in using pub or other rural properties for the support and supply of social enterprise services.

Pub is the Hub is a national body. It is able to co-ordinate activity, advice and industry training that requires pub experience, business aptitude and the raising of necessary funds to support adequately those activities, based upon the current six requests for help each week and more than 400 general inquiries each month via its website. I had a look at the website this morning, and it is very helpful.

Pub is the Hub is not a pub preservation group, but it seeks to encourage social enterprise and diversification where pubs can deliver commercial viability in supporting many rural services that are either under threat or may have recently ceased trading. The main aim is to encourage the co-location of other rural services, sharing overheads and costs, and thereby meeting the service needs of rural communities.

One excellent example of a Pub is the Hub pub is "The Beauchamp Arms" in Dymock in the very north of Gloucestershire, the county adjacent to Wiltshire. In that case, an enterprising parish council had the imagination to grasp an opportunity when the last pub in the village was put up for sale. The council took out a public board loan and purchased the pub, which is adjacent to the village hall. The pub is managed by a management company, and a successful lottery bid, with the excellent help of the Gloucestershire rural community council, has led to the extension of the hall, using the land acquired with the pub.

The community now literally owns the pub. Even during the outbreak of foot and mouth disease in 2001, the village rallied round and used the pub more to keep takings up. The Pub is the Hub website tells me that a number of community groups, such as the playgroup and the parents and teachers association hold meetings there, and there is a monthly lunch for Dymock's over-60s club. The landlord is keen to support other local businesses, and he sources as many of the bar meal ingredients as possible from local suppliers, including the local cheese maker and the butcher and baker from nearby villages.

Dymock is not alone. Already 200 post offices are located in pubs in rural areas; 80 rural shops, convenience stores or bakeries are located in pubs. Fifteen village communities have purchased their own pub, as Dymock has, either as a co-operative or part of a group. A village, Heskett Newmarket, has even bought a brewery.

Pub is the Hub is an excellent initiative. I am keen to work with it on expanding the concept and services like the co-location of post offices. A few months ago, one of my most senior officials spoke at its launch and has joined its national steering board. Its first meeting was on Monday of this week. I hope that that is a demonstration of DEFRA's support.

I come now to the worries of the Select Committee to which my hon. Friend referred. We will continue to monitor the relationship between pubcos and tenants. I will make sure that my colleagues in the Department of Trade and Industry are aware of my hon. Friend's comments. The issue affects pubs everywhere, not only in rural areas. Over the past few years, I have worked with the British Beer and Pub Association and have found it to be an effective and professional organisation. My hon. Friend said that it has agreed to develop a code of practice and that that will be published soon.

I am sure that my hon. Friend agrees that if we can urge the industry to resolve matters on a voluntary basis, that is better than the Government imposing a solution. I am equally sure that he, the Select Committee and the DTI will monitor events closely, as will I. I wanted to make that clear because the issue is important. I shall, in particular, be examining the problems of exploitation to which my hon. Friend referred in the working hours of publicans and the transparency of rents—the whole arrangement.

The debate has been worth while. I pay tribute to my hon. Friend for introducing it. It has given me a welcome opportunity to respond on something for which I am responsible. Usually in this Chamber, I am responding on behalf of my noble Friend, Lord Bach, on issues for which he responsible. I shall write to my hon. Friend about the issues about which he was particularly concerned during the time frame that he described. I am most grateful to have had the opportunity to focus on such a crucial bedrock of rural communities—the local pub. The Government are committed to working with the industry to ensure that the sector remains healthy and that the opportunities to embed local pubs in the community through social enterprise can be grasped.

11.27 pm

Sitting suspended until half-past Two o'clock.

Flood Prevention (River Severn)

2.30 pm

Daniel Kawczynski (Shrewsbury and Atcham) (Con): I should like to begin by apologising for my hon. Friend the Member for North Shropshire (Mr. Paterson). He particularly wanted to be present, but he is involved in a fisheries debate in the main Chamber.

I am pleased to have secured this debate. It has created a great deal of interest in my Shrewsbury constituency. Flooding is a serious issue; it has affected our town for many years. I have not come here to criticise the Government at all. There is a new spirit, and I want to follow my new leader's policy of co-operation with the Government when co-operation is required and appropriate. I wish to use the debate merely to inform the Minister of certain things that are happening in Shrewsbury, and to urge him to act on certain proposals in Shropshire.

Shrewsbury was flooded terribly in 2000, and the Prime Minister duly came to the town, along with the Deputy Prime Minister. They went around in their wellington boots to see what the problems were. There was a great deal of media coverage; the press and TV were there. The Prime Minister promised that he would help Shrewsbury in respect of flooding. That was on the front page of all the newspapers: "Prime Minister promises to help Shrewsbury to prevent flooding in the future."

I must say that some progress has been made, but in Shrewsbury all that there has been is a small flood defence in a place called Frankwell, which protects the council offices and 80 homes. The people who work in the council offices are fine, and the people who live in the 80 homes near the council offices are protected. However, large parts of Shrewsbury continue to flood, such as the areas by the English bridge. I met residents there in 2003: young couples with buckets in their hands trying to save their homes from flooding. They were in great distress. Our football stadium on the Gay Meadow is also prone to flooding. That disrupts numerous football matches. I have no doubt that we would be higher in the league if our football stadium did not flood so frequently; that is another reason why I want better flood prevention in Shrewsbury.

During floods, many businesses close down for long periods. As well as the problems that that causes, the flooding issue leads to investors having long-term concerns about Shrewsbury. They know that the town floods, and a major company that wants to build a facility somewhere will think twice about building it in a town that is prone to flooding.

Another area of concern is affordable housing. As the Minister knows, there is tremendous pressure on local authorities to build affordable housing. However, Shrewsbury is running out of appropriate space, so the council and developers are being tempted to build on flood plains—on areas around Shrewsbury that repeatedly flood. The costs involved in that are astronomical. The purchasers of the homes will have to bear the brunt; extra measures will have to be taken to protect the homes in that area.

I want to mention a couple of individual cases. There is a company in Shrewsbury called Chase Tyres and Exhausts. It is a garage, and it repeatedly floods. The owner said to me, "Every time we flood, we don't get any compensation from the Government; although I have to close my business down, there is no financial help." The Government go out of their way to help other businesses in times of crisis. When the Rover plant tragically had to close, the Government responded quickly with financial assistance. I should like to hear the Minister's views on what further help can be given to businesses facing the crisis of flooding and shutting down for long periods.

A lot of agricultural land is flooded, but farmers do not get the publicity that major businesses receive, and although their land is flooded and they lose business, which has a devastating impact on their production, little is mentioned about them. I should like to hear the Minister say what help can be given to farmers when their land is flooded.

One of my constituents in the village of Pentre loves their home so much that they spent £80,000 of their own money building a dyke all the way round their property. Again, there was no financial assistance for that from the Government.

Flooding is a tremendous misery. Two weeks ago, I visited Underdale road in Shrewsbury, an area that floods repeatedly, and the residents took me in to see their homes. In the kitchens their washing machines, fridge-freezers and all the appliances were built on stilts in preparation for the next flood. The residents were on the Floodline hotline all the time to find out when their homes were going to be flooded. I was there two weeks ago, when the water was coming right up to their homes.

The Minister will know that if a road is prone to flooding, people living at the top of the road where it does not flood will still find it almost impossible to get insurance for their home, and if they get insurance, the insurance company will charge an astronomical amount because they are, unfortunately, in a particular postcode.

I do not normally get passionate, but I am passionate about the proposal for a wet washlands scheme. I believe in listening to the professionals. I have visited the Environment Agency, based at the Oxon business park in Shrewsbury, on numerous occasions and asked, "How would you solve the problem of flooding, not just in Shrewsbury, but along the whole of the River Severn?" The answer from the Environment Agency—the professionals whose job it is to look at such issues—is that it wants to create a wet washlands project, meaning that 200 hectares of agricultural land in my constituency, near the village of Nesscliffe, would be flooded.

Mr. Mark Harper (Forest of Dean) (Con): My hon. Friend makes a good point. Farmers in my constituency are concerned, because although they understand that measures may need to be taken to protect the city of Gloucester from flooding, if their farmland is sacrificed and will flood more frequently, they expect proper compensation to be given. Perhaps the Minister will comment on that later.

Daniel Kawczynski: I agree. I am grateful to my hon. Friend for raising that point. The farmers that I have spoken to in Nesscliffe are happy to come to some arrangement with the Department for Environment, Food and Rural Affairs, whereby they would be paid to

[Daniel Kawczynski]

have their agricultural land flooded. Given the crisis that my farmers are facing at the moment—particularly dairy farmers—I think that that is a marvellous project, because the farmers would be paid to flood their land, thus protecting their income, while helping to manage the flooding on the River Severn.

Mr. Philip Hollobone (Kettering) (Con): I congratulate my hon. Friend on securing the debate and on the passion that he is showing for the new scheme.

Kettering has a connection with the River Severn, because the River Avon rises in the village of Naseby and joins the Severn at Tewkesbury, so, in a way, I feel partly responsible for flooding incidence in the Severn. I join my hon. Friend in advocating the scheme, because it would help alleviate the flood risk and recompense farmers.

Daniel Kawczynski: I thank my hon. Friend for admitting that his constituency partly contributes to the problem.

The wet washlands scheme would mean storing the water on the 200 hectare site. The project would cost £36 million, but the benefits would amount to £70 million. I spoke to someone at the Environment Agency today and asked what savings of £70 million meant, and how I could justify the project to the Minister. He said, "The benefits are twofold. First, the Environment Agency has calculated that from all of these towns not flooding, all the homes not being destroyed and all the fridge-freezers, other appliances and everything else not being destroyed and having to be replaced, the savings would be £50 million. Secondly, there would be a £20 million saving in terms of environmental gain."

What does that mean? The Minister will recall the 1992 Earth summit in Rio. As part of the conclusions of that, the Government came up with something called the biodiversity action plan, which seeks to protect 391 species of plants and animals in 45 habitats. The plan is the blueprint for conservation in Britain, protecting birds such as snipe, redshank and lapwing.

This single project in Nesscliffe, involving the 200 hectares, would fulfil 100 per cent. of the Government's biodiversity action plan for the conservation of those birds and different plants. At times of the year, the wet washlands would be only a soggy marsh. That would encourage wildlife and birds, particularly in the breeding season, by providing more food. At other times, the wet washlands would have up to 1 m of water. That is where the water would be stored and thus it would not go into the River Severn and go further down the river.

I have spoken a lot about Shrewsbury, but there are obviously other towns on the River Severn. The Environment Agency says that the benefits of the scheme will extend all the way down to Worcester. The levels of water in Shrewsbury would be brought down by 1 m during flood times and in Worcester the figure would be as much as 0.25m.

Mr. Peter Bone (Wellingborough) (Con): I congratulate my hon. Friend on securing an important debate for his area, which has implications for the rest of the country. He obviously has a great depth of knowledge on this matter. Would he be surprised to learn that in my area, thousands of homes are being built on a flood plain because of the pressure from the Office of the Deputy Prime Minister? I am fearful that my constituents might face some of the problems that my hon. Friend has described. Does he have any advice for the planners?

Mr. Roger Gale (in the Chair): Nice try, but the hon. Gentleman is way out of order. The motion is very specific indeed.

Daniel Kawczynski: I thank my hon. Friend the Member for Wellingborough (Mr. Bone) for the point on affordable housing, which I mentioned. My council has a target of 500 affordable homes. It is extraordinary to imagine the amount of extra land that would be freed up for construction if the scheme was implemented. This is strategic, long-term thinking on behalf of the Government. If they make an investment of £36 million, the net gains to them—in extra land for affordable housing, and letting all these towns on the River Severn save extra money for themselves—would be incalculable.

I acknowledge that there are financial pressures and that it is easy for an Opposition politician to call for extra funding for their constituency. However, I and my constituents genuinely feel passionate about this. I urge the Minister to look seriously into any way that his Department could work alongside the Environment Agency to examine the scheme and see whether, with the Government's backing, it can proceed—and thus save Shrewsbury from all the misery that flooding creates.

Several hon. Members *rose—*

Mr. Roger Gale (in the Chair): Order. It is apparent that a considerable number of hon. Members wish to take part. Originally, four expressed a written interest and, as is the custom, I shall give them priority. Thereafter, it is a question of how brief each hon. Member is prepared to be. We have looked carefully at the map and I understand that every hon. Member present has some form of riparian interest in the Severn. We will do our best, but it really is up to hon. Members.

2.46 pm

Mr. Michael Foster (Worcester) (Lab): I congratulate the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) on securing the debate. However, I warn him off using that excuse for the performance of Shrewsbury Town football club. We use it in Worcestershire for the performance of our cricket club, whose ground regularly floods. He cannot copy that excuse all the time.

However, I agree with the hon. Gentleman about the misery caused to home owners affected by flooding. I have had no more sobering experience as a result of becoming a Member of the House than that of visiting people who are wading through their flooded homes in wellington boots. The sight of fridges or freezers on bricks or breeze blocks is not uncommon in those properties.

You may not know this, Mr. Gale, but after the floods of autumn 2000, the River Severn group of MPs formed an inaugural grouping to tackle the issue of flooding along the river. Because of interest shown by other hon. Members, that group became established as the all-party parliamentary group on flood prevention. I have the pleasure of chairing that group, while the hon. Member for Wyre Forest (Dr. Taylor) is one of its vice-chairs. It is all due to flooding along the River Severn that we have established that all-party group.

The Severn, as the hon. Member for Shrewsbury and Atcham said, has been flooding for years. In the worst flood in Worcester, in 1947, the river rose to 5.58 m above its normal summer level. That level of flooding affects 200 properties in the city of Worcester. While not wishing to be partisan, because my comment is not, I can understand why the Government's eye was taken off the ball regarding flood prevention, given the rather cyclical nature of flooding as it affects Worcester.

To take the Hylton Road in Worcester as an example, that floods at 4.2 m above normal summer level. In the five-year period between January 1955 and 1960, the river flooded six times. Then, between January 1965 and 1990, a 25-year period, the river flooded six times more. However, between January 1995 and 2005, a 10-year period, the river flooded nine times at that point—a considerable change in the frequency of flooding. That cyclical pattern has really drawn attention to the need to deal with flooding in places such as Worcester and Shrewsbury and the towns in between.

I too have worked with the Environment Agency to tackle flooding in the city, and have looked at the options that it has proposed. One attractive option is upstream storage, along the lines described by the hon. Member for Shrewsbury and Atcham. If I may use a pun, I do not want to pour cold water on his idea, but for Worcester to be protected by upstream storage so that the city of Worcester did not flood, it would require upland storage capacity of 127 million cu m of floodwater, which is two and a half times the volume of the Llyn Clywedog dam. That requires a huge expanse of land, but it is not available to be used to protect the city of Worcester.

I understand how an upland washland area could protect parts of the town of Shrewsbury, but once that river water comes down towards Worcester, there is no capacity above Worcester for the same level of upland storage. It would require something huge further upstream to deal with the problem. However, some policies can be tackled by the Government and the Environment Agency. Will the Minister explain what scope exists for the use of washlands that could mitigate some effects of flooding along the River Severn?

Let us consider other changes in upland land management, especially afforestation, that could reduce the flow of the rain falling on the Welsh hills and finding its way quickly into the River Severn. If we can slow down the progress of the rainfall, it might have a reduced impact on flooding. We must also deal with barriers that hold back the water, some of which are buildings that are constructed in flood plains. What changes are being proposed in PPG25 to stop councils erecting houses on flood plains and storing up misery for the residents in years to come?

Another policy that is often flagged up as the saviour of Worcester and other towns and cities is dredging. If it were to be a solution for Worcester, the river bed would have to be excavated to a depth of between 4 m and 5 m for the length of the river from Worcester downstream to Gloucester. It would make the river at Worcester tidal, which would affect water supplies because our drinking water comes from the River Severn. Admittedly, it is clean before it reaches us, but such measures would affect the habitat and the environment generally. Frankly, dredging is not an option that would solve Worcester's problems. That has been confirmed by Dr. Ian Maddock of University college, Worcester, who concluded that

"dredging would be a very costly attempt to reduce flooding that is not viable on either economic or environmentally sustainable grounds".

We can put to bed the argument about dredging.

Let us now consider permanent flood defences. They would be options for parts of the city. Worcester has 11 identified areas that are known as flood cells, each of which is examined to see technically whether defences can be built. They are then assessed using cost-benefit analysis to see whether it is financially worth while to invest in them as a defence. Permanent defences cost a fortune because we have to sink them down to the bedrock before they are built up to prevent water going underneath the defences. As the hon. Member for Wyre Forest knows, huge costs were incurred when the Bewdley defences were installed.

In Worcester, five of the 11 flood cells have a positive cost-benefit analysis. In theory, that is good news. However, on the priority scoring system, they score between four and six points out of a maximum score of 44, which means that they will not be dealt with in the short term. Perhaps the Minister can write and explain to me and those residents who will be defended by the systems when it is likely that the Government priority score will come down into the region where the permanent defences can be built.

David Wright (Telford) (Lab): Does my hon. Friend agree that a significant problem occurs when there is a small number of properties within each cell, as a result of which the cost-benefit analysis often means that properties are not defended? It is a particular problem when the buildings are of historical significance within a cell. I am thinking of the Boat inn at Ironbridge, a popular local pub which floods regularly. Indeed, markings on the wall show the levels to which floods have progressed through the property over the years. Such property needs defences even though, in terms of cost-benefit analysis, the flood cells structure would not lead to its having defences at the moment.

Mr. Foster: My hon. Friend's conclusions are right. That is exactly our experience in Worcester, with five cells including those comprising 24, 19, 14 and 18 houses. They are small cells. It means that the system does not help us to score highly on the priority list.

There is some good news, with the use of temporary defences in Worcester and further upstream. They have been a phenomenal success. While it is desperate to walk inside people's houses in one's waders, with water and other things floating around, it is a surreal experience to

[Mr. Foster]

walk along a perfectly dry road when the river level is 1 m above, held back in Worcester's case by pallet barriers. It is such a simple idea that I cannot believe that someone did not come up with it earlier. It has worked effectively for the businesses and properties along Hylton road.

Are the Government satisfied with the trial that was conducted along the River Severn, and do they intend to extend it to other parts of the country? I can assure those constituencies prone to flooding that it is such a simple system that road traffic still uses the road. It is defended against flooding and so are the properties.

I should like to extend the debate to include some of the Severn's tributaries that flow through the city of Worcester. Such places as Barbourne brook, Astwood brook and Duck brook in the city are more prone to flooding when the River Severn floods. In April 1998, Barbourne brook was the scene of about 100 flooded properties. It is a housing estate built on a flood plain, with a brook culverted underneath the estate, so one would not know that it was a flood plain area. To see an inshore lifeboat rescuing people from the first floor of their homes is a sight that one does not want to deal with every day.

I should like to place on the record my tribute to the Environment Agency for the way in which it has taken over the management of the watercourse at Barbourne brook, creating extra upland storage and clearing the culvert, so that even though there have been periods of heavy rain since it has taken over management, properties on the Blanquettes estate have not flooded again. I pay tribute to the Environment Agency staff for the way in which they deal with people whose properties are prone to flooding and explain the systems available, and for the vigour with which they tackle flooding issues.

David T.C. Davies (Monmouth) (Con): I am grateful to the hon. Gentleman for giving way in a debate that I do not think will become politically rancorous. Does he share my concern that in drawing up flood defence schemes, the Environment Agency can be over-bureaucratic, which leads to delays?

Mr. Foster: I am afraid that I do not agree with the hon. Gentleman. I would prefer the Environment Agency to take its time when coming up with a flooding solution that works and does not have adverse and unforeseen consequences on other parts of, for instance, the River Severn. When the left bank of the river at Bewdley was protected, there were concerns that it would increase the flood risk on the right bank. I would prefer the agency to take its time to show that that will not happen.

The same is true in such places as Worcester, where we have temporary defences. Before they were put up, I was assured that they would not adversely affect any other property in the city. If it takes time to do that, I do not mind. I do not agree that the agency is over-bureaucratic.

I should like to ask the Minister for his assessment of the capacity of the agency to deliver additional flood defences, particularly in terms of staff recruitment and the retention of skills and expertise of existing staff. I acknowledge and place on the record my belief that the extra investment given by the Treasury via DEFRA to the agency is welcome. I should like the Minister to reaffirm his Department's commitment to maintaining that level of investment, which not only protects homes and businesses, but conforms to the requirements of the Association of British Insurers, which insures those whose properties are prone to flooding. The extra investment is needed to ensure that those people remain part of the happy group that is starting to see solutions to the flood problems that have affected us for centuries.

3 pm

Dr. Richard Taylor (Wyre Forest) (Ind): I too congratulate the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) on raising this issue. I join him in welcoming what is perhaps a new, co-operative stance on the part of the Conservative party. However, I am slightly alarmed that it might be taking over my unique position of telling the Government when they are right and when they are wrong.

I am delighted to take part in the debate, because it gives me a great opportunity to thank the Government and the Environment Agency for everything that they have done in my constituency. I remember the November 2000 floods, to which the hon. Gentleman referred. The water in Bewdley was 5.6 m above its normal level and huge chicken sheds were floating down the river, along with tree trunks as big as submarines. The Prime Minister came to Bewdley, and I observed him from the crowd—I was not an MP then—as he paddled over to the bit of the bridge that one could just get on to. The road was closed. The water was 4 ft up the doors of houses just up the river. The roads on the other side of the river were completely blocked and graceful swans were swimming in the middle of them.

During the floods just a couple of years ago, the demountable defences were up and they were magic. As the hon. Member for Worcester (Mr. Foster) said, people can walk on the towpath and the quayside, and the water is 1.5 m above them. There is an eerie quietness. One looks into the drains and, to one's amazement, they are empty, because the underground flood defences and the pumps are working magnificently. I am also pleased to welcome the pallet-type defences on part of the Wribbenhall side of the river. They will not be trialled, because they have been trialled in other places, and they will be erected at the first warning of a significant flood. They will cause a certain amount of disruption, but we are very grateful for them. The underground works, the sewer connections and the pumps for the drains are all in place and ready.

I think that I can stray slightly from the Severn, Mr. Gale, and go precisely three miles, which is not as far as others have strayed, up one of its tributaries. The River Stour, which runs through Stourbridge, enters the Severn at Stourport. Above Kidderminster, a wet washlands has been established and it works brilliantly. A bund has been built across the area previously called Puxton marsh, which had sites of special scientific interest on it. A bridge with a relatively small hole through it has been built over the river. I have walked over the bridge when the river is low, and there is just a small flow through the bottom of the hole. I have also

walked over the bridge when the river is in flood, and the hole is completely full of water, and the river is backing up above the bridge, restoring the wetland that used to exist at Puxton marsh. We are lucky that that land has never been valuable from the marketing point of view; in fact, only Belted Galloways, which are rather tough cattle, have been able to live on it because they can eat rougher stuff. Those issues are therefore no longer causing trouble, and the amount of water that can now flow through Kidderminster town centre is strictly limited and flooding will not occur.

I now want to ask some questions and I hope to get some answers. Members of the all-party flood group, which the hon. Member for Worcester mentioned, very much welcome the Norwich Union flood maps, which go into tremendous detail. Some parts of the country are covered with metre contours, while others are covered with half-metre contours, which means that there is the theoretical possibility of completely avoiding postcode flood risk. Is that approach working yet? For example, do people in the DY12 postcode, who are 400 ft above the river, no longer have to pay the same extortionate insurance premiums as those who are still liable to be flooded? Do households that are now effectively protected pay lower premiums?

The other spin-off of the tremendous flood mapping is the possibility of allowing people who want to sell their houses to make it clear that they are in an area that is completely free from flood risk. I hope that that is being implemented.

Finally, we have heard from hon. Members about isolated properties and farms where people have built dykes round their property. In parts of Stourport, it is extraordinarily difficult to protect an industrial estate and a residential area. Will there be support for people with houses that cannot be protected to make the adaptations to their houses that make them relatively resistant to floods—for example, suitable flooring, plastering and cavity wall insulation? During the flood in Worcester that the hon. Member for Worcester mentioned, no one expected part of the area to flood and the cavity wall insulation used meant that people were kept out of their houses for ages.

The National Flood Forum ran many fairs to tell people how to adapt their houses and I hope that they will continue. I pay tribute to Gill Holland of Bewdley who was a director of the National Flood Forum and was instrumental in running many of those fairs. I understand that she has just had a hip replacement and, while off sick, found that her job had disappeared. I hope that the Minister will be able to give some answers on insurance and unprotectable properties.

I thank the Minister, the Environment Agency and Severn Trent Water for all their work in my area.

3.7 pm

Mr. David Drew (Stroud) (Lab/Co-op): I took careful note of what you said, Mr. Gale, and will try to keep my comments short.

I welcome the debate and congratulate the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) on securing it. We shall shortly leave for the Environment, Food and Rural Affairs Committee to discuss this and other issues and we will be meeting the Environment Agency tomorrow morning. I pay due respect to my hon. Friend the Member for Worcester (Mr. Foster) and the hon. Member for Wyre Forest (Dr. Taylor) for their work with the all-party flood prevention group, which has always been informative and has given us an opportunity for dialogue with different agencies.

I want to make a few general comments about the River Severn and then speak about a specific case, which I hope the Minister will be able to advance. I then want to come to an open-ended conclusion on some of the issues relating to how we treat water, which is directly relevant to the River Severn.

In the main, I support the Environment Agency and allied organisations, including the water companies. They are now treating the threat of flooding more seriously and I am pleased that we are consulted almost to death in attempts to engage with MPs, councillors and other representatives. We wait expectantly for the final presentation of the lower Severn scheme, which I believe will be available in the new year. I have been able to take part on a number of occasions in the consultation on how that is being put together.

The Government have put many more resources into the problem. The Minister for Climate Change and the Environment has on a number of occasions shown that the Government are serious about the problem. My hon. Friend the Member for Worcester mentioned the need for new planning guidance. Monday's announcement by the Office of the Deputy Prime Minister was an advance on that. We hope that that will now be taken forward and will provide clarity on the planning process.

I largely support the Environment Agency and what it is trying to do. There has been greater clarity in the cost-benefit analysis so we now understand which particular parts of the catchment area around the Severn are likely to get works and which are not. My area tends to flood in extremis. We have an unusual situation, as the area is tidal and water also comes down the Severn. However, when we get hit, like the constituency of the hon. Member for Forest of Dean (Mr. Harper), we get hit badly. That was the case at the end of the last millennium, which resulted in a large part of the no th of my constituency flooding.

As a result, the Environment Agency spent considerable sums on bringing up to scratch the flood protection measures, which largely take the form of banks. The banks were reinforced and taken back to their current level. We did not ask for them to be increased because, as I will make clear, that is a zero-sum game, as has already been alluded to. If someone has their area protected more, someone else will get the floods. I would be happier if we were able to say that we had a coherent strategy rather than for the area that was the last to ask the Minister for extra money or to approach the Environment Agency to be landed with the problems.

We are not asking for physical schemes. Indeed, apart from where there are clear requirements, such as in an urban situation where a large number of properties are at risk, we should not look for physical schemes. We should use the river, understand that it has its organic way of doing things and learn not necessarily to love it but to live with it.

[Mr. David Drew]

Slightly contrary to what the hon. Member for Shrewsbury and Atcham said, DEFRA grants are already in place for farmers who are willing and able to allow their land to flood. As we go into a regime of rural development regulations, there should be more opportunity for that. I am glad to agree with the hon. Gentleman; I do not see this as anything other than a good move. If we are to pay farmers to do something that is of tremendous value to a wider population, let us pay them and use the skill that comes with them as the guardians of it. I welcome that move, and we should link with it ideas such as reed beds.

We cannot concentrate simply on the pure aspects of flooding; sewerage is an issue as well. The idea that we can physically build our way out of all the problems is a myth. The sooner we understand that and consider low-technology answers, the sooner we will all be happier. They are cheaper and, in the long run, they are sustainable and better. I hope that we will do that.

I come on to a particular problem. I am not a provocative person, as the Minister knows, but it has been gnawing away at the back of my mind for some months. It is a difficult problem, which concerns an area called Frampton on Severn. It was identified in the famous flood maps, which have largely been useful, as an area subject to flooding. It has flooded in the past but not recently. The problem is that Frampton on Severn's coastal protections—the Severn is effectively coastal in that area—have largely eroded.

The Environment Agency's response has been that the Gloucester-Sharpness canal is a flood protection device if the water comes over the coastal protections, which, as I said, are badly eroded. Although British Waterways will not say categorically that it is not a flood protection, it will not agree—certainly not on paper—that it is. There are two obvious reasons for that. First, it could end up with the bill. The canal banks, which are not strong enough to withstand a huge volume of water, have fallen in in the past. More particularly—the hon. Member for Northavon (Steve Webb) will have a view on this—the canal supplies water to Bristol Water, which provides the water that some of his constituents drink. It is not terribly clever to have a flood protection device that is likely to have an impact on the water supply.

Along with the parish council of Frampton on Severn, I have been trying to get some answers and therefore ask the Minister to take up the issue. We want clarification on whether the canal is a flood protection device. The answer cannot go both ways. In effect, two public bodies are each looking in their own direction and trying to avoid the issue. There is no problem until a flood occurs, but if that happens and there are questions about who was right and whether there was an effective flood protection device, it could be too late.

Things got so bad that the parish council felt that it had to submit a freedom-of-information inquiry to the Environment Agency to try to get clarification. That is not good enough. This is an important issue, and I hope that the Minister will provide clarity. I do not expect an easy answer or one that necessarily has the agreement of all sides, but there must be a statement on paper about a flood protection device in that area.

To conclude, I am pleased that the Environment Agency has been working with the water companies. They should not be excluded from discussions about the Severn area, the implications for water supply and, indeed, the quality of water, in which I have become increasingly interested. We should do much more to understand the microbiological issues relating to water.

I hope that the Minister will take on board these general comments. I would like us to think about water a little more holistically. A bid was made for EU LIFE funding to examine the water catchment area not just of the Severn but of the River Frome tributary, but, sadly, the bid has not gone anywhere. I hope that the Government are serious about considering how these different issues can be brought together so that we can get a much better understanding of the water chain and manage all these things more effectively. Finally, as always, I ask for a real explanation of what is happening about flood protection around Frampton on Severn.

Several hon. Members *rose—*

Mr. Roger Gale (in the Chair): Order. Will hon. Members keep an eye on the clock, please? I need to call the Front-Bench spokesmen at 3.25.

3.18 pm

David T.C. Davies (Monmouth) (Con): Thank you, Mr. Gale. I shall try to keep my comments to an absolute minimum. I am delighted to congratulate my hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski) on introducing the debate and to say—it is not only in the interests of the new consensual atmosphere that we do not want to score political points—that the problem we are dealing with on the River Severn is an incredible natural phenomenon.

I am very familiar with that phenomenon, as I have lived around that area all my life and have even surfed on the river on occasion. The river is remarkable because it has the second highest tidal range in the world, which means that, several times each year, we experience the phenomenon of the Severn bore. The amount of water gushing up the Severn is so great that it forms a wave and takes the entire tide behind it. One minute it is low tide, the next it is like being on an elevator.

The Severn bore leads to problems further along the estuary, which is the area that I am particularly concerned about, as it is adjacent to my constituency. It has been subject to flooding since Roman times, and there has been a flood defence of some sort there since then. The flood defences have gradually been raised as development has increased.

As I said, the river has a remarkable tidal range. During the past 20 years or so, there have also been surges on top of very large tides. A tidal surge is a water level that is much higher than that which the tides suggest, and on two occasions in the past 15 years, the tidal surge has come up to the level of the flood banks. If the tidal surge ever comes on top of one of the highest predicted tides, the water level will be 1 m over the flood banks. That has been known for several years.

As I said, on two occasions—in 1983 and 1990—the water level was at the top of the banks and coming over. There is already a huge amount of development in the

area—housing, factories and schools—and a lot more is planned by Newport borough council on the sites of the old Llanwern steel works. That will be a very big housing development. For 10 to 12 years, there have been calls for the Environment Agency to do something about the flood bank and flood defence scheme from Cardiff to Chepstow, in my constituency. The Environment Agency has said that it will do it, but there have been various delays, some of which I think result partly from reorganisation of the local flood defence committees, although they would deny that.

The works are scheduled to start in 2007, but it is possible that building work will continue before that. It is not being apocalyptic to suggest that because of the natural phenomenon there could be a very bad flood in the area. That is not only possible, but, statistically, almost certain to happen at some point—it could be tomorrow or not for another 50 years. However, there will certainly be a water level far higher than the current flood defences can cope with.

I urge the Minister to investigate what the Environment Agency is doing between Chepstow and Cardiff, and particularly between Chepstow and Newport, as work has started on a section between Newport and Cardiff. I also urge him to get an assurance that, if the work must wait until 2007, it will definitely start in that year. I have nothing more than that to say, because we are all committed to ensuring that we do not get a repeat of the problems of 2000.

The problems with the River Severn can also cause flooding elsewhere, on tributary rivers. The Severn is tidal as far as Bigsweir. Living in Monmouth, where there were terrible floods in 2000, I believe that that has an impact on rivers such as the Wye and the Monnow that flow into it, although the Environment Agency denies it. The agency has been responsible for helping to agree a flood defence scheme for Monmouth to prevent a repeat of what happened in 2000, but it has not been my experience that it dealt with that as quickly as one would want, although it is going ahead now. We all agree that we need to do more to solve such problems, and I hope that the Minister looks into the matter and obtains assurances.

3.23 pm

Steve Webb (Northavon) (LD): I admit that when the debate came up and we started looking for a Liberal Democrat Front Bencher to speak about the River Severn, we discovered that our leader had not appointed one. Someone noticed from the map that my home is 2 miles from the Severn bridge, so I was held to have some interest in the subject. When someone said, "What we really need is a Severn bore," my name came up again.

Wearing the spokesman's hat for this debate on behalf of my party, I congratulate the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) on bringing this important issue to the House. Clearly, from the number of hon. Members who have attended and taken part in the debate, it is of considerable concern across the party divide. However, it would be wrong to say that nothing has been done. Things have been moving, and the hon. Gentleman properly paid tribute to the work that has been done. I agree about that.

Parenthetically, I always believe that in such matters prevention is better than cure, and, understandably, we have focused our remarks on dealing with the consequences of flooding in the Severn area. Will the Minister comment briefly on his Department's views about the causes of increased flood risk? There are those, for example, who say that the problem we are discussing has its origins in climate change. Is that the Department's view? Does the Minister think that, as well as putting up higher and higher defences and trying to find somewhere for the water to go, central Government have, critically, more of a role to play earlier on—upstream, one might say—in the process? Perhaps they should do more to limit the problems that we are talking about. However, there is clearly a problem to be dealt with now, whereas many of the issues that I am referring to are long term.

The debate has been structured very cleverly by you, Mr. Gale, as you called first Members concerned about tidal flooding further up the Severn—more broadly to the north—while the later contributions came from the hon. Members for Stroud (Mr. Drew) and for Monmouth (David T.C. Davies), who discussed the parts of the Severn that suffer from flooding and tidal flooding, and in some cases from a combination of the two. The issues that relate to the two sorts of flooding are different, and the defences that work in one case will not necessarily work in another.

I was encouraged by the effectiveness of the temporary flood barriers, about which the hon. Members for Worcester (Mr. Foster) and for Wyre Forest (Dr. Taylor) spoke warmly. I have a copy of the Environment Agency's February 2004 evaluation of temporary flood barriers in the Severn valley. I shall quote from a local newspaper, with no prospect of any possible gain from featuring in it. In February 2004, the *Shropshire Star* said:

> "People have always said nothing can be done. From this week the mindset has been totally changed forever."

The rules have changed, and

> "the old consensus that nothing can be done was replaced by the knowledge that something can be done."

That is encouraging to hear.

How far will the Minister's Department press the Environment Agency to expand those temporary flood defences? The cost-benefit analysis in the economic appraisal of the trials is overwhelmingly positive. The ratio of benefit to cost of the temporary barriers in Shrewsbury is 10:1. It is just over 2:1 in Worcester, so Shrewsbury should obviously be the priority. I say that in deference to the hon. Member for Shrewsbury and Atcham.

Despite those powerful arguments in favour of the temporary barriers, the tenor of the document is quite cautious:

> "This sort of high profile trial is bound to raise expectations of residents. Clearly this has been the result ... The tremendous media coverage has also ensured other residents and communities, currently not enjoying target standards of flood relief, will also expect to see temporary defences evaluated as an alternative to 'do nothing'."

That is clearly the case. How far is the use of temporary barriers integral to the Government's strategy? They are more flexible, and are popular and effective. Is that the direction in which things will go?

Lembit Öpik (Montgomeryshire) (LD): My hon. Friend knows, as do other hon. Members, that the source of the Severn is in my constituency, and that I have a passion for—and, perhaps, an intimate interest in—weather forecasting. *[Interruption.]* Yes; think about it.

Mr. Michael Foster: Very good.

Lembit Öpik: Thank you.

Does my hon. Friend the Member for Northavon (Steve Webb) accept that the difficulty with temporary barriers—and, indeed, permanent structures—is that they often unload the problem further downstream? Therefore, we still need to look at other ways of mitigating the river flow. The big question involves not dredging, but whether there is some way to employ the farming community to assist, on an incentivised basis, by preventing the water from turning up in those urban and high-flood-risk areas.

Steve Webb: I am grateful to my hon. Friend for that intervention. The general tenor of the remarks made so far is a warm welcome to the idea—a warm front, one might say—of using farmland and farmers, particularly given the troubles that many of our farmers are having. The idea is that they should be effectively compensated and enabled to contribute to tackling the flood risk.

I note that the Government strategy on this issue goes under the euphemistic title, "Making space for water", which water seems to have a knack of doing for itself. I quote from a project officer in the Environment Agency, Loreta Adams, who says that engineering alone—sticking up defences—

"cannot protect people and the environment from all floods. We need to balance our investment in defences with efforts to develop innovative ways of managing floods, so that we can minimise the risk of flooding into the future."

That has been one of the messages of today's debate.

On a slightly critical note, I want to raise with the Minister the issue of urgency. The original basis for the debate, in the interests of the hon. Member for Shrewsbury and Atcham, was the flooding in 2000. I am worried that things have drifted a little, although there have been individual cases of action. I have here a document called the "River Severn Strategy", which was produced by the Environment Agency in 2000 and which says that it would start a tidal Severn strategic study in 2001 to address flooding between Gloucester and Avonmouth. Yet, towards the end of 2004, we heard that there would be a consultation lasting until March 2005 on the River Severn flood management strategy for the tidal section of the river—that is five years on.

Will the Minister say how far have we got in five years, particularly with regard to the tidal section of the Severn? Five years is quite a long time. Given the risks we are talking about, how soon will it be before the strategy documents and consultations result in effective action?

The role of the Environment Agency is critical. We need it to respond promptly when local authorities are assessing planning applications to build on flood plains. That point has been raised by a number of hon. Members. There appears to be some criticism that the agency is not always doing that. Worcester was mentioned as one council that has had to deal with the agency's taking too long. Other authorities have criticised the agency. It is reported that the agency has accepted that in a fifth of cases in which local authorities have made decisions without it, it is the agency that is at fault for not giving sufficiently prompt feedback.

Will the Minister reassure us that—perhaps in the context of the review of planning policy guidance note 25, which has already been raised—the Environment Agency can be enabled or encouraged to respond more promptly? When local authorities are trying to assess planning applications for flood plain areas, clearly the Environment Agency's perspective is critical. When local authorities are minded to resist applications, but do not have the teeth of the Environment Agency behind them, that can make things difficult, particularly when there is so much pressure to accept house building in particular areas. The local authorities need the Environment Agency to be there and to speak out strongly. I hope the Minister can assure us that he will ensure that the agency acts more promptly.

To draw my observations to a close, can the Minister say something about what scale of spending on flood management and flood defences will be up to the task? I am aware of the £570 million a year that the Department says it is spending on those areas, but my impression from talking to my hon. Friend the Member for Lewes (Norman Baker), who shadows the Department, is that its own assessment is that it needs to spend more than that. In a sense, the budget is obviously constrained, but the Department's assessment is that it needs additional resources to manage the flood risk. Perhaps it is being thwarted by the Treasury. If the Minister agrees, we can work together and lobby the Treasury in a non-partisan spirit. Clearly, there is a question whether the Department feels sufficiently resourced to tackle the problems we are talking about.

We have heard eloquent testimony from a number of hon. Members about the inevitable problems that flooding creates for businesses and residents. If flooding is becoming more prevalent, long drawn-out consultations, strategic plans and all the rest of it are all very well, but there is an urgency to the matter, which I hope I have been able to convey to the Minister.

We welcome the steps that have already been taken and some of the innovations that have been made, but many of us who represent areas along the Severn still feel that our constituents are vulnerable and that we need action on defences and managing water in other ways, as well as, fundamentally, action on the causes of the increased flooding risk—an area in which the Government could be doing a great deal more.

3.33 pm

Mr. James Paice (South-East Cambridgeshire) (Con): I recognise that I do not have any direct constituency link to the River Severn, but I have shadow responsibilities. I echo the comments of my hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski) about my hon. Friend the Member for North Shropshire (Mr. Paterson), who would have been here had he not been speaking in the Chamber. Not only would he have spoken from a constituency point of view, he probably would have done the job that I am doing in speaking on behalf of the Opposition.

During the debate, much has been made of the issue of the new, consensual approach to politics. I entirely support it, but it is not actually new as far as I am concerned. I think that the Minister would agree that, during the time we have been working opposite each other, our approach has been largely consensual. Indeed, I have gone so far as to say that DEFRA has in him an excellent Minister; albeit it has taken eight years to find one. In all fairness, I must say that it is equally unusual to hear the Liberals accepting responsibility for anything, so to have the hon. Member for Montgomeryshire (Lembit Öpik) metaphorically hold up a sign and say, "The flood starts here," was welcome.

To be serious, I congratulate my hon. Friend the Member for Shrewsbury and Atcham, as others have done, on what I understand is his first debate in Westminster Hall. It is on a subject of great importance not only to his constituency but to the many other constituencies affected by the flooding of the Severn. It also raises issues that are common in many other constituencies; indeed, flooding is not unknown in my area, a third of which is below sea level. We are familiar with the fen washes, which were designed 400 years ago by Vermuyden to take the surplus water and to expel it from the area. My home is only 7 ft above sea level, so I am fully familiar with the problem.

Some key points have been raised in the debate. First, many hon. Members referred to the huge cost of flooding—not only the financial cost but the emotional cost—to individuals, businesses and communities. Secondly, some have mentioned the overall trend, which shows an increasing incidence of flooding. The hon. Member for Worcester (Mr. Foster) referred to different time scales and demonstrated a cyclical approach. If he took a longer time scale, he would find that that trend is towards an increasing number of incidents. The Office of Science and Technology estimated that without action to tackle climate change, the cost of flooding could rise twenty-fold during the present century. That partly answers the point raised by the hon. Member for Northavon (Steve Webb).

It is not climate change only that is at the root of the problem. As hon. Members have said, new developments speed run-off. The Environment Agency published its flood maps just over a year ago. That was a significant step forward, but the maps were probably insufficiently detailed. The Norwich Union maps referred to earlier were considerably better but even they were not accurate enough for many individual properties. I can tell the hon. Member for Wyre Forest (Dr. Taylor) that although 0.5 m is a detail on a map, it is significant when seeking to discover whether a property is at risk of flooding. I know of many property owners who have had insurance problems whose properties have never been flooded, even though a property just down the road had been. It is crucial that the Office of the Deputy Prime Minister should ensure that development does not take place on flood plains. Like the hon. Gentleman, I look forward to hearing what will happen to PPG25.

I shall address some of the specific issues raised during the debate. I generally support the principle of catchment management plans as developed by the Government. It is the right way forward, as it takes account of all the water in a catchment area. I strongly support the principle of what I call soft protection—soft management—in preference to the sort of hard defences mentioned today. I fear that the country has far too many concrete channels that no longer have sufficient capacity to take the high-speed run-offs from upstream, which has resulted in urban flooding.

If you will permit me to digress for 15 seconds, Mr. Gale, whenever I welcome constituents or friends to the House I show them the chart by the steps up to St. Stephen's entrance. The chart shows what has happened to the Thames over the years, and it shows that Parliament is built on what used to be the river. It shows how the sea wall has moved over the centuries to where we now enjoy it; beyond the Terrace. That shows how development is constantly expecting the channels that remove the water to take ever more. Squeezing watercourses like that is unnatural. As the hon. Member for Stroud (Mr. Drew) said, it does not reflect the natural dynamism of rivers or watercourses. Those aspects need to be taken into account. Those who have lived near rivers in the countryside have seen what has happened over the years and understand the problem.

Mr. Drew: Will the hon. Gentleman give way on that point?

Mr. Paice: I would rather not, if the hon. Gentleman does not mind; I am trying to keep to time, as we all want to hear what the Minister has to say.

Soft defences are obviously not enough; as hon. Members have said, hard defences and temporary defences are essential. Indeed, I was interested to hear about the temporary defences; I had not heard of pallet barriers before. Like many other hon. Members, I believe that reform of the common agricultural policy and the development of pillar II money will create a significant opportunity for flood management to be better integrated into our general land use policies. Although as an individual I am averse to destroying good agricultural land, which over the past 40 or 50 years we have been paying farmers to reclaim from marshes so that we can produce more and better food, it seems a bit strange quickly to reverse tack and suggest developing wetland marshes. Nevertheless, it is sensible to develop flood plains, and if we can use rural development money to do so, that seems wise. As my hon. Friend the Member for Shrewsbury and Atcham said, in addition to flood prevention, the development of flood plains has significant conservation and biodiversity attributes.

I shall certainly not use this opportunity to suggest one or other solution to the problems of the Severn. The one lesson that we can draw from this debate is that there is no single solution; there are a number of solutions for different parts of the route of the Severn and for different communities. However, before I embrace the idea wholeheartedly, I want to challenge the Government and ask the Minister what work has been done on other options apart from the use of water catchment on flood plains and marshlands. I know that my hon. Friend the Member for North Shropshire would have made these points if he had been present.

In particular, what work has been done on collection further upstream, into the genuine uplands, where, to pick up the point made by the hon. Member for Worcester, reservoirs may be appropriate to retain

[Mr. Paice]

water, but may also be used, as they traditionally were, as a source of water? That may not necessarily be in the area of the Severn, but—if I may be parochial, Mr. Gale, and you may well agree with me, not that you can—may be in the south-east, which, because of the rush to development, faces serious water shortage problems. I suspect that it will not be many years before there will have to be a much greater water transfer between the west of the country and the east. Therefore, water catchment for consumption is also an issue.

There is also the possibility of using uplands reservoirs as a source of hydroelectric power, again given the consensus that we need to move further towards renewable energy; water would be preferable to wind power. However, here we bring together different aspects of Government; not just the Environment Agency but the ODPM and the Department for Trade and Industry because of its responsibility for energy. Hon. Members will no doubt think of other Departments that should also be involved. Therefore, although the wetlands strategy is attractive, it is not down simply to the Environment Agency to produce the solution; other organs of government must be involved.

The people of Shrewsbury and Atcham, who I am sure will appreciate their MP's debate and the fact that he has taken the initiative, and all the other people in the towns and villages along the course of the Severn will look to the Government for action. Not to be too critical, my own experience of the Environment Agency is similar to that of my hon. Friend the Member for Monmouth (David T.C. Davies); speed is not necessarily the first attribute that one would give it.

Most important, we need action. We have got used to lots of reviews, strategies and plans, but they do not prevent flooding, although they might produce a pretty massive physical barrier if they were all stacked up on top of one another. It is important to turn them into action. My hon. Friend the Member for Shrewsbury and Atcham has produced some ideas. He has taken the Environment Agency's ideas for the wetland, which has many attributes. We would all welcome not only the Minister's responses but his commitment to action.

3.44 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Jim Knight): I congratulate the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) on securing this debate and I thank him for his new consensual style, which I think informed the rest of the debate—and very well informed and consensual it was too. I also thank my hon. Friends the Members for Worcester (Mr. Foster) and for Stroud (Mr. Drew), the hon. Member for Wyre Forest (Dr. Taylor) and others for their positive comments about the Environment Agency. It was especially good to hear from the hon. Member for Wyre Forest about the action that has been taken in Bewdley in particular.

My hon. Friend the Minister for Climate Change and the Environment is abroad and therefore cannot be here to respond to the debate, but clearly, climate change is an issue in the context of this debate. I am sure that we all wish him well in the negotiations in Montreal that he is currently enjoying.

As we have heard, flooding is a traumatic experience. It is costly in material terms, in disruption to people's lives and psychologically, in terms of stress and worry. I have great sympathy with those who have suffered damage and distress as a result of flooding and those who are worried that flooding will affect their lives in future. Following the rainfall last week, my wife received an automated call from Floodline to warn us of the threat to our home from the River Wey, so I personally have a lot of sympathy for those at risk of flooding and I appreciate the efficiency of that automated service. I was also pleased to visit the River Severn in Worcestershire over the summer.

Before I turn to the particularities and make some more local points about the Severn, I want to set out the national background. Because of the importance of flooding and the worry that it causes, the Government have made flood risk management a priority area, with significantly increased real-terms funding and the most thorough public review of policy in this area for many years. We estimate that between 4 million and 5 million people live in areas at risk of flooding and assets totalling some £250 billion are involved. We calculate flood risk as a measure of both the probability of flooding and its consequences.

I say to the hon. Member for Northavon (Steve Webb) that the probability of flooding might well increase as a result of climate change and sea level rise, while the damage caused will increase along with both the risk to national wealth and further development. I will return to development on flood plains. In line with the majority, I need to focus more on the consequences of flooding rather than its causes.

There is a huge challenge for the Government, the operating authorities and those at risk. DEFRA has overall policy responsibility for flood risk in England, and we work in partnership with the Environment Agency, which is the principal operating authority for managing the risks. The agency's flood risk management activities are largely funded by DEFRA and it operates within the framework of guidance issued by us. We agree its corporate plan, which sets the outputs that we expect it to deliver on our behalf.

As I say, the Government have provided large increases in funding for flood risk management over recent years; the total expenditure on management of flood and coastal erosion risk will be some £570 million this year and for each of the next two years, compared with £310 million about eight years ago—coincidentally. We will use the money to maintain the Environment Agency's excellent capacity, and its excellent staff, in dealing with the challenge. I thank my hon. Friend the Member for Worcester for his kind comments about the staff.

Hon. Members will understand that this is about risk management, because we have to recognise that we cannot prevent flooding completely and there is not an infinite amount of money that can be spent on the problem, however much any of us in this Chamber would want to spend. Any of us in Government would probably in the end agree with that. I would also advise the hon. Member for Northavon that as part of the next comprehensive spending review we will again look thoroughly at how we apply the resource to this particular problem.

The measures that we take include the building of flood defences to reduce the probability of flooding and go beyond that, to embrace a range of approaches for reducing the consequences of flooding when it does occur. They include public awareness campaigns, flood warning and emergency planning, together with seeking to avoid increasing risk through inappropriate new development on the flood plain.

From a flood risk management perspective, in addition to significantly increased funding since 1997, we are also addressing the challenge through "Making space for water: Developing a new Government strategy for flood and coastal erosion risk management in England", to which the hon. Member for Northavon referred. That is a thorough re-examination of policy to set our direction for the next 20 years or so. We are undertaking a wide consultation with all interested bodies.

In March, my hon. Friend the Minister for Climate Change and the Environment published the Government's first response to views expressed in our consultation on a new strategy, and that gave greater prominence to the role that flood resilience and resistance can play in managing flood risk effectively. As a result, we are also exploring whether it will be practical to provide some form of financial assistance to households in areas where community defences cannot be justified to make their homes more flood resilient and flood resistant. I hope that Members who raised that matter will be pleased to hear that we are considering that—including, perhaps, for the Boat inn in the constituency of my hon. Friend the Member for Telford (David Wright).

Several hon. Members raised the issue of development in areas at risk from flooding. My right hon. Friend the Deputy Prime Minister recently initiated a public consultation on proposals for strengthening and updating guidance to planning authorities on avoiding inappropriate development in areas at flood risk. The new planning policy statement 25 includes a measure giving the Environment Agency a statutory role in relation to development and flood risk, with the possibility of calling in major development proposals that planning authorities intend to approve against sustained Environment Agency objection, which would then be considered by the Deputy Prime Minister.

Although our investment is making real improvements possible across the country, there will always be the need to prioritise the proposals that should receive funding first from among all those that meet the basic criteria. My hon. Friend the Member for Worcester discussed that at some length in his comments on the flood cells in his constituency. I have sympathy with the points that he makes and the households concerned, but proposals for schemes around the country and in our river catchments are generated bottom-up from the operating authorities working with communities to find solutions to flooding problems. They are then prioritised in the programme through an objective prioritisation system, to ensure that the country gets maximum benefit from our investment. At present, our prioritisation system only covers funding for capital improvement projects, as distinct from maintenance, but we are working on new output and performance measures, which will increasingly be used to guide investment decisions to maximise benefits. They will give greater flexibility to the Environment Agency in particular to allocate its own funding, including making choices between capital and maintenance work so as best to maximise the outputs that we seek.

The Minister for Climate Change and the Environment announced yesterday that we have a fully approved programme of grant-aided projects for 2006–07. Schemes that have already started, or have already been approved, will be fully funded. Some authorities will be disappointed that, unlike in previous years, there will be little scope for approval of further projects for grant in-year, but the high level of commitment for approved and ongoing projects significantly adds to the certainty that the full works programme will be implemented as planned.

Having outlined the national context, I now turn to the specifics of the River Severn. The Severn is one of our major rivers, and it presents a considerable challenge in terms of flood risk. Reflecting that, the Environment Agency has invested some £100 million over the past five years in the Severn catchment, with significantly improved defences in Cheltenham and Bewdley, and some significant improvement in Shrewsbury. In the constituency of the hon. Member for Shrewsbury and Atcham, the Environment Agency has completed a £3.5 million flood risk management improvement project for the Frankwell area of Shrewsbury, from which 74 households will benefit. The hon. Gentleman mentioned that.

In some locations on the Severn, the Environment Agency has been unable to justify investment in permanent defences. Instead, it has trialled the use of temporary defences—at Ironbridge and at Worcester, for example, and in Shrewsbury at Abbey Foregate and Coleham Head. Those defences are stored locally and put in place temporarily at times of high flood risk. We have heard how effective they are, but it should be said that they particularly suit the nature of the Severn. I stress to the hon. Member for Northavon in particular that the Severn is slow to rise at times of flood, which makes the river particularly suitable for deploying defences of this type. As we look at rolling out this technique, which has been so successful in this situation, we must bear in mind the rapidity with which a river would rise, because there is not much point in having a temporary structure if there is not sufficient time to put it in place.

For the longer term, the Environment Agency has produced a draft fluvial Severn strategy. That has been sent for comment to a broad range of consultees, including Members of Parliament for the affected areas, with the aim of its being finalised in 2006. It considers a number of options for all flood-prone areas along the River Severn and, together with the Environment Agency's River Severn catchment flood management plan, will provide the agency with a framework for managing flood risk in the longer term.

The scope in the immediate future for further major flood risk improvement works in Shrewsbury is subject to investment being worth while within cost-benefit terms and the relative priorities that I talked about. However, the Environment Agency will continue to look for opportunities to reduce risk that are feasible and economic. For example, subject to planning consent, it plans to undertake improvements to defences

[Jim Knight]

in the town, including some permanent walls and temporary defences at Abbey Foregate and Coleham Head. The agency will also support any appropriate local defences that individual property owners may wish to build.

Now I turn to what the hon. Member for Shrewsbury and Atcham said in respect of wet washlands. That is a scheme in which I, as Minister for biodiversity, am especially interested because of its potential environmental gains. The agency is considering the viability of that large flood storage project, which could offer improved protection for some 1,000 properties along the Severn from Shrewsbury downstream to Worcester, as well as providing additional habitat. It is an example of just the sort of multi-functional project that we wish to encourage. However, planning is at an early stage; some quite complicated negotiation would be required.

The agency will need carefully to consider the full potential impacts, environmental and otherwise, of such a project—including the effects on fisheries and navigation. When I visited the Severn, there were barges with aggregate in them on the river. A full assessment of the costs and benefits, including potential payments to landowners and land managers, will need to be made. The agency will also want to consider joint funding with other partners, particularly those who have a more direct interest in the biodiversity gains that the hon. Member for Shrewsbury and Atcham talked so passionately about. I cannot make any definite commitment, but the agency is certainly looking at it seriously.

Mr. Drew: Does my hon. Friend agree that one way forward, which we could look at carefully, is to extend the water framework directive more rapidly to other estuaries? At the moment, we are only looking at Ribble valley. Would we not be advised to look at the Severn too?

Jim Knight: I will certainly ensure that my hon. Friend the Minister for Climate Change and the Environment is aware of my hon. Friend's comments on the water framework directive, and how it might be used there.

I want to comment on the wider issue of absorbability in regard to wet washlands—that is, the use of habitat and upland management to improve things. A number of hon. Members talked about wet washlands, and I am also enthusiastic; I raised the subject today when I was being briefed by officials. We are keen to see those sort of "win/wins" take place. However, I should caution that while they can have good local effects, they will have no great impact in terms of the catastrophic 1 in 100 or 1 in 50 flooding events. They are useful, and we should certainly attend to them, but I would not want it believed that they are the answer to everything.

The hon. Members for Shrewsbury and Atcham and for Wyre Forest talked in particular about insurance—an important issue for us all. My hon. Friend the Minister for Climate Change and the Environment recently announced to the House that our action to reduce flood risk has allowed the Association of British Insurers to renew its statement of principles so that cover continues to be widely available in flood risk areas. That new statement comes into effect next month and creates a rolling commitment to provide flood cover where flood defences are either in place or being planned. It is directly linked to the commitment that this Government have made to improve flood risk management. It will help considerably with those individual property owners that the hon. Member for Wyre Forest talked about, but they should be talking to their insurers about the risks and cover.

Where householders live in an area at significant risk of flooding but there are no plans for improved defences within the next five years, they need to have those discussions so that insurers will make their best efforts to provide flood cover, and work with customers to take measures that allow insurance to continue. Those might include reducing the risk to individual properties, or making them more resilient to flood damage by local action.

It remains our highest priority to reduce the risk to life from flooding. Flood warning arrangements continue to be strengthened throughout the Severn catchment, with the Environment Agency investing some £1 million in total over the last three years. I will write to the hon. Member for Monmouth (David T.C. Davies), and to my hon. Friend the Member for Stroud about their particular issues, but the tidal Severn flood management strategy will be published early next year.

I thank all hon. Members for the debate, which has been very useful and has given the Government an opportunity to explain the reasons for our national policy and to explain the action relevant to the River Severn. I hope that all hon. Members will understand that although work has been done and more is being considered, we need to justify all expenditure of taxpayers' money, including any possible investment in new defences.

Trade (India)

4 pm

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): I am very grateful to have secured this short debate on United Kingdom trade with India. There are many different issues on which one could focus under such a broad title, but I shall use the short time available to me to focus on one question; what further steps should we take to boost UK exports to India?

I contend, as the Minister will have gathered from the strong hint in my contribution in Trade and Industry questions last Thursday, that although UK exports to India have increased, we are not capturing a large enough share of the enormous growth in India's international trade. There are no narrow partisan points to be scored, and the purpose of the debate is in no way to talk down the progress that has already been achieved or to criticise the efforts of Ministers and their officials at UK Trade and Investment to boost our exports further.

Peter Luff (Mid-Worcestershire) (Con): I am grateful to my hon. Friend for giving way so early in his remarks in this very important debate. There is concern about the shift in UKTI's focus away from export promotion towards inward investment, which is one of the issues that the Select Committee on Trade and Industry considered in its inquiry into trade and investment relations with India. I hope that my hon. Friend will encourage businesses and other organisations to contribute to that inquiry.

Mr. Crabb: My hon. Friend makes an excellent point. I was aware of that concern, and I look forward to seeing the outcome of the Select Committee inquiry.

This afternoon, I want to ask what I hope will prove to be useful and helpful questions and observations about our need to make even more progress in developing the Indo-British trade relationship. At the beginning of September, I had the pleasure of visiting India with the Conservative party's shadow Foreign Secretary and two other new Members of the House. It was not my first visit to the country, but I returned from that trip with a huge sense of optimism and excitement about what is happening in India right now. Driving around New Delhi, we saw the signs of serious economic activity all around us; new roads, new bridges and major pieces of infrastructure being built.

We visited Ranbaxy's new state-of-the art research and development facility at Gurgaon and the new Fortis hospital at Noida. We met the Confederation of Indian Industry and the National Association of Software and Service Companies, as well as various Ministers. Everywhere we went, the message communicated to us was one of huge enthusiasm for a growing trading relationship with the UK, and a desire for UK companies properly to understand the exciting prospects of doing business in India.

David T.C. Davies (Monmouth) (Con): Will my hon. Friend join me in welcoming the fact that many companies are outsourcing jobs to India and that call centres are being set up there, because that is a means of raising standards of living in the third world and something of which we should not be afraid?

Mr. Crabb: My hon. Friend makes a very good point. We should not be afraid of it at all, and companies should certainly consider outsourcing to India if that delivers value to shareholders. It will also have the benefit of helping to raise living standards there.

I shall not waste time bombarding the Minister with facts and figures about India's excellent growth in gross domestic product. He knows all about that and probably has even better statistics at his fingertips than I can assemble. The central point is that the growth in India's imports is enormous. Imports are up by a third this year to $63 billion. Even after stripping out the effect of oil, imports into India are currently growing at a rate of 30 per cent. Are UK firms capturing enough of that growth? I believe that they are not.

Stephen Hammond (Wimbledon) (Con): My hon. Friend is right that UK firms may not be doing enough to capture growth, but he will remember that when we had the chance to speak to Mr. Nath, the Commerce Minister, on the trip that he describes, we spoke about the liberalisation of both financial markets, and particularly about the need to liberalise the insurance market. I hope that the Minister will take the message that we need to continue to press for that opportunity and to ensure that the Indian Government open up the insurance market further.

Mr. Crabb: I am grateful that my hon. Friend made that point, because I was not going to cover it. We need to consider some of the barriers that need to be taken down on our side when we think about how we expand trade into India.

Our exports to India in the 10 years between 1995 and 2004 were on average less than 5 per cent. a year. One could pick a different year as a baseline and come up with a slightly better or slightly worse figure, but the simple fact is that since India's programme of liberalisation started, our export growth to India has hardly been spectacular. Between 2003 and 2004, it was flat, with an increase in service exports that did not quite cancel out a fall in our goods exports. Our exports to China, the United States and Russia have grown at a much greater rate over the same 10-year period. In fact, our export growth rate in India has been similar to our export rate in the European Union, which is considered to be a sluggish market.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): I joined my hon. Friend on that visit to India and I am pleased to support him in this debate. However, having visited India on many occasions with my previous company, Intellicommunications, I welcome the Government help for new-to-export firms going there. It is just a shame that some of the funding to existing firms has been cut recently.

Mr. Crabb: I understand that as a result of the comprehensive spending review last year, some of the funding for export promotion at UK Trade and Investment was cut. The British Chambers of Commerce has also expressed concern.

Another concern was expressed by David Frost, the director general of the British Chambers of Commerce, in an interview with one of the Minister's departmental publications:

"One real concern is that there is too much focus on Europe . . . Europe is a market that is essentially stagnant. We've got to get where the action is, and at the moment that's on the other side of the globe".

[Mr. Crabb]

He was talking about India, China and the US. The British Chambers of Commerce has been making that point for years and has been trying to draw attention to the huge opportunities in India and the need to move quickly to seize them.

In discussions with UK exporters and individuals connected to UK trade initiatives since returning from India in September, I have come across the concern that exciting action is taking place elsewhere in which we are not sharing fully. I heard that view expressed again at the launch of the Indo-British Partnership Network at Asia house on Monday evening. Could we be doing better? I believe that we could and should be doing a whole lot better.

On Monday evening, the Indian high commissioner said that Britain is a natural partner for India. He mentioned the 250 years of shared history, albeit not a voluntary relationship on the Indian side. There are a number of other factors that mean we should be well placed to take advantage of opportunities in India.

First, we are home to one of the largest components of the Indian diaspora. There are now more than 1.5 million people of Indian extraction here in the United Kingdom, many of whom have built successful enterprises here, not to mention the thousands of Indian students who are achieving impressive results at our top universities and business schools.Secondly, we have a shared language. There are up to 200 million English speakers in India, making it the world's second largest English-speaking nation. Thirdly, India shares values and a political system modelled on our own. The Minister made a very pertinent point on Monday evening. None of those factors necessarily translates into easy and automatic wins for UK exporters, but they provide a solid base from which we can build an advantage.

I am concerned that other countries seem to have woken up far quicker to the huge opportunities in India and are notching up truly impressive increases in their exports there. Australian exports to India, for example, are growing at more than 30 per cent. annually and last year passed 6 billion Australian dollars. If that is converted to sterling, it is not too far behind UK exports; on current trends it may not be very long before Australia overtakes Britain in terms of the value of her exports there.

What has impressed me about the Australian approach is how they identify certain niche areas on which they focus concertedly. The 2010 Commonwealth games in Delhi is an obvious example. Australian firms, with the support of their Government, are seeking to leverage their expertise in providing services and infrastructure for major sporting events, and they have specifically targeted the 2010 Games as a major business opportunity.

Stephen Pound (Ealing, North) (Lab): I am grateful to the hon. Gentleman for giving way and for giving the House the opportunity to discuss this important issue involving the nation that is, after all, the eighth biggest inward investor in the UK.

On the point that the hon. Gentleman made concerning Australian preference, does he see any causal linkage between the fact that Australia is now the third most popular country where Indian students study abroad, and the economic success of Australian trade in India?

Mr. Crabb: The hon. Gentleman makes a good point. I am aware of the huge increase in tourism between the two countries; Indians visiting Australia and Australians travelling to India and elsewhere around the world. On the back of the Sydney Olympic games in 2000 and the Melbourne Commonwealth games next year, Australian companies have already been successful in picking up contracts in Delhi. That is partly the result of initiatives such as the games linkages programme, which was set up by the state of Victoria to help its firms to exploit opportunities at other major sporting events.

Peter Luff: I agree with what my hon. Friend said about the Commonwealth games, but I want to pick up the point made by, for this purpose if not for every purpose, my hon. Friend the Member for Ealing, North (Stephen Pound). My advice is that he should not let the Minister get away too easily with the point about higher education because there is real concern in India that our regime, particularly on visas and the working arrangements attached to those visas, is making the UK less attractive than it should be for Indian students. We need to make progress on that. Australia and the United States of America are overtaking us as attractive locations for students because of the visa working requirements. That is important for long-term trade relations with India.

Mr. Crabb: That is certainly an important contribution. Another example of a country achieving impressive export growth to India is Israel. Bilateral trade between India and Israel has grown by nearly 25 per cent. a year, a level broadly in line with India's overall increase in international trade. Trade with Israel has grown from around $200 million in 1992—a tiny amount—and is projected to reach $2.7 billion this year. The two countries are cementing what seems to be an exciting trading relationship backed up with a clear target set by Kamal Nath, the Commerce Minister, who wants bilateral trade to exceed $5 billion by 2007. India has become Israel's second largest trading partner in Asia in non-military goods and services.

Like India's trade with Belgium, diamonds account for a large proportion of the trade but India and Israel are pursuing interesting and exciting initiatives in telecommunications, biotechnology, nanotechnology and space science, which are areas where there are potentially huge high-value gains in future. Perhaps the Minister will tell us whether his Department is working towards clear targets for increasing Indo-British trade and, if so, what they are.

The United States is India's largest trading partner. Between 2003 and 2004—the year when our exports to India actually fell—US exports increased by 22 per cent. Again, that increase was commensurate with the overall growth in India's international trade.

In conclusion, India's economic growth is one of the central narratives of what is happening in the global economy today. I am concerned because British firms should be at the very forefront in sharing that growth, but they are not. A country such as the United

Kingdom, which has the fourth largest GDP and two centuries of trading experience with India, should have bilateral trade with India in 2005 of more than £6.5 billion or £7 billion with the second fastest-growing and 10th largest economy in the world. I look forward to hearing the Minister's thoughts and his response on how we can boost our exports to India.

4.12 pm

The Minister for Trade (Ian Pearson): It is a pleasure to serve under your chairmanship, Mr. Gale, and I start by congratulating the hon. Member for Preseli Pembrokeshire (Mr. Crabb) on securing the debate. I agree with him about the importance of trade between the UK and India, and acknowledge the close interest that many hon. Members on both sides of the House have in developing and strengthening trade relations with India.

India is the world's second fastest-growing economy and is forecast to become by 2050 the world's third largest economy after the United States and China. It will also become the world's most populous nation. Since economic reform started in 1991, growth rates in India have averaged between 6 and 7 per cent. annually, and growth is now forecast to be about 8 per cent.

The emergence of India as an economic superpower is not in doubt: whether in traditional sectors such as construction, manufacturing and financial services or in emerging areas such as the creative industries, renewable energy and environmental technology, opportunities exist for UK businesses. I assure the hon. Gentleman that the Government want to ensure that UK companies are well placed to take advantage of India's emergence as an economic superpower, and we are doing that by committing an increased percentage of UK Trade and Investment resources to India.

India is recognised as a priority market in all 16 industry sectors identified by UKTI as being key to the success of the global economy. UKTI has in India the second largest network globally after that of the United States. There are nine trade offices located in the key commercial centres—New Delhi, Mumbai, Chennai, Kolcotta, Puna, Ahmedabad, Bangalore, Hyderabad and Chandagar—and 72 staff carrying out commercial work for UKTI in India. Put simply, the Government are putting their money where their mouth is when it comes to promoting trade with India.

Support for encouraging trade between our two countries is evident at the highest level. In September, along with my right hon. Friends the Prime Minister and the Secretary of State for Trade and Industry, I visited India for the EU-India and UK-India summits, accompanied by the largest trade delegation seen for a long time. Increased trade was at the top of the agenda during the visit, and we discussed at length more ways of removing some barriers to trade that still exist between the UK and India.

In the insurance and financial services sector, India has a strong desire to increase trade between our two countries, and we are making good progress on joint UK-India initiatives. We are also working towards the challenging objectives set by the Joint Economic Trade Committee. JETCO was set up as part of the UK-India joint declaration made in London by the Prime Ministers of the UK and India on 20 September last year. It is a bilateral trade and investment forum that seeks to maximise the potential for trade and investment in the relationship between our two countries.

Peter Luff: I do not blame the Government for this, and I agree with what the Minister is saying, but does he share my concern that in debate on trade and investment relations between India and this country, India is often considered a threat in some sense, rather than the provider of a huge opportunity for this country.

May I invite the Minister to expand at length on what he said about environmental and renewable energy technologies? As India expands its economy—with the huge challenges to the global environment involved with its use of coal, for example—British companies are well placed to assist with environmentally friendly development.

Ian Pearson: The balance of economic power is shifting to the east—to China, India and Asia more generally—so it is vital that we recognise not only the challenges brought by the growing economies of India and China, but the opportunities. We should not adopt a negative approach to those countries. That is why the Government have been looking to maximise the opportunities for dialogue, and to encourage more and more of our companies to enter those important markets for the future. The hon. Gentleman is right that there are tremendous opportunities for environmental technology as well as for water and other services.

I was about to refer to air services, which is another area in which there has been tremendous progress in the past year. The number of direct flights has tripled, from 16 a week to more than 50. Our objective is an open skies agreement between the UK and India.

In another area, the creative industries, my right hon. Friend the Secretary of State for Culture, Media and Sport signed a film co-production treaty on Monday. That framework will allow UK and Indian film production companies to collaborate on future projects. It is due to come into force around next April.

The Asia Task Force, which is co-chaired by my right hon. Friend the Secretary of State for Trade and Industry and Bryan Sanderson, chief executive of Standard Chartered bank, is also up and running. The ATF, which has more than 20 chief executive officers of major UK companies as well as Lord Desai on its board, has already commissioned research on identifying how we can improve the trading environment throughout Asia. A major strand of that research will focus on trade with India.

As the debate has shown, it is not just the Government who should encourage greater bilateral trade with India, as the private sector has an important role to play, too. The extent to which the private sector is beginning to focus on India is encouraging. As I said, during the Prime Minister's visit to Delhi, we were accompanied by a delegation of more than 30 CEOs of British companies, including small and medium-sized enterprises as well as multinationals. They were all keen to increase trade between the UK and India.

The Indo-British Partnership Network, which I formally launched on Monday, as the hon. Member for Preseli Pembrokeshire mentioned, will, I am sure, play an important role in helping to encourage UK

[Ian Pearson]

companies—particularly small and medium-sized businesses—to export their goods and services to India. I hope, too, that it will play a key part in identifying issues that prevent companies from taking advantage of trading with India.

Much has been done, but I accept that more needs to be done. The value of our trade with India accounts for a little less than 1 per cent. of our global total. It can and should be more. Perhaps we should forget predictions. Today, India is the world's 10th largest economy, but it is 17th in the league table of UK export markets. That reinforces my strongly held view that more can be done to increase trade between our two countries. Therefore, I welcome today's debate and the Trade and Industry Committee inquiry on trade and investment opportunities with India. I am glad to see the hon. Member for Mid-Worcestershire (Peter Luff), the Chair of the Committee, in the Chamber today, and I hope the inquiry makes policy recommendations that will help us progress to increased trade between the UK and India.

UKTI officials are seeking views on how to improve trade from key stakeholders such as the CBI and the Indo-British Partnership Network. The British high commission in New Delhi is busy strengthening its engagement with the Government of India on business issues. The more we can identify and overcome barriers to trade between the UK and India, the better placed our companies will be to take advantage of the opportunities that come with India's growth and development.

Stephen Hammond: A point about barriers that was made to our small team, which visited the Science Minister—a rather smaller team than that which went out with the Minister a week later—was that UK universities, and particularly chemistry research departments and some new high-technology industries, are at times reluctant to undertake joint developments with Indian universities. The trade potential of those developments is enormous. Will the Minister consider inviting universities to forge greater links with Indian universities?

Ian Pearson: We are keen on greater links between UK academic institutions and Indian universities, although I do not want to decry the good work that has already been done in that respect. For the UK's future, it is vital that our world-class science base and world-class research should network with universities and the scientific community in growing economies. We have, through the Foreign and Commonwealth Office, scientific counsellors in our posts across the world, working on developing such partnerships. I strongly believe that that is to the long-term advantage of UK plc.

While I am on that point, I want to reassure hon. Members that we are looking into the question of student visas and work permits for India, China and other growing economies. We recognise that there is an issue to be dealt with, and our programme includes closely scrutinising it to find out what else we can do to ensure that the UK is competitive in the area in question.

Stephen Pound: As we are talking about science delegations, I should perhaps mention that I was a member of the smallest delegation ever to visit India. It consisted of the hon. Member for Mid-Worcestershire (Peter Luff) and me.

On the Minister's point about work permits and visas, is he aware that while it appears to be no problem for UK nationals to get permits to work in India, there are still severe concerns, which I have heard expressed to him in my presence, about the reverse process? Is he prepared to make a commitment today to do all he can within the Government to speed up the process of achieving equality in the area of work permits?

Ian Pearson: I can certainly assure my hon. Friend that we are actively addressing that issue. We recognise that it is important, but there are sensitivities involved and the work involves a number of Departments. However, it is firmly on our agenda, as is work to persuade more companies seriously to consider doing business with India.

Let me share with hon. Members some things that UKTI is doing to address the issue. It is organising a series of workshops and seminars on doing business in India. Those events are taking place across the UK, and they are designed specifically to inform companies of the many opportunities that exist and to provide some practical guidance on avoiding pitfalls. The key objective of the events is to encourage companies to think hard about exporting to India. If UKTI's provisional estimates are correct, more than 1,000 companies will attend those workshops. Therefore, in addition to the work being done through the Indo-British Partnership Network, a vital awareness-raising programme is taking place.

We also need to discourage the still widely held view that trade between the UK and India means little more than outsourcing low-skilled manufacturing jobs and call centres to India. It does not. Let us not forget that the UK benefits greatly from Indian investment. Companies such as Infosys and Tata make a terrific contribution to the UK economy, and India is investing in the UK in the high-tech sectors—60 per cent. of Indian investment is in IT.

Trade between the UK and India is increasing. Half-yearly figures for 2005 show an increase of more than 24 per cent. on the corresponding period in 2004—£3.7 billion for 2005 compared with £2.9 billion for 2004—with trade roughly in balance. I very much welcome the fact that progress is being made. Again, I believe that we can do even better, and we should be aiming to do so. I expect that the number of UKTI-supported trade missions in India will grow next year and the year after, and I can tell the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) that not only new-to-export companies, but companies that are new to the Indian market, will be eligible for UKTI support

Mr. Crabb *rose—*

Ian Pearson: If the hon. Gentleman will allow me, I shall continue as there are only a few minutes left. In that time, I want to re-emphasise the importance that the Government attach to doing more business with India.

I shall visit India again next month to attend the Confederation of Indian Industry business summit and the Auto Expo trade fair, and I hope to take with me a delegation of more than 20 business people who are keen and actively engaged in doing business with India. India means business and we need to be serious about doing business with India. It is a market that offers huge potential, and I am keen to develop further and faster our trade relationship with India.

I welcome the interest shown by the hon. Member for Preseli Pembrokeshire, who raised this important issue, and I hope we have a great many more debates on how we can further improve trade with India. I am sure we will do that as part of the Trade and Industry Committee inquiry.

Suburban Areas (Funding)

4.30 pm

Ben Chapman (Wirral, South) (Lab): I am delighted to have secured this debate. First, I should say clearly—I make no apology—that my points are about nothing more or less than hard cash and resources. I am not necessarily arguing that more money should go to regeneration, to facilities for young people, to training or whatever. I believe that this Government have devoted more time, energy and commitment to investing in and revitalising communities than any other. It is a record of which I and they can be proud.

My contention is that areas of the country such as my constituency that do not neatly fit into categories are seen as being unwittingly but systematically discriminated against by the system of allocating funds for regeneration and facilities. This is, to put it crudely, about claiming a fair share of the cake for my constituents in Wirral, South.

My part of the United Kingdom could not be called deprived, either economically or socially. *The Guardian*, for example, profiles Wirral, South as a classic suburban seat. The definition of a suburb is in strict terms quite simple, and it is

"an outlying district of a city, especially a residential one."

If one substitutes the word conurbation for city, we might be said to be a suburb of Birkenhead or Merseyside. However, such a definition is far from adequate. It fails to describe the sheer variety of the landscapes that constitute my constituency, from prosperous residential areas to idyllic villages to leafy and not-so-leafy suburbs and to open countryside. That is part of what makes my job as an MP so enjoyable.

We are all able to identify a suburban area in our mind, but it is harder to put a finger on precisely what it means. That may go some way to explain why parts of areas such as mine tend, in my view, to be neglected. They do not fit neatly into any box. The Joseph Rowntree Foundation has published some excellent pioneering research into the potential problems of suburbia. Some might argue that there are difficulties in defining and clearly marking the boundaries and characteristics of suburban areas, meaning that they are not given the attention that they deserve.

Suburban areas' mixed-use nature may result in a semblance, at least to the instant eye, of stability. However, there may not be a focus. There may be an incomplete sense of community and almost certainly an insufficiency of facilities. For the young that can engender, among other things, a sense of deprivation and boredom. The Joseph Rowntree Foundation's research stands out because it is virtually the only study of its type. Of the 42 pieces of regeneration research conducted by the Office of the Deputy Prime Minister, at least 30 are concerned specifically with urban areas. There are none on suburban areas.

It is right that areas of deprivation such as parts of Birkenhead and the north of Wirral should receive priority. However, as I shall go on to say, if we are complacent about suburban areas, it will cost more in the long run to sort them out. Simply put, my constituency does not fare well in terms of funding. A plethora of dedicated funds of one sort or another is

[Ben Chapman]

available and I welcome the Chancellor's pledge in the pre-Budget report to use unclaimed money from bank accounts to fund youth and community programmes. We are short of those.

I am sceptical about whether we shall see any such funds in Wirral, South. At present, for example, we receive nothing from the neighbourhood renewal fund and precious little from the single regeneration budget, or what is left of it, and we are among the lowest recipients of lottery money. We are 569th in the constituency tables for lottery money, which is a considerable improvement on what went before. European money that is directly attributable to my constituency is minimal, we have no new deal for communities and minimal Sure Start. Why is that?

First, there is the culture of the bid. For most funding—thankfully, we are beginning to see exceptions to the rule—following the initial application, an at-length holistic business plan must be submitted to the relevant arbiter, whoever that may be, and that is followed by a review. The end result is that the process is long and tortuous and, in a sense, professional—I shall come to that later—which has consequences for areas such as mine.

The philosophy dates back to when Michael Heseltine was Secretary of State for the Environment in the late 1980s. His big idea was to make the allocation of regeneration moneys competitive. City challenge, as it was principally called, invited local authorities to tender, initially within a six-week period, for a funding pool. A bid required an extremely broad-based partnership, so applicants were required to muster up a coalition of unlikely bedfellows in the name of partnership—then and, to some extent, still the buzzword. Private sector companies, the voluntary sector, councillors, the chief constable, head teachers and others were all thrown together in a sort of Darwinian pact.

The end result was a close co-operation of necessity, but it was almost always short term in its effect because the partnership was brought together for the sake of securing the money. There was no basic solidarity, even if the bid succeeded. If it did not, there was worse to come, as the money for city challenge was not new but top-sliced from existing budgets. Those who lost suffered a double whammy with an appreciable cut in their budgets.

I believe that approach to have been wholly wrong. It was sometimes said that what brought a partnership together was the suppression of mutual loathing in order to get one's hands on the dosh. That was not my phrase. I would not say that myself, of course, but partnerships were formed, in effect, to make a quick buck, and successful bidders certainly enjoyed the spoils of extra cash for regeneration.

As it happens, the Wirral bid was successful. I believe that I am right in saying that more than £37 million came to Wirral as a whole, but next to nothing to Wirral, South. The losers were penalised—sometimes inevitably, as there was insufficient money to go around and good bids lost out. The Department of the Environment's interim report in 1996 praised the scheme overall, but even Heseltine's former Department was able to point to significant weaknesses. An evaluation of the programme states:

> "For some people, it is more problematic as a basis for allocating urban resources in being potentially divisive and penalising areas without conspicuous development opportunities or the capacity to deliver."

As studies in, for example, the academic journal *Social Policy and Administration* have noted, city challenge had a lasting effect on regeneration policy in this country. In my view, its legacy was not altogether to the good.

The bidding culture has led increasingly to the professionalisation of bidding, to the extent that there are advertisements in the press for lottery and bidding officers whose sole purpose is to maximise the likelihood of successful bids. That is dangerous in that, inevitably, it sucks resources away and means that people on the ground suffer if a bid for moneys is unsuccessful. As I said, the bidding element is no longer as entrenched as it was in all streams, but it and its culture are still there, to the detriment of the United Kingdom generally but particularly constituencies such as mine.

Not only is there the snowball effect of successful bids—one acquires the professionalism of bidding, which is, in a sense, a black art—that allows for successful bids, but money goes to money. Those who are able to bid in one challenge system are already geared up and have the people and professionalism to bid in the next round. Money follows money, and the concentration concentrates on the previous concentration, to the detriment of other areas.

Because of the holistic nature of the bidding approach, a by-product is that other resources naturally gravitate towards the areas that are already provided for in the funding. For example, police and drugs teams, outreach projects and so on will follow the allocated resources—to some extent, to the detriment of other areas. The purpose becomes the bid, not the job that is needed. Money is the driver of what is done. People seek to have projects that can secure funding, rather than those that do what needs to be done. Things are awry.

There are powerful and influential lobbies to speak for different parts of our country. Urban areas have, for example—I am just picking a few organisations at random—the British Urban Regeneration Association, the Urban Forum and the urban resource centre. Rural areas have the power of the National Farmers Union, the Countryside Commission, the Campaign to Protect Rural England and the Countryside Alliance at their disposal. To the best of my knowledge, there is nothing for suburban areas. There is no lobbying voice that speaks coherently and singularly for suburban areas. The ODPM has an urban and rural policy but, to the best of my knowledge, no suburban equivalent. It is left to local people to take the lead and the odds are stacked against them.

Often, as is the case in Wirral, the centre of gravity is with the local authority's physical location—in this case, in Birkenhead. The bulk of the voters are there and so is the bulk of the attention. However, we in Wirral, South also have our problems and they are not trivial. Mostly, but not exclusively, they centre on antisocial behaviour. Every day, my office receives reports of incidents of antisocial behaviour of one form or another. Whether it is gangs of drunken youths roaming the streets, or

vandalism, petty theft, smashing bus shelters, breaking car mirrors, entering premises to intimidate, or being abusive, such behaviour happens every week and probably every night.

Some people in the leafy suburbs are afraid to go out; that should not be the case. Some parts of my constituency become, in effect, relative no-go areas on a Saturday night. I hold regular meetings with the police, residents groups and, of course, constituents. Antisocial behaviour happens in some of the most deprived areas, but it also happens in places such as Bebington, Clatterbridge, Bromborough, Eastham and even prosperous Heswall. In a sense, those places represent middle England. Antisocial behaviour has become a major blight and it is the No. 1 issue on the doorstep and in my postbag. We have strategies in place courtesy of the Home Office, but they are not wholly successful.

There are other arguments, although they are part of the same broader problem, and I raised them in Home Office questions on Monday. However, for the purposes of today, I am concerned with the other side of the coin: activities for young people. I am talking about facilities and things to do. It has been shown time and again that those things make a difference in the long run. The entire western half of my constituency currently has no sports and leisure centre. That means that young people are cut off and left to their own devices.

I am not saying that the provision of youth facilities would be a panacea. One can argue about the causes of antisocial behaviour, particularly in young people. It is obviously related to a multitude of things: parenting, truancy, education, the ready availability of alcohol, police presence, our culture and so on. We have the stick of antisocial behaviour orders, section 32 powers and so on, but the carrot is insufficient, particularly in areas such as mine. Time and again, resources are diverted away, wittingly or unwittingly. The toss can be argued and I have no doubt that those administering the funds would be able to put up a robust defence, but I find it hard to square the myriad objective tests with the evidence, which I see every week as a constituency MP, of problems and to some extent stagnation in parts of Wirral, South.

A case in point is one of my local areas: New Ferry. Businesses there find it hard to survive and some shut soon after they are opened. Despite the commendable work of the New Ferry regeneration action group, the place is starved of investment and resources and there needs to be an overall review. I cannot think of a better candidate for a rounded regeneration initiative, yet it is largely passed over and even the measures that are in train—the Wirral waterfront and Winstanley road home zone areas—are simply not enough in themselves. They help and I welcome them, but they are not enough.

The contrast in my constituency is immense. The index of multiple deprivation shows Heswall to be in the top 25 per cent. in terms of the least deprived in the UK. New Ferry is in the bottom 6 per cent. However, the devil is in the detail. New Ferry is a relatively small area and it is surrounded by more prosperous areas, not least Port Sunlight village. I accept that that is not greatly prosperous, but it is more prosperous. It is not a place of milk and honey, but it is slightly more prosperous than New Ferry. We missed out in the first round of the neighbourhood renewal fund because the objective measure took place at ward level, and New Ferry is in Bromborough, which, as a ward, is not classified as deprived, although, of course, it has its needs.

I am aware that the ODPM started to employ data that are now to be at sub-ward level and to be called super output areas. They can detect small pockets of deprivation; indeed, they identified New Ferry as such. I understand that SOAs will be used as a mechanism to deliver funds from April next year, but again we miss out because the cut-off point is 3 per cent.—the 3 per cent. most deprived wards, as a recently parliamentary answer informed me. The cut-off point was locally prescribed, but does the Minister consider it right that areas well within the 10 per cent. criterion for allocation of NRF money to local authorities receive nothing from a total next year of more than £6 million?

Will that cut-off point be maintained after April? Will it be the 3 per cent. most deprived SOAs? Does the Minister consider it right or fair for the wards in Wirral that will continue to receive targeted NRF help to contain several SOAs with lower—some not inconsiderably so—levels of deprivation? I am not sure that, if the SOA measures are to be used effectively, there is not a need to reconsider. I hope that the Minister will not consider it unreasonable of me to draw attention to what I and my constituents consider to be systematic discrimination against suburban areas, pockets and strands of deprivation.

I am careful not to overstate my case, but if the totality is thrown at today's problem areas, the areas that are now non-problem areas will become the problem areas of the future. We must maintain an appropriate balance. If action is not taken to at least nurture our more suburban areas, they will inevitably decline over time. Already, they suffer from a lack of facilities. In some respects, we are already there. With councils under more pressure to rein in their spending, from which my local authority is far from immune, not least in social services, it is more important than ever to ensure that various tiers of funding are allocated on the basis of need, which takes different forms.

Welcome though it is and an increase in real terms, Wirral's local government settlement, when rounded in all respects, comes out at about 2.6 per cent. this year. However, it is lower than the national average. It is tight. We need to think at both constituency and at Wirral level about how we allocate the scarce funds and the need to allocate them fairly. At present, it is my contention that areas such as mine are not receiving a fair allocation.

4.48 pm

The Minister for Local Government (Mr. Phil Woolas): I congratulate my hon. Friend the Member for Wirral, South (Ben Chapman) on securing the debate, which introduces a matter that is important to his constituents and to influencing Government policy throughout the country. He said that urban and rural areas have powerful and influential advocates; his constituents have a powerful and influential advocate in him. He is well respected and well known for standing up for them, as he has done again today. I can bring him some good news, at least by reassuring him that the central points of his argument are being acknowledged by the Government in many respects.

[Mr. Phil Woolas]

My hon. Friend understandably referred to the revenue support grant settlement for 2006–07 and 2007–08, which was announced yesterday, of 2.6 and 2.7 per cent. We have also announced today the education schools budget allocation, and I am delighted to inform him that the allocation for schools in his area will be increased by nearly £12 million—nearly 7.5 per cent. I am sure he welcomes that.

The available data are now so sophisticated that we can, as my hon. Friend has, identify pockets of poverty—as he was about to say, the nattily titled super output areas. I have a map here, but unfortunately I am colour blind, so I cannot see the exact allocation. However, his constituency clearly has areas of poverty, which, were they in the neighbouring administrative area, would be entitled to funds that they perhaps do not receive now. The point that he makes is important not just for his constituents, but for the whole country. It is true that Government policy has been targeted on areas of deprivation, and he asks whether special attention should be paid to the suburbs.

It may be helpful if I outline Government policy. Over the past three years, we have worked with local government on possible changes to grant distribution formulae. We consulted publicly over the summer and drew conclusions that have been placed in the Library as well as—we are a modern Department—on our website for all to see. A key message about that settlement, and about funding for suburban areas and pockets of deprivation in the relatively prosperous suburbs, is that it is a matter for the main programme funding of the local agencies, such as the local authorities, the national health service and the police.

My hon. Friend referred to the SOA data, which are more sophisticated data than were available in the past. They give us a more detailed understanding of patterns of deprivation in England, which helps us to ensure that funding is targeted where it is most needed. The index of deprivation for 2004 provided data by SOA. Because those criteria were used when calculating the neighbourhood renewal fund, allocations for 2006–2008—the two years that I confirmed yesterday—and in relation to deciding which areas should get the neighbourhood renewal element of safer stronger communities funding have been made available.

We believe that the SOAs—the indices on pockets of deprivation—provide local strategic partnerships with the opportunity better to pinpoint deprived areas. Local partners in the public, private and voluntary sectors are therefore able to target their policies and funding more effectively. My hon. Friend's council, Wirral, and its partners should therefore decide how best to spend the overall annual budgets to meet the needs of all Wirral's residents, including his own, using the evidence that is now available. In addition to the mainstream funding that Wirral receives, the Government have provided extra support for pockets of deprivation, as I said, through the NRF and the safer stronger communities fund.

Wirral has deprived wards, so it has been allocated more than £5 million of NRF resources for the current financial year. It has also had an indicative allocation for the next two years of £6.5 million for 2006–07 and £7.5 million for 2007–08. Therefore, from 2001 to 2008, Wirral will receive nearly £36 million of NRF funding.

The purpose of that funding is to provide local support to local authorities in the most deprived districts to enable them, in collaboration with their other partners in the public sector and beyond, to improve services. That contributes to the achievement of Government targets and—I emphasise this point to help my hon. Friend—local targets to narrow the gap between deprived areas and the rest of the country.

To do that, the neighbourhood renewal programme, agreed by the Wirral council strategic partnership, provides support to the most deprived wards of the area—all of which are among the 3 per cent. of the most deprived wards in England. That is the crucial point that my hon. Friend made.

This is a local decision. The local strategic partnership is free to use its local knowledge and to spend those resources in any way that helps to meet the key national and local targets. The funding is already being used on a wide range of projects—for example, to target antisocial behaviour. In Wirral, the LSP is already providing more than £354,000 to fund warden initiatives across the borough as part of its strategy. There is also a neighbourhood management pathfinder scheme in Tranmere. I hope that Wirral, like other areas, will employ neighbourhood management principles to ensure that services are more responsive to the needs of residents.

Cutting to the chase, my hon. Friend rightly identified the fact that the safer and stronger communities funding was allocated by focusing on the 3 per cent. most deprived SOAs using the 2004 indices of deprivation, so small pockets of deprivation are targeted with additional funding. That is to ensure that funding is not spread too thinly. However, Wirral is getting one allocation of the neighbourhood element of safer stronger communities money, which is worth £1.6 million over four years. It is for local partners to agree how and where the money will be spent and which SOAs in their area will be covered.

The new allocations complement each other; many small pockets of deprivation outside NRF areas are being targeted by the neighbourhood element of the safer stronger communities fund. In total, 108 local authority areas will be targeted by one fund or by both. That means that the new resources will reach more than 93 per cent. of the people living in the 10 per cent. most deprived areas. Therefore, only a small number of small pockets of deprivation are not targeted by my Department in any way. Where pockets of deprivation fall outside those funding streams, it is for local authorities and their partners to support them using their own resources.

On top of the NRF and the SSCF, European objective 1 funding is available for the whole Merseyside region. Within that, an allocation of resources is aimed at tackling issues of deprivation in specific areas due to their classification as being among the most deprived areas of Merseyside. Three of those areas fall within Wirral, South. Single regeneration funding is available to support Wirral, South businesses.

Wirral is therefore in a good position to bring together funding streams from central Government to ensure better outcomes for people and improved public

services through their local area agreement. As my hon. Friend is aware, Wirral is a round 2 local area agreement body and is negotiating that agreement ready for sign-off and delivery in April 2006.

The new area agreements are a new contract between central Government and local government. LSPs are free to use their local knowledge and spend these resources in any way that helps to meet key national and local targets for reducing deprivation. It is crucial that Wirral local authority and its partners continue to target mainstream funding to support areas of deprivation, including my hon. Friend's constituency.

Question put and agreed to.

Adjourned accordingly at one minute to Five o'clock.

Westminster Hall

Thursday 8 December 2005

[SIR NICHOLAS WINTERTON *in the Chair*]

Terrorism (Foreign Policy Aspects)

[Relevant documents: Sixth Report from the Foreign Affairs Committee, Session 2004–05, HC 36 and the Government's response thereto, Cm 6590.]

Motion made, and Question proposed, That the sitting be now adjourned.—*[Kevin Brennan.]*

2.30 pm

Sir Nicholas Winterton (in the Chair): As this is the last time that I shall chair a sitting of Westminster Hall before Christmas, I should like to wish all hon. Members a happy, prosperous, successful and restful break. I call the chairman of the Foreign Affairs Committee.

Mike Gapes (Ilford, South) (Lab/Co-op): Thank you, Sir Nicholas. May I begin by wishing you and all the staff of the House a happy Christmas and peaceful and prosperous new year?

I should like to refer to the report that was published in March just before the general election. It was the last report published by the Select Committee in the previous Parliament. It is a comprehensive report and it covers a wide area. In my introduction, I will not be able to go into all the areas in great detail, but I see that a number of colleagues from the Committee are here. I am sure that they will supplement, or even contradict, what I might say on some aspects, and they may refer to the parts that I do not touch on.

There has been no let-up in terrorism internationally since the report was published. We know, sadly, from the events of 7 July in London and then 21 July that our country is now seriously threatened by radical terrorist groups. Fifty-two people were killed in London on 7 July; 700 were injured, many of whom are still recovering from their injuries and from the psychological impact of those bombs. As a London Member of Parliament, I have to say that the way in which Londoners responded—their resilience and calmness—was a tribute to this great city.

Two weeks later on 21 July there were four more bombs, possibly copycat. Nobody really knows. Fortunately they failed to explode. Therefore we in London saw what many others have suffered at the hands of radical Islamist terrorist groups. On 23 July, two car bombs and a bomb placed in a suitcase exploded in the Egyptian tourist resort of Sharm al-Sheikh and 88 people were killed, including 11 British tourists. On 1 October, three suicide bombers killed at least 23 people and injured around 150 others in Bali in Indonesia. Just a few days ago on 5 December, a Palestinian Islamic jihad suicide bomber blew himself up in a line of shoppers in the Israeli seaside town of Netanya and killed five other people.

Since the destruction of its bases in Afghanistan, al-Qaeda has become much more dispersed and decentralised. It is perhaps no longer appropriate to talk of al-Qaeda in the sense of one organisation. There are local franchises operating independently in many parts of the world. The al-Qaeda leadership, as such, is not necessarily in charge or control of, or even in regular contact with, those groups. The dispersal and break-up of al-Qaeda does not mean that the threat has been reduced. On the contrary, as the Committee has heard in recent evidence sessions, the threat may be much more difficult to cope with. We have heard from many witnesses about the shift towards home-grown cells, which has made it more difficult to prevent terrorist attacks. Attacks have been carried out by groups about which there was, from what I have been told, no intelligence beforehand. Moreover, because of the use of the internet, the terrorist organisations and terrorist cells may now no longer be travelling to terrorist training camps, but are getting the information in their home or neighbouring countries from other sources.

The international community has not done enough to counter the internet and the use of the internet, not just for terrorist training purposes, but for propaganda by terrorist organisations. Our Committee has heard that there has been a serious failure in counter-propaganda and in public diplomacy. One of the difficulties that we confront is the perception, in large parts of the Arab and Muslim world, that there are double standards. Countering that perception is not made any easier when there are well publicised and well reported cases of abuse of prisoners at Abu Ghraib, or torture, or pictures of people at Guantanamo Bay, which are, in a sense, propaganda victories for terrorist organisations and those who speak for them.

The BBC has recently decided to restore, after a 10-year gap, a dedicated Arabic television service, paid for in part by reducing some of the European and other radio services. Our Committee pointed out in our report in July 2004 that the proposal for a BBC Arabic television service had not received additional funding in the Treasury spending review. Consequently, the decision has had to be pushed through at the cost of other BBC services. We have taken evidence on that matter recently and will no doubt return to it in another report.

The BBC has a clear and important role in trying to counter the propaganda of those who justify and excuse terrorist organisations, but it is independent of our Government and must remain so. I hope that it will gain a significant viewing within the Arab world, so that it is not just al-Jazeera and similar channels that are broadcast throughout those countries.

I shall say a little about the issue that has received so much publicity this week: extraordinary rendition. Perhaps my colleagues will also speak about that matter later in the debate. Extraordinary rendition was confirmed by Condoleezza Rice, the United States Secretary of State, as being a policy pursued by the US Government. She said:

"Rendition is a vital tool in combating trans-national terrorism. Its use is not unique to the United States, or to the current administration."

However, she went on to say that

"the United States does not permit, tolerate or condone torture under any circumstances."

The US Administration seem to believe that that statement and associated statements that they will not transport people from one country or another for the

[Mike Gapes]

purpose of interrogation under torture will be sufficient to prevent further outcry internationally. I do not believe that that will be the case. I think that there are still many unanswered questions based on the so far unsubstantiated allegations that were made over the past few weeks. It is clear that hundreds of flights are taking place across the world by US aircraft associated with the Central Intelligence Agency. They carry we know not whom—or why; we do not necessarily know where. Questions are being asked in several different countries.

There was an interesting exchange when the new German Chancellor, Angela Merkel, raised the matter with the US Secretary of State. There are reports of a man called Khaled el-Masri, a German national who claims that he was kidnapped in Macedonia, imprisoned in Afghanistan and released five months later in Albania. He is suing the former director of the CIA, George Tenet.

There are worrying indications of the impact of the policy. The Foreign Secretary, holding the presidency of the Foreign Ministers Council, wrote on behalf of the European Union to ask the US Administration to respond to the press reports, and it would be helpful if the Government would make further requests about aspects of the matter directly relevant to this country, and not simply in general terms.

John Barrett (Edinburgh, West) (LD): I thank the hon. Gentleman for giving way on this important and topical issue. Will he comment on the statement made by the Prime Minister in the Chamber about paragraph 97 of the report, giving details of the Foreign and Commonwealth Office's view of extraordinary rendition, as compared to the information that was given to the whole House in response to a question from the leader of the Liberal Democrats at Prime Minister's question time on Wednesday?

Mike Gapes: I have no further information than the hon. Gentleman about what was said in the House. All that I would say is that I have no evidence to challenge the Prime Minister's assertion that this country is not engaged in torture, and condemns it. The question is what is happening with respect to the United States and its flights around the world. It has been reported that there are so-called black sites in Poland and Romania—prisons or detention centres, which may or may not now be closed, but which at some point have perhaps been places where people were kept for some time before being moved to another United States facility elsewhere.

It is worrying that those issues have become so prominent and—to return to my earlier point—have become part of the debate about standards, double standards and the image of the democratic world in the context of the war on terrorism. It is not justifiable or excusable and it is also politically foolish for us to use measures that imply that our standards have changed so as to infringe human rights and break international law in the pursuit of the cause of protecting our people from terrorism.

I do not want to comment now on the important judgment by the Law Lords today, but it puts the discussion into context. I hope that when the Government consider the matter internationally and make representations to the United States, they will recognise that we can be damaged and tainted by association with the activities even if we do not participate in them. The need for clarity in our position and our response to what is happening is very important.

I shall deal briefly with the situation in Iraq. The report that we published in March refers to Iraq in considerable detail. The Committee has closely followed developments there. We note that violence continues to be a serious problem in some, but not all, parts of Iraq. The north of the country is relatively peaceful, and the democratic autonomous region there has thrived for many years, both before and since the intervention in 2003. The south of the country around Basra, which is where the British forces are, was much more peaceful and less violent until recent months in which there have been some unfortunate developments and problems. We gave detailed consideration to these matters in the report, but since then there has been the very important development in Iraq of the constitutional referendum and the preparations that are now well under way for the elections on 15 December.

I supported the intervention in Iraq, as did many other Members. Some of my colleagues took a different view, but whatever our position, I believe that we all want there to be a successful outcome to those elections and all parts of Iraq society, including the substantial body of Sunni political figures who so far have not engaged directly in the political process, to be involved in the process in the coming months so that the next Iraqi Government to be formed after the elections can unite all the communities in the country so far as possible.

That will not be easy, because there are still massive stockpiles of former Ba'athist weaponry, many people with the ability to use those weapons and people with an agenda who are determined to destroy the progress towards democracy and stability in the country.

Mr. Philip Hollobone (Kettering) (Con): In paragraph 27 of the report, the Select Committee makes clear its conclusion when it states:

"Iraq is providing a dangerous training ground for terrorists similar to that previously provided by Afghanistan."

Does the hon. Gentleman believe that Her Majesty's Government are doing enough to dissuade Iranian and Syrian involvement in the insurgency in Iraq?

Mike Gapes: I was about to say that opposition to stability and the democratic processes in Iraq comes not only from elements of the former Ba'athist regime. I have seen the work that our forces have been doing in the south of Iraq, and I believe that our Government have been doing a very important job. I also know that great diplomatic efforts have been made to talk particularly to the Iranians about their activities in southern Iraq. It is clear from the events of recent months that there has been a big problem, as there is evidence that Iranian-backed groups have been involved in activities designed to attack British and other coalition forces in southern Iraq.

Suggestions have been made that Iranian militant groups are linked to factions in the Iraqi police force. There was an incident on 19 September in which

members of our military—I believe that they were special forces; at least, that is what has been reported in the press—were detained by Iraqis and had to be freed by military intervention. That led to a very serious incident and a deterioration in relations in Basra at the time, and followed a period in which it was clear that British Army convoys had been attacked by roadside bombs with shaped charges that could punch through the vehicles' armour. It was clear that the incident was linked directly to Iran or to Hezbollah-trained people linked to Iran. We must take that grave matter seriously for the future.

The Iraqi police and the Iraqi defence forces are not yet strong enough to provide security even after the democratic elections next year. They will need assistance from the international community for some considerable time. I am sure that when the Committee considers Iraq in coming months, we will comment on those matters in detail.

Mr. David Drew (Stroud) (Lab/Co-op): We disagrée on the invasion, but I am sure that we agree on its antecedents. I have been seriously underwhelmed by the response of most people in this country to the Volker report. That is an important document, which has huge implications across the world for those who were bailing out the Ba'athist regime, including British companies and individuals. Is the Select Committee likely to examine the Volker report and to consider what can be learned from it?

Mike Gapes: We have no plans to do so, but I will bear my hon. Friend's suggestion in mind. I will discuss that matter with my colleagues in due course.

Syria is another factor in the instability of Iraq. Syria is not just associated with incursions by terrorists and insurrectionists who enter Iraq, but has known links with some of the more radical rejectionist Palestinian terrorist groups. It is quite clear that the Syrian regime could do much more to reduce terrorism, not just on its borders, but throughout the region. The Syrian regime of Bashar al-Assad has come under international criticism and scrutiny, not least due to United Nations Security Council resolutions and its links with the assassination of the former Lebanese Prime Minister Hariri. It is time for the international community to tell Syria that its behaviour is not acceptable and that it must change.

The Guardian reported today that Syria wishes to reopen negotiations with Israel about the withdrawal from Golan. The international community can assist with that, but only if Syria begins to behave as though it were a constructive member of the international community, not least with regard to the incursions and insurrection in Iraq.

The Committee's report addresses a number of countries in north Africa and the Maghreb and the importance not just of economic links, but of poverty and the migration of peoples across the Mediterranean. Some of the more extreme terrorist organisations from that region have been involved in activities in western Europe. It is important to recognise that the politics of that region has historically fed the development of extremist and terrorist groups. Democratic change and processes are not easy to develop and there is more than one model. Nevertheless, changes are taking place in north Africa. There have been moves towards democracy in a number of countries, which all hon. Members will welcome as a means to create greater stability, political transformation and economic benefit to the people of Africa.

Mr. Drew: Will my hon. Friend give way on that point?

Mike Gapes: No. I am short of time, and I wish to say something about Israel, the west bank and Gaza before I conclude. I am conscious that many hon. Members wish to speak so I do not wish to take any more interventions at the moment.

Last week, some Foreign Affairs Committee members visited Israel, Gaza and the west bank, while other members visited Saudi Arabia and the Emirates. I have no doubt that other hon. Members will comment on that. I wish to highlight the massive political changes that have taken place. Israel has been hit by something of a political earthquake in the last three weeks. First, we saw 82-year-old Nobel prize-winner Shimon Peres replaced as leader of the Labour party by radical left-wing trade union leader Amir Peretz. Secondly, Ariel Sharon withdrew from Likud, taking 14 Likud MPs with him to form a new centre party, Kadima, with three Labour MPs. Following that, Mr. Peres announced that he was leaving Labour after 60 years to support Mr. Sharon, although not to join his party. That political realignment is of enormous significance.

There will be Palestinian elections to the legislative council on 25 January. The Israelis have elections planned for 28 March, which will clearly be greatly influenced by what happens beforehand in the Palestinian process. In virtually all the primaries for the Fatah candidates, radical people associated with the al-Aqsa Martyrs Brigade are topping the polls. In Jenin, Nablus, Ramallah—where Marwan Barghouti got 96 per cent. of the vote—and East Jerusalem, the younger guard of more radical people, who are not necessarily supported by or closely associated with Abu Mazen and the older leadership, is winning support. In Gaza, Hamas is very strong. The primaries for Fatah candidates were cancelled because of fighting between different Fatah factions, but Hamas is expected to get between 25 and 30 per cent. of the vote and could win a majority. Israel says that it will not negotiate with a Palestinian Government including Hamas.

The question is where will we be in the future? I had not been in the west bank, Gaza or Israel for several years and I had not seen the separation fence—the barrier, the wall—but my perception is that Ariel Sharon is not the man who will negotiate a final status agreement with the Palestinians. Following the unilateral disengagement from Gaza, he is set on unilaterally defining the borders of the Jewish state. My perception, from discussions with Israelis and Palestinians last week, is that he will withdraw from areas east of the separation barrier and abandon the settlements there, as happened in Gaza. He will then consolidate behind the settlement blocks to the east of Jerusalem that are inside the fence—the wall, the barrier. He will consolidate the state, based on greater Jerusalem and a significant percentage—perhaps 7 or 8 per cent.—of the west bank, which will include 74 per cent. of the settlers.

[Mike Gapes]

As a result, Palestinians in East Jerusalem will be enclosed within the wall. Palestinians in the west bank will be separated from their families and their places of work outside the wall. A few years ago, 150,000 people from the Palestinian territories worked in Israel, but the figure is now a few thousand, and the position of the Israeli Government is that no Palestinians will be working there by 2008. That will cause huge economic problems and add to the effects, which we saw, of the road blocks, the closures and the security measures that cover vast areas of the west bank.

We were told—I say this as someone who has always supported the two-states position and always believed that the Israelis have a right to defend themselves from attack and suicide terror—that it used to take one hour to travel by road from Hebron in the south to Ramallah, north of Jerusalem; it now takes an average of three hours. The disruption caused by the conflict, the self-imposed folly of the second intifada and its consequences, and the reaction of the Israelis, who have destroyed so many economic and political possibilities, have lead to great poverty and hardship among Palestinians. We are seeing a consequence of that in a cycle of radicalisation among Palestinians.

My message, having been there last week, is not a very optimistic one for those of us who believe in negotiation, dialogue and processes. However, one state cannot impose a two-state solution. Unilateralism is not enough, and at some point, with the engagement of the US Secretary of State, Condoleezza Rice, who played such an important role in getting the Rafah border crossing agreement, the American Administration must get far more engaged with the support of the European Union, the Russians, the UN, and the rest of the Quartet, to work for a comprehensive two-state solution in the middle east.

I should like to conclude my introduction of the report. We covered other areas, such as Afghanistan, the proliferation of weapons of mass destruction, and other matters, but in the time available, it is clearly not possible to go into detail about all of those. I look forward to the Minister's response.

3.1 pm

Sir John Stanley (Tonbridge and Malling) (Con): Like the hon. Member for Ilford, South (Mike Gapes), I welcome the opportunity to debate the report, which I hope the House found helpful. We members of the Committee believe that it is an important and significant report, which we published as Parliament was about to be dissolved for the general election. I intend to focus on two issues, both of which were extensively covered in the report—first, the non-proliferation of weapons of mass destruction, and secondly, the all-important issue of Israel and Palestine.

Starting with the non-proliferation of weapons of mass destruction, I confess to some reluctance at having to quote from the Prime Minister's speech on 18 March 2003, which is now somewhat discredited. It was the speech that he made to persuade the House of Commons to agree to the invasion of Iraq. However, a section of it was profoundly important, although it was used in a wholly incorrect context as a justification for the invasion of Iraq. The Prime Minister referred to two key threats—weapons of mass destruction and terrorism. He made the key point that if those two threats should come together, the seriousness for all countries around the world, including the United Kingdom, would be great. He said:

"The possibility of the two coming together—of terrorist groups in possession of weapons of mass destruction or even of a so-called dirty radiological bomb—is now, in my judgment, a real and present danger to Britain and to its national security."—[*Official Report*, 18 March 2003; Vol.401, c. 768.]

The Prime Minister referred to what he said as a possibility, which now, nearly three years later, has become a reality. There is little doubt, judging from comments made by senior police officers, that it is not a matter of if but when there is some form of attempted WMD attack on the United Kingdom and other countries. In addition to what has appeared from public sources, it seems to me that we are now into the reality of an era when terrorist groups, as yet unknown and unidentified to security agencies around the world, are working in unknown locations and seeking to put together some form of weapon of mass destruction.

The hon. Member for Ilford, South spoke about the importance of the internet. I wholly agree with him. I was certainly struck by the report that appeared in *The Sunday Times* on 6 November, which stated:

"An Al-Qaeda website containing detailed instructions in Arabic on how to make nuclear, 'dirty' and biological bombs has attracted more than 57,000 hits and hundreds of readers' inquiries."

The article continued:

"The manual, posted on October 6 on a forum titled Al-Firdaws, or Paradise, contains 80 pages of instructions and pictures of kitchen bomb-making techniques."

The report then referred to comments made by Mr. John Hassard, a physicist at Imperial College, London, who was quoted as saying:

"Normally you just get generic principles, but this appears to be more like a proper instruction manual".

The seriousness of what is available on the internet cannot be underestimated.

As well as what is available on the internet, we say in our report that we are all too familiar with the fact that ready-made WMD are already available throughout the world, not least in Russia, where huge quantities remain of the former Soviet stockpile. We refer to the stockpile in Schuch'ye in Russia, where nearly 2 million active chemical shells are apparently stacked together on wooden racks. They contain sarin, soman and VX, and they are held under what has to be described as somewhat questionable security. That is the biggest chemical weapons stockpile in the world—there are something like 40,000 tonnes of chemical agent—yet a minute fraction of that represents a fatal dose.

It can be said with certainty that if by any appalling chance a terrorist group was able to release a weapon of mass destruction, the casualty toll would utterly and totally dwarf any terrorist attack that used conventional devices. It would totally dwarf the casualty toll of 9/11 and probably dwarf the casualty toll of the worst natural disasters that the world has experienced. I shall not mince my words. Many victims will suffer an extremely painful death and some will suffer an extremely protracted death. That is the reality of what we face.

Having reread the Government's response on that issue, I put it to the Minister that there cannot be a more serious and significant element to the Government's security and defence policy than the protection of the people of this country against some form of WMD attack by terrorists. That must be their single greatest priority.

I worry and I am truly concerned as to whether the Government are giving sufficient priority to resources and planning. Are they making available sufficient finance and the necessary training to give the intelligence services the human resources to deal with the problem? Are they making sufficient money available to provide us with the technical resources to anticipate and pre-empt the problem, and are they doing sufficient to galvanise other countries into playing a more proactive role before the worst happens? The issue needs to go substantially up the Government's priority list, and I urge the Minister to do that.

I come now to Israel and Palestine. I do not believe that if the Israeli-Palestine conflict were settled tomorrow that would be the end of militant Islamic terrorism. Regrettably, a small minority are happy to use the Israel-Palestine position as a justification for terrorism that is totally spurious, because nothing ever justifies terrorism. I believe that if there was a final status settlement tomorrow, some would continue their baleful and appalling efforts to destroy people not merely in the non-Muslim world but in the Muslim world that is representative of regimes or traditions with which they are in disagreement. However, if we could achieve a settlement in the Israeli-Palestine conflict, it would at least remove from millions of people their sense of grievance and their feeling that there was something on which they had to take a vengeful attitude towards the non-Muslim world.

The Government appear to be dealing with policies of illusion when dealing with the Israeli-Palestinian position, and not with the realities on the ground that we had the benefit of seeing last week. Those policies are to establish an independent Palestinian state and to produce a final settlement, which would have to be equally and fairly negotiated. We spoke to many people in Israel and Palestine, and I take exactly the same view as the hon. Member for Ilford, South. With one exception, not one of those to whom I spoke—not only Palestinians but Israelis—held out any prospect of an agreed final status settlement. Unanimously, apart from that one exception, they said that all that would happen would be the unilateral imposition of a settlement on the Palestinians by the Israelis. The exception was a professor in conflict management, an Israeli gentleman of a particular dogmatic view. He said that there could be a final settlement, but in a generation's time—30 years.

When the Government talk bravely about being on track on the road map and moving towards a final status agreement, that is out of synchronisation with anything and everything that we heard in Israel and Palestine last week. We are not even on the road map as far as the political negotiations are concerned. We are merely on a continuation of the unilateral settlement policy, the imposition of a settlement by the Israelis on the Palestinians. That will be a settlement, as the hon. Member for Ilford, South indicated, which incorporates East Jerusalem into the state of Israel, which runs broadly down the line of the wall and separation barrier, and which brings about a substantial de facto annexation of a significant area of the west bank including key water resources.

The second policy of illusion that I believe that the Government are dealing with concerns the second leg of the policy commitment, which is not merely to create a two-state solution and an independent Palestinian state but to create a viable Palestinian state. Are we on the road to a viable Palestinian state? On all the evidence last week, we are moving further and further away from the possibility of the emergence of a viable Palestinian state.

What are the criteria for a viable state? First, a state has to have a capital. Of course, capitals can be created on greenfield sites, but that will not be accepted in that part of the world. Every Palestinian man, woman and child will say that what is absolutely non-negotiable under any circumstances is having East Jerusalem as the capital of an independent Palestinian state. East Jerusalem of course contains within it the third most important mosque in the Muslim world after Medina and Mecca.

It is desirable for an independent and viable state to have a contiguous boundary. That did not happen with East and West Pakistan, but it does happen with most other countries around the world. That is not a geographical possibility with Palestine, because it is of course separated between Gaza and the west bank. The discussions on the connection between Gaza and the west bank are therefore all-important.

We had a fascinating and revealing briefing from the Wolfensohn team, which was charged with the feasibility study report to the Quartet on the connection between Gaza and the west bank. They told us that the Israelis wanted the connection to be solely by rail—a very limited form of connection, which is clearly profoundly unsatisfactory to the Palestinians. The Palestinians want the connection to be by road, which is clearly critical to the viability of a new Palestinian state. And, incredibly—we heard this with disbelief—the Israelis asked for a third option to be considered, which is a road tunnel between Gaza and the west bank, under the state of Israel. It would be the longest road tunnel in the world, if it were built, and would be constructed at fantastic cost. Its aim, presumably, would be to try to keep the Palestinians from travelling on the surface of the Israeli state. I hope that the Minister will be able to assure us in his reply that the British Government will have no truck with the proposal for the only connection between Gaza and the west bank to be by tunnel. I hope that they will press for a road.

In addition to the issue of the contiguous boundary, there is the open question of whether the Israelis' long-term ambition will keep the west bank as a single, contiguous entity. The hon. Member for Ilford, South discounted the possibility of any part of the west bank that is to the east of the barrier and the wall being incorporated at a future point into the state of Israel. I would not wholly rule that out, because there are two land fingers that now point eastwards across the west bank—the Ariel finger and the Ma'ale Adumim finger—and some believe that the long-term plans are to move

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those fingers still further eastwards, possibly right across to the Jordanian border, which would provide a division of the west bank itself.

The final, crucial requirement is that the Palestinian state is economically viable. The degree of disruption to the lives of individuals and those who are trying to generate income, employment and business opportunities on the west bank has to be seen to be believed. I will not, Sir Nicholas, wave it around now, but I have the United Nations map which shows the position in August. It shows that throughout the west bank there is a combination of permanently manned checkpoints, partially manned checkpoints, gates through the barrier that are manned by soldiers and roads closed with concrete blocks, earth mounds, earth walls or trenches. The map shows every single one.

How many were there? There were 376 checkpoints and closures on the west bank in August 2005 in a pocket-sized territorial area. What an impediment to anyone trying to run a business. How can people run a business when they cannot be certain when their employees will arrive at work? We heard from the British Council that at one point staff were having to go on donkeys through back routes to get to the British Council offices in Ramallah. How can people run an efficient business if, when they export goods to Israel, at the freight crossings they must solemnly take every single item out of their Palestinian number-plated lorry and transfer them by forklift truck into an Israeli number-plated lorry because only Israeli number-plated lorries can go into Israel?

How can people farm viably when their village is separated, as we saw in Jayyus, by the barrier from the land they are trying to farm and they cannot be certain whether they will get through and whether their goods will be held up at the barrier in turn? How can people do anything when their lives are ruled by whether they can get permits to visit their town, to visit Gaza, East Jerusalem or the west bank or even, for farmers, to go on their own land, for example? We were told by the Jayyus farming community that some farmers had been refused permits. As a result, unbelievably, of the application of old Turkish law, coupled with, we were horrified to hear, old British mandate law, if an area is not farmed for a period it can be automatically confiscated into the state of Israel.

That is the way in which the viability of the Palestinian state is week by week, month by month, year by year being set backwards and possibly made a hopeless task. This is all done in the name of security. That security justification is in part valid. Israel faces a continuing appalling threat from suicide bombers. We saw yet another suicide bomb attack just a couple of days ago. The security justification only washes in part. Anyone who has seen the barrier on the ground will know that the line of the barrier is so wide that the only logic of the barrier is to create further land for expansion of the existing settlements.

The Government have to deal with the realities of what is happening on the west bank and in Gaza. I do not believe that they have begun to do so. The prospect of a road map settlement is diminishing. The well-nigh certainty of unilateral annexation is increasing and the prospect of a viable Palestinian state is diminishing by the week, month and year.

3.25 pm

Mr. Greg Pope (Hyndburn) (Lab): I am pleased to follow my two Foreign Affairs Committee colleagues. Like them, I want to focus on the middle east, because the failure to find a lasting and just solution in that region affects the security of us all. The perpetrators of every atrocity since 9/11 have cited the failure to find a just solution to the problems of the middle east as a justification for their outrages. One does not have to accept the warped logic of the terrorist to see that that failure has created a culture in which terrorism and those who support it flourish—and failure there has, indeed, been.

I was in the west bank two years ago with the Foreign Affairs Committee, and we could see the tangible signs of failure. I went to a Palestinian town called Qalqilia in the northern west bank, very close to the Israeli border. The Israeli security wall entirely encircles that town, completely cutting it off from neighbouring towns and villages. It is a sizeable town of 20,000 or 30,000 people, but there is only one way in and one way out—through the checkpoint—and it takes hours to gain access to the town and hours to leave it.

I met a farmer whose land was outside the town wall and whose home was inside it. He was sleeping in the fields, because he could not get through the checkpoint—it would have taken too long. We saw children whose homes were on one side of the wall and whose school was on the other. It was clear to members of all political parties who were on the visit that the town was slowly but surely being strangled by the combination of the wall and the fence that completely encircled it.

When we went back to the west bank last week, I hoped that things might have improved. However, the situation is much worse than it was two years ago. For one thing, there is much more of the security wall and the fence. We went to Abu Dis on the outskirts of Jerusalem and saw the 25-foot-high reinforced concrete wall snaking its way down the middle of the street, dividing communities, families and friends; people were unable to cross the barrier with any ease. When it is finished, they will be completely unable to cross it.

We saw new Israeli settlements outside Jerusalem. The right hon. Member for Tonbridge and Malling (Sir John Stanley) referred to Ma'ale Adumim. That is a sizeable settlement and next to it there is an area referred to as the E1 zone. That is set aside for Israeli settlement—deep into the west bank. The Israelis clearly have every intention of fencing that off and putting the wall around it.

We went to see Israeli settlements way beyond the security barrier, deep in Palestinian territory, and we met settlers at Shiloh. We were shocked when we realised that there were so few cars on the main road out of Jerusalem to settlements many miles to the east. The only cars allowed on the road were Israeli cars—settlers' cars. As one drove past Palestinian villages on either side of the main road, one could see the small roads coming down from them. At the point at which they met the main road, they were sealed off by concrete barriers or

earth mounds put up by Israeli defence force bulldozers. Even if a Palestinian could get on to the main road, there are IDF checkpoints every so often. If a Palestinian wants to go from one village to another to visit a relative, friend or place of work, their journey, which would have taken 10 minutes by car a while ago, will routinely take an hour or more on the back roads, although even those are subject to closure at no notice and at the whim of IDF conscripts. Underpinning all that is the tangible site of the wall encroaching into the west bank, which I thought was appalling.

If the west bank is worse than it was two years ago, nothing had prepared me for going to Gaza. Gaza has been described as the largest prison in the world because people cannot get in or out. Like many hon. Members, however, I have been inside prisons to see constituents, and it is a darn sight easier to get inside a prison. We were a visiting delegation of British Members of Parliament, with security clearance, diplomatic clearance and diplomatic-plated cars, and the Israelis had our passport numbers in advance, but we spent three hours kicking our heels at the Erez border crossing before we got into the Gaza strip.

I can see why the Israelis do not want British Members of Parliament to go into Gaza strip—they do not want the eyes of the world to see what is going on there. Frankly, it is shocking. There are thousands upon thousands of families living on less than $2 a day and trade is almost impossible. We went to look at the goods crossing at Karni, where every consignment of goods has to be dismantled, stripped down to its smallest component part and shipped from Palestinian trucks on to Israeli trucks. It is chaotic and inhuman and takes for ever. I cannot see how anybody manages to trade across the border.

As one drives through Gaza, especially the southern part, one sees the ruins of properties destroyed by the IDF, the bullet holes and the poverty. There is a palpable sense of a people who have been humiliated, subjugated and oppressed. I have an enduring memory of a small child—perhaps only three years old—playing in the dirt of a Gaza street under a billboard. There are billboards at the end of every road and they have on them paintings of what they describe as martyrs—the suicide bombers just from that street. Such people are lionised. What chance does that child have of growing up in the expectation of seeing any kind of peace or prosperity? It is a deeply depressing scenario.

It almost goes without saying that none of that oppression justifies the suicide bombings for one second. Such bombings must be unequivocally condemned wherever they take place. Whether innocent people die in Tel Aviv or, like a constituent of mine, in the 7/7 bombings, suicide bombings deserve unreserved condemnation. However, that does not mean that we should ignore the injustice in the Gaza strip. If terrorism is to succeed, it requires more just the terrorists themselves; it requires somebody to recruit the bomber, somebody to arm them, somebody to provide a safe house and somebody to transport them. As in Northern Ireland, there must also be a wider group of people in the community who acquiesce to the acts of terror taking place in their name and an even larger group who simply look the other way and do not bother about them. It is those other people whom we need to peel away from the terrorist cause.

The scenario is very depressing. The moderate Palestinian leadership is in danger of almost complete collapse in the Gaza strip. Last week, Fatah abandoned its primaries in scenes of absolute disarray. The al-Aqsa Martyrs Brigade is becoming more popular, as is Hamas, partly because it is not Fatah, which is becoming tainted and seen as corrupt and out of touch. Fatah does not have much authority at all in the Gaza strip. If the Palestinian elections take place on 25 January—it is not absolutely certain that they will—it is entirely likely that Hamas will win a third of the vote across the Palestinian territories, and it is quite possible that it will be the outright winner in the Gaza strip.

There is a chink of light in the gloom—the border crossing at Rafah between the Gaza strip and Egypt. There is huge excitement among Palestinian people that at last they have some, if not total, control over a border crossing. It is a small building block on the road to nationhood, and they are incredibly pleased about it and incredibly proud of it. In passing, I should say what a fantastic job the European Union monitors are doing. They are mainly Italian Carabinieri, although I believe that British monitors are due out there, and they are doing a really good job.

I have come to some rather depressing conclusions about the middle east peace process and the knock-on effects that it will have on terror. Sharon seems likely to win the elections in Israel in March. He has a huge poll lead, and if he wins, I am sure that there will be a policy of unilateralism on the west bank just as there is in Gaza. I can see no will on the part of the Israeli Government to negotiate with the Palestinians. They will seek simply to impose their own solution. We know what that solution is on the west bank. A wall is being built deep into Palestinian territories. It is looping around new Israeli settlements, and there is no doubt that it will become the de facto border of Israel.

I suspect that most Members in the Chamber support, as I do, the road map and a two-state solution. I want a secure Israel that is at peace with a prosperous Palestinian state next door, but that is a long way from happening. As my hon. Friend the Member for Ilford, South (Mike Gapes) said, in a two-state solution, one state cannot impose its will on the other state, but we are in grave danger of one state, Israel, leaving the other putative state, Palestine, with only disconnected fragments of unviable territory. That will not work. The Palestinians will not accept such a state, and to be honest, why should they?

There is a view in parts of Israeli society, which was articulated by the professor whom the Select Committee met last week, that the wall will provide peace, that it is enough, and that it will stop the suicide bombings. That is a chimera. It is simply nonsense. The wall may be able to reduce the number of suicide bombings, but it will not bring peace. It cannot. Peace can come about only if there are political and economic measures side by side with security measures. As we learned in Northern Ireland, security measures alone cannot provide lasting peace; they can provide only protection until lasting peace is found. The security wall is a blemish on Israel's reputation as a state, and its continued existence is an affront to human dignity in the whole of the middle east.

The report also mentions Guantanamo Bay. I realise that this may be a rare point of disagreement between my hon. Friend the Minister and me, but the war on

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terror is, at least in part, a war for human rights. Our opponents in this war have no respect for human rights. The people who carried out the 9/11 bombings and murdered 3,000 people have no respect whatever for the human rights of their victims. Nor do the people who carried out the bombings in Bali, London, Madrid, Turkey and Sharm al-Sheikh. Saddam had no respect for the human rights of his opponents, and neither did the Taliban for the human rights of their opponents in Afghanistan. I put it gently to my hon. Friend the Minister that we cannot prosecute a war for human rights while denying the human rights of our opponents, and that is essentially what is happening at Guantanamo Bay. As long as 500 people are kept there without recourse to the courts, any habeas corpus, full cognisance of the Geneva conventions and any prospect of being charged let alone released, that completely undermines our position.

In the war on terrorism, the United Kingdom and its allies in the United States are in the right. We should have the moral high ground, but it is difficult for us to occupy the moral high ground when it is being taken away from us by human rights abuses in places such as Abu Ghraib and Guantanamo Bay. We have a special relationship with the United States. We have stood—rightly, I believe—shoulder to shoulder with the United States ever since 9/11, and through Afghanistan and through Iraq. I voted for British troops to participate in the war in Iraq—I have been to Iraq since, and I will go back—and I believe that we were right to do so. Things have been difficult and we have made mistakes, but we were right to participate in the war in Iraq. We should now take the opportunity afforded to us by the special relationship to say, as America's best friend—best friends are sometimes the only people who can say this—that what is happening at Guantanamo Bay is wrong. It is undermining our position and the Americans should end it now.

3.41 pm

Mr. John Horam (Orpington) (Con): I shall confine my remarks to the situation in Iraq, which is obviously a subject of much comment in the Foreign Affairs Committee report and central to the debate about the war against terrorism. I say immediately in that context that we are all very concerned about the four hostages held by terrorists in Iraq, particularly, of course, Mr. Norman Kember, the British citizen. I am sure that we all support the efforts of the Secretary of State to do what he can in a very difficult situation. It is always difficult for Governments in this situation to bring about a successful outcome, but we must hope for one.

I voted against the war in Iraq for reasons that would take rather long to explain, so I shall not rehearse them again now. It has to be said, however, that the jury is still out on whether what happened was a good thing or a bad thing. I would not go along with Zhou Enlai, the former Chinese premier, who once said when asked whether the French revolution had been successful, "It's too early to say." However, I think that it will be some years before there can be a real judgment on whether the invasion of Iraq by British and American forces and others has been a success.

Having gone into Iraq, the questions are whether we should come out, when, how and what staying in is doing to the politics of the area and the war against terrorism. They were lively, immediate topics during my participation in the recent trip to the middle east by the Foreign Affairs Committee. I should perhaps explain that we split into two groups: one went to Israel and Gaza, and my little group went to Saudi Arabia and the Gulf. That was economical for taxpayers: we covered more ground at less cost. It is sensible for Committees to do that.

In the end, the questions whether we come out, when and how boil down to the security situation in Iraq, and that in the end boils down to the Iraqi army and police force. How strong are they? How far can they produce an orderly situation? The problems of achieving a strong Iraqi army and police force are immense. There is the language problem. Very few Arabic speakers have been seconded to the American and British forces there. After Pearl Harbour there was a huge effort in America to get Japanese speakers seconded into helping with the war. No similar attempt has been made, as far as I am aware, to get the 600,000 Arabic speakers in the United States involved in helping with that enormous problem. An inability to speak the language of the people whom one is dealing with leads to missing all the subtle signals that are so essential to training a foreign group in the art of counter-insurgency.

The culture of the American army is against a training role of this kind. It is a shooting army, designed to kill, which it no doubt does and has done extremely effectively in many theatres. It is not a training army. Indeed, training is regarded as a career loser in the American army. Someone who gets involved in the training of that army does not seriously promote their advancement.

People are also concerned about the effect on the morale of and recruitment to the army. There are problems with the national guard, too, which has been heavily relied on in the Iraqi theatre. The space of time that soldiers spend there is therefore extremely short. That, again, is inimical to a proper training role. I do not think that American forces have quite the depth of knowledge that British forces have traditionally had in this context.

One thinks of the old India hands in the British Army in India, which would no doubt have the sort of people we now need. In the romantic fiction of John Buchan that I used to read as a child there was someone called Sandy Arbuthnot, the third Baron Clanroyden, well known in the Tweeddale yeomanry, but even better known in the foothills of the Pamirs, in Samarkand and Tashkent and through the Taklaman desert and the Hindu Kush. It was all second nature to those redoubtable Scots—they were mainly Scots—who set out to play the great game in the north-west frontier. We are rather in need of such people nowadays, who could get into the skin of an Arab and find out what he thinks and feels. People from Carolina and Louisiana may be good in other respects.

That is a huge problem, but it is not only a training problem; there is also an equipment, logistics and support problem. I can say in favour of the American effort in Iraq that when Ambassador John Negroponte took over he switched huge resources from reconstruction to training. About $2 billion was simply

switched from one column to another to help with the problem before the elections at the beginning of the year. That was wise and sensible, because those elections would not have proceeded as smoothly as they did if the effort had not been made to get 130,000 Iraqi soldiers up to speed for the purpose.

Some major American soldiers, such as Generals Petraeus and Dempsey, who are career soldiers, are taking the issue seriously and trying to train Iraqi soldiers in the way that they perceive to be necessary to deal with the situation. Efforts are clearly being made, but all the reports about the atmosphere in the White House and at the centre of Government suggest no real sense of urgency about developing such solutions. Paul Wolfowitz is now elsewhere doing other things. Meghan O'Sullivan, the President's special adviser on Iraq, has not even spoken in public since she was appointed a year ago. I do not know what she is doing. Donald Rumsfeld is dealing with the wider issues of army reform and the difficult problems that that entails. He is not solely focused on Iraq any more, if he ever was. All that suggests that there is not the necessary sense of direction to grasp such a difficult nettle with the appropriate firmness.

Although, according to most commentators, there is a reduced sense of urgency, the situation with training and logistics that I have described needs an intensification of effort. People need to be trained differently and to be there for longer periods, not for short tours. There is a growing gap between what is necessary on the ground and what is actually happening, and the view in Washington. That is the conclusion drawn in an article, which I recommend to all who are interested, in the December issue of *The Atlantic Monthly* by James Fallows, who is an expert in this area. In the final paragraph, he concludes:

"America's hopes today for an orderly exit from Iraq depend completely on the emergence of a viable Iraqi security force. There is no indication that such a force is about to emerge. As a matter of unavoidable logic, the United States must therefore choose one of two difficult alternatives: It can make the serious changes—",

which I have just been trying to describe,

"including certain commitments to remain in Iraq for many years—that would be necessary to bring an Iraqi army to maturity. Or it can face the stark fact that it has no orderly way out of Iraq, and prepare accordingly."

I do not think that he is suggesting that the Americans should in any way embark on a kind of Vietnam exit of that sort.

All the people to whom I have spoken about this—including the highest in the land and my colleagues—were a little divided about whether we should pull out. In so far as people felt that we should pull out, they preceded that with two caveats. First, there should be a diplomatic démarche to ensure that it was done after parliamentary elections and over a period of time in which there could be clear explanations about why what was happening was happening. Secondly, they emphasised that there would still be some need for coalition forces to guard the frontiers of Iraq against Iran, and perhaps in the north. Those caveats were mentioned to us by Government Ministers. None the less, there was a clear understanding that it would be in the best interests of the conflict and of the credibility of Britain and America—there is no doubt that America and Britain have a lot at stake—as well as important for the war against terrorism that that should be considered.

The Government face the more difficult question of whether, if the Americans do not wish to pull out, the British should pull out anyway. That is more difficult because there are questions of honour, which were put to us plainly. We went in together, so can we reasonably come out separately? There is also the issue of logistics. Most of the American armour and equipment goes through the southern part of Iraq and Basra, which is controlled by the British, so there are delicate questions, such as: should the coalition forces pull out in those circumstances? Should Britain pull out separately from America? Can we really see the main alternative put forward by James Fallows in his article—a real reinforcement of the efforts necessary on the ground—being made by Washington in its present political stance? I do not pretend to have any answers to those difficult questions, and I am not proposing anything now, but the Government need to do some hard thinking over the next few months, which could be critical to the whole future of the effort in Iraq, whether one voted for or against it.

3.54 pm

Mr. Fabian Hamilton (Leeds, North-East) (Lab): I welcome this opportunity to speak in the debate. I congratulate my hon. Friend the Chairman of the Foreign Affairs Committee on opening it. He was not present when we drafted the report, which must have made what is already a difficult task more difficult.

All my colleagues on the Committee have pointed out something that remains obvious to all of us involved in the continuing struggle and debate on how we can secure a peace between the Palestinians and the Israelis. In whatever Arab or Muslim country that we visit, and we have been to many, one thing rises above everything else in the minds of those to whom we speak—all our interlocutors, whoever they may be: that there must be a just and peaceful settlement between Israel and the Palestinians. As other hon. Members have said, after last week's visit to Israel and the occupied territories, that peace seems as elusive—perhaps more so—than ever.

I was one of the Committee members who visited Saudi Arabia and the Gulf last week. Not being content with visiting only those regions, I went to Israel the previous week, at my own expense, to meet a constituent—a holocaust survivor who lives in Leeds. As a child, he was taken from Lodz ghetto in Poland to various concentration camps before being released at the age of 16 at Teresenstadt in May 1945. That man, Arek Hersh, went back to the concentration camps at Auschwitz and Birkenau for the first time last year. Yorkshire Television recently made a documentary about him. He had a room at the Yad Vashem holocaust museum in Jerusalem dedicated to him for the work that he does to bring the holocaust into sharp focus for the younger generations who simply have no recollection of it. Arek Hersh has done a brilliant job and he was being honoured at Yad Vashem. I wanted to be with him.

Of course, like most politicians, it is not good enough to simply be with a constituent, however far away. I have a long-standing and continuing interest in the

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future of Israel, and of the Palestinian people. Therefore, I made it my business to meet people with whom I could discuss current issues. I met very different people to those whom my colleagues met last week, and I came away with a slightly more optimistic view, although I am, of course, a realist.

The founders of the state of Israel had high ideals and one has to go back only 30 years to remember the Israel of Golda Meir, of David Ben Gurion, and of the kibbutzim to which so many students of my generation—whether Jewish or not—went during their summer vacations from university or after leaving school. Many still stand for the high ideals on which the state was founded, but not the majority, clearly.

Two weeks ago in Israel, I learned that the seismic shift taking place in politics could, if one is optimistic, and with a fair wind, have a beneficial effect. I am not trying to contradict anything that my colleagues have said. My hon. Friend the Member for Hyndburn (Mr. Pope) said something on which we both agree, namely the effect of the wall that has been built to keep out terrorists and suicide bombers. The barrier has, largely, achieved that aim, although there was an attack just the other day in Netanya, a place to which many British people emigrate and where many of my former Leeds constituents now live. It is clear that the wall is not sufficient and I agree with my hon. Friend that the wall is a blemish on the Israeli state. I understand why it has been built, but I am horrified every time I see it.

We must be clear that the barrier takes the form of a wall around Jerusalem and Qalqilia, which we visited two years ago, but it is, in most parts, a fence and, in most places, it is on the green line. It is significant and it says much about the state of Israel that, just last year, the path of the barrier had to be altered because former members of the Israeli defence forces took their Government to the Israeli supreme court to have that path moved around the eastern part of Jerusalem. That is significant because the rule of law and the legal system was able to change a policy that would disastrously affect Palestinian farmers such as the one whom we met in Qalqilia, to whom my hon. Friend referred. Those people are honestly trying to farm their own land and are being cut off from the land between the village where they live and the land that they farm by the barrier. They are then taking several hours to get across the border simply to go to work and try to earn a living.

I met a number of interesting people while I was briefly in Israel. It was not the intense Foreign Affairs Committee visit with which we on the Committee are familiar. It did not involve meetings from 7 am until very late at night, but I had the chance to talk to some of our diplomats: Simon McDonald, our ambassador in Israel, whom many of us know well, gave me a long and full briefing over lunch in Tel Aviv; and Dr John Jenkins, our expert in East Jerusalem, who has the important job of trying to look after Arab and Palestinian interests on behalf of the British Government. Both those diplomats are experts in their field and can make an important contribution to what should be a road map to peace, but seems to be a road map away from peace—in fact, towards anything but peace.

So how do we move back towards a lasting settlement between Israel and the Palestinians? We all agree that the only future for Israel is a vibrant, democratic Palestine. That two-states solution, to which my hon. Friend the Chairman of the Committee referred, is something that both he and I and many others have espoused for many years, and want to see achieved. Can it be achieved? What will the clear favourite to win the election in March next year, Ariel Sharon, a man for whom I have absolutely no time—he destroyed many of the moves that his predecessor, Ehud Barak, tried to make towards a lasting settlement—bring to Israeli politics and more importantly, to that elusive peace process if his Kadima party, the Forward party, wins the largest number of seats?

Even more important than that answer is what the Labour party can do. Is it genuinely newly invigorated by the surprise election of Amir Peretz, and the coalescence of the progressive peace forces around the Labour party? It is very much old Labour, not new Labour. Will Peretz win sufficient seats to be pivotal and to have sufficient influence on Ariel Sharon? I am afraid that we shall have to wait for the election outcome to see. The early indications, according to *The Jerusalem Post*, as my hon. Friend the Member for Hyndburn pointed out, are that Sharon looks set to win. However, Israeli politics are notoriously unpredictable: the Labour party, or another, could achieve a larger number of seats. We will have to wait to see the outcome.

One thing is for sure, however. The Likud party, the former party of Prime Minister Sharon, is divided. The bid for that party's leadership by the former Prime Minister, Benjamin Netanyahu, will be, in my opinion, the greatest danger posed towards any possibility of peace. Those of us who have heard Netanyahu in the House and elsewhere, and those of who met him in Israel when he was Prime Minister, will know that he is a man who stands for the concept of "eretz Yisrael"—a greater Israel—that conforms not to our notions of the green line and the 1967 borders, but to a notion of Israel according to the Old Testament, which excludes all Arabs and Palestinians and does not acknowledge their existence at all. That can only be truly dangerous for Israel's future and that of the Palestinian people.

I agree wholeheartedly that the poverty, oppression and day-to-day barriers put in the way of law-abiding Palestinian people will only turn them away from peace, conformity to the law, and an attempt to try to earn a living for themselves. That is increasingly impossible, now that they are going to be excluded from working in Israel itself. However, we must have hope—hope in adversity, as seems clear at present, certainly from the findings of my hon. Friends who were in Israel last week. A situation such as that can never be deemed to be hopeless. One of the factors that may make a difference is the role that diplomacy plays. Mention has been made of the role of the Quartet. When I met Ghassan Khatib, the Minister of Economic Planning—I know my colleagues also met him—I had one hour. He came to the American Colony hotel in East Jerusalem where I was staying and we discussed whether there was any hope for lasting peace or a settlement. He is a member of Fatah, of course, and was hopeful that the recent intervention of Condoleezza Rice and the role of the Quartet led by Jim Wolfensohn was a different factor that might make a difference.

I hope that the Government will make a plea to the United States to tell them that, if they put their minds to it, they and only they can have a powerful influence on Israel, whoever is elected to government, to get back on track with the road map and round the table for genuine negotiation. We all know, as do they, that negotiation with a partner is the only road to a lasting peace. The imposition of peace, however unilateral or well meaning, can mean nothing unless the partner is a true partner and will sit down and negotiate properly on equal terms.

I mentioned the role of diplomacy. We are fortunate to have good diplomats in the region; I have mentioned two. We also went to Saudi Arabia. We have there a diplomat who is working for the interests of this country, was the ambassador to Israel and still, even after two years, has a strong reputation: Sir Sherard Cowper-Coles. I am told that, now that he is our ambassador to Saudi Arabia, he is often summoned to update King Abdullah on the state of Israeli politics. As our former ambassador in Israel, he has many friends there and keeps up with the day-to-day developments. That can only be beneficial to us.

I want finally to mention the importance of Iran in our war against terror. The Iranians are trying to develop, we think, enriched uranium and plutonium for military grade weapons. It is important that we ensure that that development does not take place. Of course, the Iranians are entitled to civil and peaceful nuclear power, as they claim. It is important that the deal with the Russians to ensure that that enrichment cannot take place goes ahead and that pressure from the Government and those of Germany and France, as well as from Javier Solana on behalf of the EU, is successful. In the end, dialogue and constructive engagement will ensure that countries such as Iran do not develop such weaponry. It is in the interests of everybody in the world, not just the region, that we ensure that they do not.

4.8 pm

Dr. Julian Lewis (New Forest, East) (Con): I will take a slightly different perspective to that which has developed so far by asking people to look back at some historical parallels and to the problems of propaganda and counter-propaganda in war.

I mean to look back a long way to the autumn of 1914 when a photograph was prominently published on the front pages of a number of British newspapers showing what was obviously a Royal Navy battleship sinking beneath the waves. The headline was "An audacious picture". The battleship, as the Chamber may have guessed, was HMS Audacious, which had been holed by a mine. The reason that the Government were so upset about the picture being published was that they felt that the news of the loss of the battleship should be suppressed for fear of undermining morale at home in the early stages of the great war. It was, of course, a forlorn hope that such a disaster could be concealed from the British public and, indeed, it was not.

By the second world war, the Government had learned a great deal about warfare propaganda. When one looks at the films that were made during the war—many dealt with events in occupied European countries—one is struck by the fact that they were dauntingly realistic. The cavalry did not always come to the rescue. The paratroops did not always land in the nick of time. The tanks did not always roll through the defences just in time to save the partisans from the firing squads. On the contrary, those who played the freedom fighters and the men and women of the resistance in those films often paid with their fictional lives, just as the people of the resistance and the freedom fighters in reality paid with their lives in the occupied countries that the films fictionally represented. Instead of the usual two-word ending, the films would often end with a defiant three words: "Not The End". In other words, the fight went on despite the sacrifices.

What has all that to do with the conflicts that have been so articulately discussed today? Quite a lot, I suggest. The belief has grown that war is something that can be waged cleanly, quickly and with minimal loss. In fact, it is horrible, unjust and dirty. It is extremely costly in lives and in the damage caused to all the countries involved, whether they are innocent bystanders and victims or aggressive nations that are being resisted.

The battle that is being faced today would I suppose have been called low intensity warfare in the 1960s and 1970s. It is therefore rather surprising that we do not seem to have learned all that much from the two main post-war conflicts in which Britain has been involved—namely, the conflict in Northern Ireland, which has already been mentioned, and the conflict in Malaya, which has not. One of those conflicts went on for three decades and the other for 12 years.

Some hon. Members will have received representations from servicemen anxious to know if they will be allowed to receive medals from the present Malaysian Government in gratitude for what they did then. What worries me is whether the Malay conflict could have been pressed to a successful conclusion, with the sort of tactics that had to be used over such a long period, had the spotlight of publicity been shining upon it, focusing day by day on every incident and every casualty.

It was said earlier that security alone did not bring peace to Northern Ireland, and that political solutions had to be found. That is a one-dimensional view of what solved the conflict—if, indeed, it has been solved. Political solutions would not have been found had it not been for the security presence and the political determination of successive British Governments to make it clear that no matter how many murders or atrocities took place—can one imagine anything more heinous, despicable and contemptible than blowing up the people at the Enniskillen war memorial on Remembrance day?—the IRA would in the end have to conclude that they would not be able to bomb and kill their way to victory. Therefore, the political solution was contingent on the ongoing long-term security and military contribution, backed up by the political will to win. It worries me greatly, when we consider the situation in Iraq, to hear people talking about bringing troops back soon, and saying, "Next year, before the election, we will hand over security to the local forces." That smacks not so much of the approach that was successful over a long period in Malaya and Northern Ireland, but of the process that was tried and failed in Vietnam. Let us face the fact that if we engage in a conflict with a combination of outside extremists and

[Dr. Julian Lewis]

domestic insurgents, we will not be able, in the short term, to hand over the security situation to the indigenous forces.

Mike Gapes: Is there not a big difference between the situation in Iraq—or even that in Vietnam—and that which existed in Malaya? Malaya was a colony at the time, not an independent state, and it did not have a democratic process or a putative sovereign Government that was going to have its own views on whether and how it would get assistance from international forces. The hon. Gentleman's parallel is slightly wrong.

Dr. Lewis: Historical analogies are always debatable because, by definition, they are not identical to the situation that we face today. However, I do not believe that either of the factors that the hon. Member for Ilford, South (Mike Gapes) mentioned reflects on the principal point that the communist insurgents in Malaya did not have the external support that is enjoyed by today's insurgents in Iraq. They were, therefore, in a weaker position, yet it still took 12 long years for them to be defeated.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): One thing that I hope will come out of the report of our visit to Saudi Arabia is that we are engaged in a battle of minds. Frederick the Great said that one cannot ride on horseback against ideas, but at the moment we have to do so. Saudi Arabians are extremely proactive at dealing with the kind of extremist ideas that are developing, so the picture is not quite as depressing as it might appear to be.

Dr. Lewis: I am delighted that the hon. Lady made that intervention. It neatly brings me to the central point that I was about to make. That is that victories in such environments depend wholly on having the majority of the indigenous population—however much they have been terrorised, bullied and attacked by extremist minorities—on one's side. We have a long way to go in that respect.

I venture to suggest that the Government have not even begun seriously to address the issue. By that I mean that our military opponents are not physically strong. They are not exactly endowed with powerful weapons systems although, of course, we have to fear that they might acquire some. However, they are masters of propaganda, and we are not doing what we should be doing. We should be learning the lessons of the propagandists—I use the term non-perjoratively—of world war two. We should quite openly be going on the offensive with a propaganda operation to make it absolutely clear what the true situation is and what values we are fighting for.

The other day, there was a shock-horror story in the press. The Americans had been found to be paying a newspaper in Iraq to publish some good news stories. All I can say is that I would be surprised and annoyed if they were not doing so, and I hope that they do more of it. We must not try to suppress bad news, because that will sink in the same way in which the attempt to suppress the loss of the Audacious did. We must actively promote the good news about what our forces are doing time after time.

We must go on the offensive and detail name by name, incident by incident and atrocity by atrocity what our opponents are doing. We must highlight these facts, instead of glossing over the fact that 30 people have been killed in a suicide bombing in a restaurant or a market. We must publicise again and again the nature of the victims, who overwhelmingly will have been ordinary Iraqis.

There is one more thing we must do. We must ask whether it is our fault that extremists in Iraq are killing other Iraqis because of the coalition's invasion and are trying to make us lose our nerve and pull out, or whether it is the fault of the extremists who do not mind killing the people whom we went in with a view to helping to build a peaceful and democratic state. One has only to pose the question to arrive at the correct answer.

Much has been said about the business of us not besmirching our own record by behaving unacceptably. That is certainly true, but it is also true, as I say time and again in these debates, that free societies cannot survive if they insist on tolerating the intolerant. There is something very wrong with our set-up when it takes us 10 years to extradite from the UK across the channel to France someone who is strongly suspected of being a terrorist. The French Government and the French people were justifiably appalled at the way in which that extradition, which has at last happened, was spun out for so long and with so little justification.

There is also something wrong with a system such as ours in which we would not be able to extradite Osama bin Laden or his deputy to the United States of America, if, by some chance, they fell into our hands, unless we were assured that they would not face the death penalty there. This is where the asymmetry of this sort of conflict comes in, because there are groups that do not observe the laws of war and put themselves outside all conventions, yet are the first to claim the protection of the legal systems of the countries that they seek to destroy when it looks as if they are being cornered.

Something was said about 7 July earlier in the debate. For me, the lasting image will be of the two suspects—I put it no higher than that—who were arrested on the balcony. Fearing for his life, the first words of one of them were, "I have my rights." Okay, he has his rights, but must we be overly obsessed by the rights of people who want to destroy the very basis of a society that gives rights to anyone at all?

We must set up a systematic operation actively to promote the positive case for what the coalition forces and the security services are doing. In promoting that case, we must not paint rosy pictures suggesting that victory is just around the corner; we must tell the British people the truth. If we do that, they will not let us down.

4.25 pm

Mr. Nick Clegg (Sheffield, Hallam) (LD): I start by bringing our attention back to the Select Committee report. A lot hinges on the first sentence of the summary, which states:

> "We recommend that in its response to this Report the Government make a statement of how it ensures that it pursues its various foreign policy priorities in ways which take into account their inter-connectedness".

I was struck by the slightly clumsy word "inter-connectedness" and I wondered what it meant in this context. To begin with, I feared that it alluded to an

excessive attachment to policy tidiness and that policies would need to conform to a degree of consistency just for the sake of it. The more I thought about it, however, the more I realised that coherence is essential if, to quote the excellent words of the hon. Member for Hyndburn (Mr. Pope), we are to win not only the war on terrorism, but the war for human rights. My fear, which the report sets out in great detail, is that if we are too inconsistent and erratic in prosecuting our war for human rights—as he rightly said, it is an indispensable component of our war against terrorism—we risk feeding precisely those forces of anger, radicalism and public alienation that have done so much in other parts of the world to provide the seedbed in which terrorism has been allowed to flourish.

I therefore want to highlight two obvious areas in which an inconsistent approach by the Government and the United Kingdom will risk inflaming the public debate and the feeling that seems to propel young Arabs, in particular, towards terrorism. First, I want to talk about extraordinary rendition.

The Minister for the Middle East (Dr. Kim Howells): I am sure that the hon. Gentleman did not mean to say "young Arabs", because the greater part of the Muslim population in this country is from south Asia. Members of that community take great exception to being lumped into one homogenous group; they are not Arabs.

Mr. Clegg: I stand corrected and rightly so. I take on board the observation that the Minister rightly makes.

"Extraordinary rendition" is a euphemism and much sinister intent might lie behind it. The debate about this issue has now escalated, for all the reasons with which we are familiar. We, as a country, need not only to ensure that we behave with due regard to law and proper process, but to dispel any doubts elsewhere in the world that we are complicit in any way in a practice that could rightly be seen as a flagrant case of double standards.

I recently read that Condoleeza Rice had said that rendition was required

"where the terrorists cannot in practice be reached by the ordinary processes of law".

She added that

"the captured terrorists of the 21st century do not fit easily into traditional systems of criminal or military justice."

No wonder that legitimate fears have arisen that extraordinary rendition is nothing more than a way in which suspects can be apprehended illegally, out of the ambit of the law, to be subject to mistreatment in a manner that is illegal and immoral and that undermines the fundamentals of our moral case in the war against terrorism. We are all entitled to ask questions of the Government about their response—which so far has not been entirely clear—to the events as information has come out into the public domain in dribs and drabs.

I draw the Minister's attention, first, to page 9 of the Government response to the Select Committee's report. It states:

"The British Government has not received any requests, nor granted any permissions, for the use of UK territory or airspace for these purposes"—

namely, the landing and taking off of the aeroplanes holding the suspected terrorists. There appears to be a well documented body of evidence suggesting that up to 400 flights have landed and taken off from British airports. It simply stretches credulity that that can have taken place without the British authorities and the British Government having any knowledge of it whatever. I would like the Minister to put my fears to rest: it is either an act of extraordinary incompetence or something much worse to suggest that 400 such flights can take place without the Government being aware of them at all.

Secondly and perhaps of even greater importance is the attitude that the Government should have towards the US interpretation of the legal context in which the process of extraordinary rendition has taken place. The convention against torture quite explicitly stipulates that any transfer of individuals to a country where there are substantial grounds for believing that they would be in danger of being subjected to torture should be prohibited. However, if I understand the situation correctly, the US Administration have picked their words extremely carefully to suggest that they will not tolerate any extraordinary rendition if they believe that the individual in question will be tortured. There is a world of difference between someone saying that they believe a person will be tortured and saying that they think a person may be in danger of being tortured. It seems to me that a great deal hinges on that.

If we are going to lower the bar, as the words of the US Government seem to suggest, so that there is a unilateral judgment on whether someone will be tortured and that judgment will determine whether extraordinary rendition should take place, that will totally fly in the face of the letter and the spirit of the convention against torture. I am keen to know the Minister's attitude towards that subtle legal reinterpretation of the terms of the convention.

Thirdly and finally, it is worth recalling—this seems to have fallen slightly beyond the parameters of the public debate over the past few days—that the convention against torture does not just prohibit torture. It also prohibits

"other cruel, inhuman or degrading treatment or punishment".

In other words, the convention against torture, to which we are a signatory, goes far wider in terms of the forms of treatment or maltreatment that it covers than the definition of torture that has become the focus of so many of the legal niceties and pronouncements by the US Government. I hope that the Minister will confirm that the UK Government want the full and unconditional application of the full definition in the convention against torture.

This is not just a series of debating points. It goes to the core of the legitimacy of our war against terrorism. If we cannot uphold the legal and moral principles that we invoke in our fight against terrorists, we significantly weaken our case and blemish the standing of this nation and our beliefs and views elsewhere in the world. That does untold damage to the long-term prospects of the war against terrorism.

I want to mention the middle east conflict. I shall be briefer on this point, not least because so much has been said in an extremely articulate and pointed fashion. It is almost trite to observe that a durable settlement in that ancient conflict would do much to allay the false stereotypes, the anger, the vitriol and the hostility that feed so much of the opinion, in other parts of the world,

[Mr. Clegg]

that bears directly on the rise in terrorism throughout the world. I was struck by how tentative the Select Committee's report is about the middle east. The section on the middle east—I am not sure whether the fact is representative of anything—is just over two pages. That compares to almost 11 pages on Libya.

Mr. Pope: I should point out that the report is the sixth report of the Committee on the foreign policy aspects of the war on terrorism. Previous reports have covered the middle east in great length, which is why the focus in the present one has shifted to other areas.

Mr. Clegg: I wonder, too, however, whether the shortness of the passage is also related to an understandable reticence about pronouncing from outside, so to speak, on a conflict that is so complex. Page 101 includes the statement that the Committee recognises fully that

"the danger that active engagement by the West with a view to influencing the outcome of events in the Middle East more widely could be counter-productive, unless it is sought and welcomed by the people of the region and by their representatives."

That has been borne out fully by the comments of other hon. Members. It is almost inconceivable that any durable settlement could be achieved without bold, forthright and principled influence being brought to bear from the outside.

I recently visited Jerusalem, Tel Aviv, Ramallah, Hebron and other parts of the west bank and I should like to add something to what others have said: although the barrier, or wall, or whatever one wants to call it, is the most striking and visible expression of division and hostility in the west bank today, it disguises something that is in many ways more pervasive and destructive—the almost totally dysfunctional nature of the west bank itself.

The right hon. Member for Tonbridge and Malling (Sir John Stanley) rightly talked of the hundreds of road blocks, both permanent and temporary, and the complex—almost byzantine—system of permits, that make it almost impossible for people to do their jobs, meet their families or travel from one town to another. I experienced that when we tried to travel from Hebron back to east Jerusalem. We were stopped at three road blocks. It took hour upon hour. The crescendo of frustration and hostility felt in the crowds of people caught up in the road blocks was tangible.

I find it striking that the slightly less visible form of fragmentation that is imposed on the west bank does not seem to be well known among Israelis. I am not sure whether this anecdote is worth much, although it spoke volumes to me. I had supper with an old friend of mine, with whom I used to study in the United Kingdom, and who is now a best-selling author in Israel. He is very much of what I should call a liberal-progressive persuasion and sends his children to one of the few Arab-Israeli schools in Jerusalem. In conversation, it became quite obvious that despite assiduous reading of liberal press publications in Israel, he was almost totally unaware of the extent to which life in the west bank had been fragmented and disfigured by the web of physical and bureaucratic obstacles that make it impossible for the Palestinian community even to approach a semblance of social, political and economic, let alone geographic, contiguity.

It is therefore incumbent on those of us who care passionately about an equitable peace settlement in the region, to do everything in our powers to ensure that the Israeli Government and authorities are not allowed to forget that the rest of us are watching what is happening in the west bank with increasing concern. That is not because we do not understand the need to take measures to protect Israelis against suicide attacks—of course, the attack in recent days has only reinforced that—but that making the Palestinian community so dysfunctional makes it all the more likely that there simply will not be a partner to negotiate with in any final peace settlement.

My final question for the Minister is whether the existence and pervasiveness of the closures is being raised in sufficiently forceful terms by the Government in their contacts with the Israeli Government. As a postscript, I have read that a number of campaigners have called for the use of existing agreements between the European Union and the Israeli Government to try to highlight some of these issues. Personally, I do not think that there is any merit in talking loosely about invoking economic trade sanctions, embargoes or whatever. It is politically totally unrealistic and would almost certainly be counter-productive.

What struck me when I talked to officials on the ground, both British diplomats and diplomats from other EU states, was that they had apparently not discussed among themselves or with their various political masters in the EU capitals whether the provisions of the EU-Israel association agreement are being properly monitored in the first place. As the Minister will know, it is a very complete agreement covering a number of trade and economic issues. It also includes a number of crucial human rights and other provisions that place a legal obligation on Israel to respect the rule of law in all that it does and equally place a legal obligation on the EU to ensure that that is monitored fully and continuously. I am concerned that there does not seem to be any mechanism for that monitoring to take place.

I understand that there will be a meeting between the EU under the British presidency and the Israeli Government on 12 December at which there are plans to establish a so-called human rights committee. I should be keen to know what the Minister thinks that committee will do to provide the proper monitoring of an agreement that plays such a crucial role in regulating the relationship between ourselves and Israel. Extraordinary rendition and our approach to the circumstances on the ground in the middle east are two notable areas—there are others, of course—where a degree of "interconnectedness" and "coherence", as the report puts it, seem absolutely essential if we are to continue to assume the moral high ground but also develop a strategy that is both principled and effective in prosecuting our war against terrorism.

4.44 pm

Miss Anne McIntosh (Vale of York) (Con): It is a great pleasure to welcome you to the Chair, Sir Nicholas, and to speak under your chairmanship this afternoon. I also welcome the Minister back from his

travels in Afghanistan. I congratulate the Chairman and the members of the Select Committee on their report. This has been an excellent debate that has made a great contribution.

Let me start on a personal note. On 11 September 2001, my husband was working for Delta airlines. That was one of the American airlines that did not, fortunately, lose aircraft. However, it was, of course, deeply affected by the losses. It was the first time in history that anyone had conceived of using aircraft for that purpose, and the loss of life of passengers, air crew and people in the buildings was beyond imagination. It is worth remembering that successive Governments had come to grips with the terrorist threat that we then faced in this country and in Europe. Regrettably, when Europeans, such as my husband, who worked for American carriers tried to persuade the Americans that it was a possibility that terrorists might take to the skies and that that might take a form as gross as that which we saw on 9/11, their words fell on deaf ears. I am delighted that America has now recovered and taken dramatic measures to prevent such dreadful events from happening again.

I am sure that many of us, like my hon. Friend the Member for Orpington (Mr. Horam), are thinking of the British and other hostages in Iraq. We wish the Foreign Office every success in negotiating their release.

There has been much talk about the middle east peace process. I am envious of the excellent visits that have been made, particularly the recent one by the Select Committee, which clearly learned a great deal. Its members were very privileged to make some of the visits that they did.

Will the Minister comment on the Foreign Office assessment of the likely success of the current middle east process, looking forward to the elections in Israel next year? In particular, as one or two speakers have hinted during the debate, will it be a genuine two-states settlement or, as regrettably appears likely at the moment, a unilateral approach by Israel? An update on that situation will be most welcome.

I have followed closely the debate in the European Union on the fight against terrorism. Since the attacks of 11 September 2001, the European Union has been determined to step up its fight against terrorism and, in 2002, it adopted a framework decision on combating terrorism. Can the Minister give us a progress report? Have the member states been able to align their legislation and set out minimum rules on terrorist offences?

The framework decision lays down the penalties that member states must incorporate in their national legislation and I know that one of them relates to the freezing of funds of a list of terrorists and terrorist groups. That is not working wholly as was intended, and I shall be interested to hear whether the Minister shares my view. In particular, the 1998 joint action that was outlined on the identification, tracing and confiscation of instrumentalities and proceeds from crime has not been successful in Zimbabwe. Does he share my concerns in that regard?

I understand that the Minister has just returned from Afghanistan. British and American forces have had some success there in removing the Taliban. However, does he fear that they have merely been displaced? The hon. Member for Ilford, South (Mike Gapes), who chairs the Select Committee, has performed an excellent task this afternoon in giving us a good overview of the report despite not having sat through the evidence. Now that we know that al-Qaeda is operating from more remote cells—that there is not just one headquarters—it is much more difficult to respond to it. Will the Minister update us on his assessment of that matter?

In our view, terrorism and extremism must be confronted and overcome wherever they appear. Obviously, a more international approach to terrorism is more effective. Action must be taken where necessary against rogue states—the breeding grounds of international terrorism. We are deeply concerned that opium growing in Afghanistan seems to be continuing unabated; there is undoubtedly evidence that proves that much of the income from the opium growing is being used to fund terrorism.

Some 18 months ago, I attended an excellent briefing given by the UK ambassador to the United Nations, Sir Emyr Jones-Parry. I understand that dealing with opium growing is a massive task. However, the Government are president of the organisation that is examining the matter—I think that it is being done through the G8—and I am disappointed at the results to date. We would lend every possible support that we could to the Government's encouragement for the growth of alternative crops, although that would obviously take place jointly with the Minister's colleagues, not just at the Foreign Office but at the Department for International Development. However, there must be some control of the opium industry, which seems to have continued to grow unabated, even though we have seen the demise of the Taliban.

The situation in Iraq has provoked a stimulating debate this afternoon. My hon. Friend the Member for Orpington took a different view from me on the war on Iraq, and raised the question of how long our troops will be based there. Reverting for a moment to Afghanistan, I shall mention that a group will be going from the Allenbrook barracks at Topcliffe to Afghanistan, but we still do not know what remit the next set of troops going to Afghanistan will have. Will the Minister update us on how the Government see the projected withdrawal from Iraq and give us his view on whether that can be done elegantly, as I am sure everyone in the Chamber this afternoon would wish?

The conclusions in the Select Committee report—paragraph 25 onwards—relate to the migration of people, particularly across the Mediterranean, and refer to the countries of the Maghreb. We ignore the countries of the Maghreb at our peril. My mind was not put any more at rest on that matter when I turned to the Government response to the Select Committee report. We have seen the recent developments in the Spanish principalities of Ceuta and Melilla, with Africans trying to come into the European Union through those enclaves. Conclusion 37 of the Select Committee is well made and hard hitting:

"We conclude that insufficient priority has been attached to an exchange of high-level visits between the United Kingdom and Morocco."

[Miss Anne McIntosh]

That could also apply to some of the other Maghreb countries. When the Minister sums up, will he tell us what measures the Government are taking in respect of the migration of peoples across the Mediterranean?

As early as July 2003, the Conservative party called for an examination of international law. It struck a chord when the Prime Minister agreed to come up with some proposals. However, I think that those proposals were published some time ago, so it would be helpful if the Minister could update us on what stage has been reached on that matter.

In connection with domestic policy, there are other efforts that the Government could make, particularly to avoid a clash of civilisations in the UK. It would not be in any of our interests to give disaffected Muslims, whom al-Qaeda might attempt to recruit, the impression that we are their enemy. We certainly are not. Can the Minister confirm whether the Government are minded to incorporate some of the proposals that we set out when the Terrorism Bill reached the House of Commons, such as encouraging the training of more imams in Britain, so that their teachings will be seen as consistent with the society in which they preach? That would be seen to be a positive instrument to deploy.

I speak as the Member for the Vale of York in north Yorkshire and it was a source of great concern to us all in the Yorkshire and Humber region that the culprits of the July bombings came from the Leeds-Bradford area. We thought locally that the integration of all the different cultures and civilisations in Yorkshire and Humber had been handled as sensitively as possible. When we saw the hatred felt by the four accused suspects and the lengths to which they went, that was an obvious source of concern. Will the Government consider measures, such as introducing the training of more imams in this country, to lead to greater integration?

Overall, we welcome and commend the conclusions; they are well thought out and well examined. The evidence that the Select Committee took speaks forcefully for itself. I recognise the work, over successive reports, that the Government have done. My right hon. Friend the Member for Tonbridge and Malling (Sir John Stanley) suggested that perhaps the gloomiest outcome for the United Kingdom would be for the war on terror to strike at the heart of the country: we have already had one such successful attack, and one less successful one, this year.

What resources are the Government making available to combat such a threat? Why, in particular, have the Government not seen fit to appoint a Minister for homeland security—we have appointed such a shadow Minister—who would straddle the various Departments? There are too many Departments involved in the fight against terrorism in this country—there are international, defence and home aspects, as I mentioned, such as the Terrorism Bill and other legislation. It would be welcome also to recognise that the country has, at present, little protection against rogue ballistic missiles. We recognise the work currently being undertaken in the United States, and we make a plea to the Minister and ask whether similar work is being reciprocated here.

There has been much talk this afternoon about rendition. The Government set out, on page 8 of their response to the Select Committee report, in response to conclusion 12:

"This is not the same as operating a general policy of use of information extracted under torture. The UK unreservedly condemns the use of torture and has worked hard with our international partners to eradicate this."

I have great sympathy with the position set out by Condoleezza Rice on behalf of the United States on their policy of rendition, being one of transport and not related to torture in any shape or form. Equally, however, I have sympathy with some of the excellent points that were made this afternoon. There is a greater need for transparency on what form such transport is taken, what category of prisoner has been transported, and for what specific purpose.

It has been a rewarding debate, in which I am delighted to have taken part. I look forward to the next Select Committee report on this issue.

5 pm

The Minister for the Middle East (Dr. Kim Howells): As ever, Sir Nicholas, it is a great pleasure to speak under your chairmanship. I am pleased that the Foreign Affairs Committee has chosen to hold this debate, which has been of a high quality, into the sixth report of its inquiry into the foreign policy aspects of what it calls the war against terrorism.

Before I reply to the many important and insightful points raised by hon. Members, I welcome the new members of the Committee, including the recently arrived Chairman. The primary role of the Committee is, of course, to scrutinise the work of the Foreign and Commonwealth Office, but in performing that task, its members serve—I am sure that you will agree, Sir Nicholas—as unpaid ambassadors for the UK in their many contacts with foreign Governments. Those contacts not only help, I hope, to deepen the Committee's understanding of the challenges facing us in countering terrorism, but build powerful bridges of understanding with the many countries with which we co-operate to reduce the terrorist threat.

I was glad to hear comments such as those made by my hon. Friend the Member for Leeds, North-East (Mr. Hamilton), who has left the Chamber for the moment, about the sterling work done by many of our diplomats abroad under difficult circumstances.

As many hon. Members have said, the threat that we currently face from terrorism is different in many respects from the appalling Irish republican terrorism that we experienced in this country after 1969. The hon. Member for New Forest, East (Dr. Lewis) drew our attention to the terrible atrocity at Enniskillen, which was as bad as anything that we could ever imagine being perpetrated in this country. The ferocious and indiscriminate suicide bombing by terrorists in London in July illustrated graphically and tragically that we face a new terrorism.

The geographical spread of the terrorist threat is very wide. There were bombings in Sharm al-Sheikh and Bali. I went to look at the monument in Bali. No one could fail to be moved by such an appalling waste of human life, especially young life. There have also been bomb attacks in Bangladesh. That country was not

mentioned in today's debate, but I was there about three weeks ago and am probably more worried about it than any other country that I have visited. It is prone to terrorism and gangsters—currently the judiciary are being targeted. Bangladesh could easily become a substitute for Afghanistan, in that it could be open season for all kinds of fundamentalist terrorist organisations. Indeed, it is rapidly heading that way. We need to pay a great deal of attention to that country.

In addition, there have been kidnappings in Iraq and Afghanistan. I fervently hope that Mr. Kember and his colleagues will be released. There has been unprecedented and wide-ranging demand that they should be, and I hope that the people who have kidnapped them will see reason and release them.

Those attacks, and others that I do not have time to list, do not weaken our resolve or stem our determination. We will not place our enemies on a pedestal. On the contrary, their murderous activities have served to reinforce our commitment to protect our people and prevent the terrorists from achieving their aims. The terrorists who now seek to bring death to our streets have no positive vision of the future. They trade in human misery, but our values, including the strength of our diverse society, are stronger than the values of those who glory in destruction. We heard something about those values in our debate this afternoon.

My hon. Friend the Member for Hyndburn (Mr. Pope) rightly talked about the absolute centrality of not taking our eye off the ball for one moment, and other hon. Members have rightly said that we cannot win the war by military means. I am old enough to remember many, many guerrilla wars. It was fascinating to listen to the hon. Member for New Forest, East talking about the war in Malaysia. I join him in saying that I am not sure what we in this country would have made of that war if it had been transmitted live 24 hours a day. Every British soldier who died and every atrocity that was committed, and it was a war that was marked by atrocities, would have been headline news. We must think about that. My hon. Friend the Member for Ilford, South (Mike Gapes) remarked that perhaps this is a very different time and that comparisons are difficult to make, but I was very glad that the hon. Gentleman made that comparison.

I heard in Afghanistan a few days ago that there is great respect for British troops, for Customs and Excise officials and for all the other people in Afghanistan who are working to train the Afghanis to build capacity in their departments so that they can take on roles in security and elsewhere. The biggest fight of all, to which the Liberal spokesman the hon. Member for Sheffield, Hallam (Mr. Clegg) drew attention, is to inculcate a sense that one cannot have democracy without respect for human rights. That is sometimes difficult to understand.

We have heard about some of the fears hon. Members have about southern Iraq, the politicisation of the police, and the factions that are using parts of the police force to carry out their vendettas and some very cruel acts. We must, without question, challenge that every step of the way. We will have real problems if we do not adhere to those values and basic human rights.

My hon. Friend the Member for Hyndburn must catch a plane, but I hope that I shall be able to address some of the points that he made about Guantanamo Bay and other places before he leaves. I know that he feels strongly about it and he is right to use the term "double standards". We cannot be seen to be committing troops and our brave young people who work for the Department for International Development in difficult circumstances if at the same time we are seen to be complicit in denying people their basic human rights. That is crucial.

The argument is complex. I am not saying that there are not people in Guantanamo Bay and other places who are extremely dangerous. We have them in this country. I worry a great deal, as the hon. Member for New Forest, East does, about where we go in this debate. I have been trying to negotiate my way around the problem of the Maghreb and thinking about how we may return some of those people. Not all of them are terrorists, by the way; some of them are simply gangsters. We know of one man from Morocco who has political asylum in this country and has swindled thousands of Moroccan families out of their life savings. The Moroccans cannot understand why we cannot return this guy. We have to say that we must satisfy our courts that Morocco is not going to abuse his human rights if he is sent back. That is a key question.

Libya is one of the most remarkable stories about which I have heard. It appears to want to rejoin the family of nations, but it is difficult to find a monitoring group, such as a non-governmental organisation or a human rights organisation, in Libya, which is emerging from a very different period of its history, that could check on and be seen to be checking properly on prisoners whom we might return there, to ensure that their human rights are not abused.

That is a difficult issue and there is no question that it will consume court time and make a lot of lawyers rich in the next few months. Perhaps the Foreign Affairs Committee can consider that subject in the near future.

Dr. Julian Lewis: The Minister says that lawyers will be making money out of accusations of abuse. Is there anything that the Government can do about lawyers going to Iraq, ambulance chasing and touting for business in order to enable criminal cases to brought against our servicemen and women?

Dr. Howells: I am not aware of such ambulance chasing. If it is going on, perhaps the hon. Gentleman will be kind enough to let me know who the individuals are and where they are touting for business. It is not the easiest environment to tout for business—at least not the parts of Iraq that I have visited—although I have no doubt that the profession is a proud and a resourceful one, let me put it like that.

I turn to the great wodge of notes that I have made during this fascinating debate. I shall start by answering the points made by my hon. Friend the Member for Ilford, South. He asked what the Government have been doing to counter the internet propaganda of al-Qaeda and others. In 2005 the Foreign Office created a new resource to monitor radical websites, which has improved our understanding of the size and the nature of the problem. During our G8 and EU presidencies this year, we made tackling the terrorist use of the internet a priority. The G8 interior Ministers' meeting in June acknowledged the importance of the problem and called

[Dr. Howells]

for an update on progress to counter such use at its meeting under the Russian presidency. On 1 December, the European Union justice and home affairs council announced a new strategy to counter radicalisation and recruitment. It includes action to tackle the terrorist use of the internet. It is an important matter and I am glad that my hon. Friend raised it.

The issue is not an easy one to tackle. I spoke to the intelligence services of one EU member state—I shall say no more than that—who spoke about what they call self-combusters. I was told that a week before, they had arrested a 17-year-old man. He was from a respectable family of Algerian descent, with a hard-working mother and father. The intelligence services had been picking up things on the internet but they could not understand what they were. They managed to track down the source and went to the house in question. The parents said, "We don't know anything about this." When asked if they had any children, they said, "Yes, we have a son." They went to the boy's room and found that he had already made his bomb—he got the recipe from the internet—and that he was about to make his valedictory statement before going out to find a target. He was going to blow himself up. That 17-year-old—that child—had images on his bedroom walls of martyrs with bandanas and Kalashnikovs and the rest of the paraphernalia. We should never discount that romantic image, nor the terrible promises of what such people will receive when they go to heaven.

I think—and hon. Members have hinted at this—that something has to be said. I cannot answer the question about how many imams will be trained and so on. I sense strongly that it is something that the Muslim community in Britain has to do, but I would very much like to see some of the leading clerics say, "If you commit suicide and kill people around you, you will go straight to hell." However it is interpreted, I do not believe that the Koran offers a passage to heaven and virgins—I cannot remember how many. Leading Muslim clerics are important to young Muslims in this country. That relationship is important, and those clerics must tell them that terrorists will go to hell for their actions. They are killing other Muslims, such as those who were killed in the London bombings. I met two uncles of one of those victims in Sylhet in Bangladesh just a few weeks ago. They were brave dignified men who were appalled that another Muslim could have slaughtered that beautiful young girl who had come to this country to find a good life. She was making a good life for herself. That tells us everything.

I enjoyed the contribution of the right hon. Member for Tonbridge and Malling (Sir John Stanley). He asked what we were doing to protect the United Kingdom and its citizens against the dangers of weapons of mass destruction and chemical attacks by terrorists. I am glad that he mentioned the importance of understanding the significance of the coming together of weapons of mass destruction and terrorists. The right hon. Gentleman drew our attention—as does the report—to the dangers of old stockpiles of weapons. I represented the presidency of the EU at a conference on how best to deal with dismantling chemical weapons. He will know that that is a vital, but enormously expensive process. I cannot remember the exact figure, but I believe that the Americans have set aside $32 billion for their programme to dismantle chemical weapons. They have already given the Russians $1 billion to facilitate their dismantling programme. The right hon. Gentleman vividly described the immediate dangers of those old stockpiles and how they must be guarded. That is the first line of defence. We are devoting considerable resources to that matter.

New measures are being adopted—for example, the control, safety and security of radioactive materials in the UK and those being imported into the country. The Government are implementing a range of other initiatives—for example, work at our border points on detecting chemical, biological, nuclear or radiological material. The right hon. Gentleman is quite right to say that preparedness is the key. The UK has held a number of exercises in responding to a chemical, biological, nuclear or radiological attack—for example, the exercise at Bank underground station in 2004. The Government are investing considerable resources to bolster the capability of our front-line emergency services to deal with such attacks. Internationally, the UK is a leading player in promoting the implementation of UN Security Council resolution 1540 of 2004, which aims to stop terrorists acquiring weapons of mass destruction.

Sir John Stanley: I am grateful to the Minister for his response. While one appreciates the importance of contingency planning after the event, would he not agree that the central requirement is to prevent the horrendous event from happening in the first place? Can he give us any assurance that the Government will give a higher priority to the pre-emption and prior detection of one of those appalling weapons of mass destruction being constructed in this country or being brought in from overseas?

Dr. Howells: I can give the right hon. Gentleman that assurance. Our security and intelligence services are alert to that matter. He would not wish me to talk about how that is being approached, but I know from speaking to those agencies and other Ministers that it is a high priority, and he is right to raise the matter.

I am sorry, Sir Nicholas, that there is so much to address that I have not yet got around to rendition. However, I would like to speak about the middle east for a few moments because that matter has been addressed at some length in hon. Members' speeches. Like members of the Committee, I was in Tel Aviv, Jerusalem and Ramallah recently—just a few weeks ago—and I am torn about what to read into current events. My hon. Friend the Member for Ilford, South described them as an earthquake in middle eastern politics. This has been an extraordinary time. In Tel Aviv, I met Mr. Golali, who is possibly the architect of the unilateralist approach, and I am sure the Committee met him too.

I do not feel as gloomy as the Committee does about the possibility of Gaza and the west bank—if we can make progress—reviving their economies and giving their young people the dignity of an opportunity to tap their own potential. That, of course, is what we have to do. As the Committee clearly and vividly discussed, the

unilateralist acts have meant a lot of pain for a lot of people, most of whom are Palestinians. I went to see the building of the wall and I saw the wall itself just a few weeks ago. I was amazed by its intrusiveness and by the effect that it is having on people's lives, particularly in Jerusalem.

Let me say one thing, however. We have heard pleas. We have been told that we are not being hard enough on the Israelis and that we are not doing enough. However, when I met Mr. John Jenkins, our consul-general in Jerusalem, he told me that we are the only country that is bothering to follow up consular cases of passport holders who might be married to a Palestinian or living in Jerusalem and who have found themselves indisposed or whose quality of life has deteriorated as a consequence of the wall being built. We are actually the most active country by far in trying to persuade the Israelis that they should not be doing what they are.

I have heard nothing today with which I disagree. What amazes me is that there is not a much fiercer debate in Israel about whether it wants a failing state—a basket case—on its doorstep. That is the real question. My hon. Friend the Member for Hyndburn talked about the child playing in the dirt beneath the posters lionising suicide bombers. He is absolutely right: there can be no clearer illustration of the problem.

Having said that—this is the point raised by the hon. Member for New Forest, East—I also made sure that I spoke to some of the old kibbutzniks. I went to a kibbutz on the old Jerusalem road and after a while, very reluctantly and grudgingly, the people there said, "Yes, life is easier since the barrier was built. We don't worry as much." One has to try to understand the politics of the issue and to balance what is going on inside Israel. There has been a fierce debate.

We know that the situation is having an extraordinarily detrimental effect on the west bank and the fledgling Palestinian state. The right hon. Member for Tonbridge and Malling told us of the crazy idea of building a tunnel. We can barely make Eurostar pay, because of the cost of the channel tunnel. In fact, we cannot make it pay, which is the subject of endless financial proposals and schemes. Imagine trying to build a tunnel across to the west bank for 1.5 million people in Gaza. It is absolute madness. I would like a road and a railway to be built. Indeed, I would like the British to build it. I probably should not say that, but we are good at building such things. I am not sure that they should necessarily be handed over to a mighty company from another mighty nation. I suspect that the Palestinians would very much like to see us involved in such a project, which would make life there so much easier. It would be the start of creating a viable economy for their state.

As hon. Members have said, we must get rid of these barriers and the blockades on roads. My hon. Friend the Member for Hyndburn explained that there were very few cars on a particular road because it was an Israeli-only road. As my hon. Friend the Member for Ilford, South said, those are not the dreams on which Israel was set up. We know what has happened to those dreams. We know about terrorism and its effects on Israel and the Israeli psyche. There must be a better way.

We urge the Israeli Government constantly on the issue. The hon. Member for Sheffield, Hallam asked whether we were being energetic enough; I think we are. Our ambassador in Tel Aviv and our consul general in Jerusalem are as assiduous as any diplomats anywhere in the middle east in putting pressure on the Israelis to reconsider. It is ironic that the greatest ally to have emerged for the Palestinians is the Israeli high court, which has challenged the route of the barrier and the way in which it has reduced to penury so many people and made their lives a misery. The Israeli high court has found in their favour on a number of occasions, and that is an interesting development. It has been said, however, that it is possible that things will go backwards, not forwards, and we have to take that seriously.

Many important points have been raised, but in the few minutes left I want to deal with the question of rendition. It is a great story, of course; newspapers love it. It is a wonderful cosh to smash the Government over the head with. However, as the Committee's report tells us, the threat of terrorism is a huge challenge that affects us all. The Government, like our allies—including the US Administration—have constantly tried to strike a balance between liberty and security. We should never forget that.

I do not know about other Members, but I get few letters about the victims of terrorism. I get a lot of letters from lobbyists for various organisations about the civil rights of suspects. That is quite right; we should be concerned about that. That is what defines us as a civilised country. But we should not forget the victims. The balance is never easy to strike. I do not care what anyone says. We can hear all kinds of facile analyses, but it is never easy to strike the balance, as we have been trying to. We have to preserve our citizens' freedom while preserving them from the terrorists' indiscriminate violence. We need to work together within the rule of law to use every tool at our disposal to deal with the threat of terrorism.

We do not deport or extradite any person to another state where there are substantive grounds to believe that they will face a risk of torture or where the death penalty will be applied. That is difficult in many countries where we have troops on the ground who are trying to defeat terrorism and create better societies. It is not easy.

Condoleezza Rice set out in her statement of 5 December the US attitude to torture. It complies with the UN convention against torture and does not authorise or condone it. My right hon. Friend the Foreign Secretary said in response on the same day:

> "We, the EU and the wider international community must be clear on the terrorism threat we face. Modern terrorism means mass casualties as we saw on 11 September and 7 July . . . It is right that democracies should discuss these issues, including the importance of the legal framework, which we all observe. Secretary Rice's reply makes clear that US policy is to comply with the UN Convention Against Torture and, in this respect 'the United States government complies with its Constitution, its laws, and its treaty obligations. Acts of physical or mental torture are expressly prohibited. The United States government does not authorise or condone torture of detainees. Torture, and conspiracy to commit torture, are crimes under US law, wherever they may occur in the world.'"

My right hon. Friend added:

> "the US has 'fully respected the sovereignty' of other countries that co-operate in these matters".

[Dr. Howells]

Finally, I remind the Committee of what the Prime Minister said on 7 December:

"First, let me draw a very clear distinction indeed between the idea of suspects being taken from one country to another and any sense whatever that ourselves, the United States or anyone condones the use of torture. Torture cannot be justified in any set of circumstances at all. The practice of rendition as described by Secretary of State Condoleezza Rice has been American policy for many years. We have not had such a situation here, but that has been American policy for many, many years. However, it must be applied in accordance with international conventions, and I accept entirely Secretary of State Rice's assurance that it has been."—[*Official Report*, 7 December 2005; Vol. 440, c. 862–3.]

Sir Nicholas Winterton (in the Chair): I have used my discretion in allowing the Minister to finish, as the quote was valuable to the debate. I congratulate the Chamber on an interesting and informed debate.

It being half-past Five o'clock, the motion for the Adjournment of the sitting lapsed, without Question put.

Westminster Hall

Tuesday 13 December 2005

[FRANK COOK *in the Chair*]

Probation Service

Motion made, and Question proposed, That the sitting be now adjourned.—*[Tony Cunningham.]*

9.30 am

Mr. Austin Mitchell (Great Grimsby) (Lab): I am grateful to have the opportunity to talk about the future of the probation service. I am not only a strong supporter but a big admirer of it for the difficult work that it does. It has a key role in what the Government describe as the fight against crime, and in building a better society, by working to redeem offenders, to support them so that they do not slip back into the habit offending, and working to sustain former prisoners and offenders as they adjust to society. It is only that adjustment that will stop them reoffending.

The probation service is overstretched, and in my view the staff are underpaid. There are probably 200,000 offenders, a total that is increasing, but the service is ever more successful and effective in dealing with that number. Indeed, over the last few years it has coped with the many new duties that have been thrust upon it—custody plus for instance, introduced by the Criminal Justice Act 2003—all of which has produced what the Home Office estimates will be a 70,000 increase in its case load.

Last year, the probation service supervised 12,600 high-risk offenders. Only 79 of them—0.6 per cent.—had reoffended by the end of that supervision. Its breach targets have been achieved in 92 per cent. of cases, and eight out of 10 supervisory periods have been sustained for six months or more. In other words, it is doing a very good job. It was helped by the reorganisation of 2001, which created a national service. That good reform is working well, and I ask the Minister to tell us why it is now being scrapped. What evaluation has been done of that successful reform? The probation service has adjusted to it, and is working successfully, yet it now has to face another change.

David Taylor (North-West Leicestershire) (Lab/Co-op): I am sorry to say that I shall not be able to speak in the debate, nor stay until the end.

I pick up on the point that my hon. Friend put to the Minister and suggest that the answer may not be all that helpful. It is not at all obvious whether the 2001 reorganisation has been monitored or evaluated, but it was said that it would deal with fragmentation and limited accountability, both locally and nationally. It has been successful, but here we are introducing more fragmentation, locally and nationally, which will weaken accountability even further. What is the rationale for that?

Mr. Mitchell: I wish I knew. I am no expert in that form of psychology, but my hon. Friend makes a telling point. Nor am I am expert on the reasons for this process of restless change. As soon as something settles in, it is changed without evaluation. That is why I ask my hon. Friend the Minister to tell us what evaluation has been done. Just how bad is the service? He must tell us when winding up. We need to know before we can comment on the new framework. Will it improve matters or not?

It is a process of restless change. Unfortunately, it is not untypical of the Government. We have the blue skies thinker, Lord Birt, in the stratosphere; and we have the grey walls thinker, Lord Carter, who is incarcerated behind the grey walls of the House of Lords. They come up with bright new schemes for changing everything.

We face another bout of change, but is it necessary? It will effectively abolish the national probation service. Indeed, there are indications that the national probation directorate is already being run down. I hope that my hon. Friend the Minister will deal with that. It will be changed under the proposals set out in the consultation paper "Restructuring Probation to Reduce Re-offending"; I have at least touched it, if not read it in detail. It is another product of the restless process of change. That, too, is typical of the process. Again, none of the views on which the paper is based has been thought through or researched. They are assertions, not demonstrable proof of an ability to remedy failings in the existing system. "If it ain't broke, don't fix it" is a maxim I believe in politics. I think that the Labour party is a more conservative party and that should be our maxim. Why, then, is there this restless change?

The paper argues that contestability is better than local co-operation based on the existing structure; co-operation with the police, the magistrates and the community. On the argument that contestability is vital, a unified service will be replaced by fragmentation into business units, and local co-operation will be replaced by contestability. Contestability must mean value for money and the introduction of the profit motive into this judicial service.

David Taylor: Is not this whole concept of contestability predicated on something that simply is not the case? It assumes that a throng of private businesses eager to manage Britain's offending population can see the market potential of the addicted alcoholic or deviant, mentally confused and otherwise dysfunctional offenders, like the angel imprisoned in a block of marble. They are not my words, but those of Richard Heller, who is not necessarily a friend of the Government but is absolutely hostile to these proposals.

Mr. Mitchell: I am grateful for my hon. Friend's intervention, as I too received a letter from Richard Heller, which sets out his views and the experience of his wife, who was in the probation service and who sadly died a few weeks ago. It was a powerful and moving letter, which sums up this case. The ethos must be co-operation and service to the offender, not the profit motive and value for money. Value to society is the ethos, not value for money; the two are not the same. Yet on the basis of that untested, unproven assertion, the 42 local area boards will be abolished. Quite apart from the fact that they will shortly abolish themselves as areas, because of the reorganisation of the police service, which will be completed, one hopes, in two years—another restless change process—new areas will be required for those that presently work for probation.

[Mr. Mitchell]

The area boards will be abolished and replaced by regional business managers, who will invite bids to provide the service from new bodies and contributors; outside organisations. They could be anything; prison companies, charities or cattle prod manufacturers, which also produce tagging devices. The very slogan, "Correction companies" brings to mind sadomasochism of all kinds. One does not know what the organisations will be. Yet, untried organisations will be brought in to replace what is now an effective, well functioning service. They will all be able to bid for contracts to run the service for profit, in local units.

What is wrong with that can be fairly readily summed up; it is an attempt to create an artificial market in probation services, which should not be a market at all. This is a judicial function, a service for the courts and offenders, not a means of profit. What is wrong with the proposal? Probation is part of the judicial system. It is an agency of justice, not an agency of commerce. To make it an agency of commerce must undermine trust and undermine its integrity. Judge Judge—"Here come da judge, judge"—has pointed out the unsuitability of bringing commerce into this function. It will not only undermine trust but produce obvious conflicts of interest.

One pictures the scene. A probation officer appears in court to make his recommendations. He recommends that the offender be committed to lag's hall, which is run by his group, group 69, to provide correctional services, and he offers the court a DVD presentation of its charms and attractions. It will be exciting stuff; visual displays of the sort of place to which the offender will be sent.

Perhaps the probation officer could recommend tagging; his company McTag-it, which is based in Scotland and can produce red tags that are approved by the Office of the Deputy Prime Minister, can be worn with any clothing, and will keep the offender under effective supervision.

Perhaps, on the other hand, the probation officer could recommend community service and say that, just by coincidence, his company, Charitable Drains R Us, provides useful work digging drains for churches, public toilets and other places in which offenders can usefully be employed.

David Taylor: I am not sure that I can intervene effectively at this point, but surely they have tartan tags north of the border. My hon. Friend makes these places sound as attractive as Grimsby without street lights. Does he agree that there is a market to tag, to survey and to incarcerate offenders, but that there is no business to reform them, which is the problem? The performance indicators for reform will not respond to the conventional levers of the usual market.

Mr. Mitchell: Again, apart from his point about Grimsby, my hon. Friend hits the nail on the head, and I am grateful to him for hitting all the nails that I have left standing in my harangue.

The scrapping of the reorganisation of the service is an invitation to create conflicts of interest, as I said. It is also an end to community co-operation, because the boards in effect manage community co-operation. Will a commercial organisation do that? I doubt it. The Home Office says that it will create a vibrant mixed economy in probation services locally. That is the sort of nonsense that Ministers talk when they have nothing to say.

The probation trusts will be run by businessmen who will not be able to secure local co-operation, and will not include magistrates, as the current bodies do. They will not have the same roots in the community. Their roots will be in profit and value for money. That is a deeply unattractive picture, because there will be fear, uncertainty, and a feeling of betrayal in the probation service, whose work the Government should be praising and encouraging. They should be inspecting it, too, but they should praise and encourage it because it has been so successful. Saying that it works well does not mean that it cannot be improved, but everyone agrees that it is improving. The proposal, however, is the reward that it is being given for making those efforts to improve.

The picture is so unattractive that I hope that the Minister has noticed that Scotland, the land of Rebus and substantial crime levels, has rejected the proposal in favour of community co-operation made statutory. We could and should do the same. I should add that the National Assembly for Wales does not want a bar of the proposal.

My hon. Friend the Minister has wide experience of custodial institutions; I understand that she went to Cheltenham ladies college, the potting shed of the English rose. She also has a history of violence. In exchanges about the shortening of the hours of Parliament, she threatened to break my arm. I have not told anyone that before apart from my wife, who was deeply hurt; she said that if anyone was going to break my arm for not voting for the proposals, it would be her, not the Minister. The Minister comes from that background, so why are we leaping in the dark? Surely it is not the ethos of Cheltenham ladies college to go leaping in the dark. That sounds very reprehensible.

Why are the Government opting for an untried, untested pot-pourri of confusing theories based on business efficiency? Why do they not build on the service's steady improvement instead of abandoning it? Why are they going for an untested, untried model?

The regulatory impact assessment that was published on 1 November is a disgrace to any Government that is concerned with the efficiency of the service. It is required for public consultation, but no bank would lend money on the quantifiable aspects of it. It is the shabbiest regulatory impact assessment that I have ever seen. It asserts that there will be efficiency savings of between 3 per cent. and 8.5 per cent. Where? How? It says that it will cut costs and will save £625 million. Where? How? What is the proof? Where will that saving come from? Consider the history of the private sector in saving money for the Home Office. Morrisons took over the hostels that the probation service uses and the costs have gone up by 62 per cent., yet we are told that there will be a saving from this change. The private sector also took over the management of probation premises. Their costs are up 35 per cent.

The Home Office has no experience, no effectiveness and no skill in dealing with the private sector; consider the inordinate profits being made by the tagging companies out of a fairly minor and easy-to-run area of business. What investment will be made in training

under the new system? Will the emphasis be purely on profits? One cannot calculate a rate of return on a community service that is dealing with redemption; as opposed to saving people's souls, it is saving their futures in a society in which there are successes and failures. Some things are tough to achieve, and it is impossible to calculate a return rate on that kind of service, but the Government propose to do exactly that.

David Taylor: Is it not the case that probation officers, understandably, feel that their role is changing from agents of justice to pawns of commerce? It is tragic that that is happening in the hundredth year of their profession. We should be celebrating their successes, not waving goodbye to them in such a calculated way.

Mr. Mitchell: Were it not so tragic, it would be laughable, particularly because it is proposed on an intellectual basis. One cannot build a structure on a foundation as shabby as the thinking in the regulatory impact assessment. No business case has been made, so far as I can see. Perhaps my hon. Friend the Minister will tell us. Is there a business case for this, or is it all seat of the pants stuff? Admittedly, the seat of the Home Secretary's pants is a capacious area, but if we are flying by it there has to be demonstrable support, and we need demonstrable figures to give us faith in what has been decided. All that we have is the assertion that it will cut the rate of offending by 5 per cent. That is ridiculous. Will it do so? I very much doubt it. What careful research has gone into the assessment? I hope that the Minister will try to justify it.

In conclusion, I urge the Minister not to undermine a service that is doing wonderful work. It is much improved and has adjusted successfully to the reforms imposed on it only four years ago. Its officers are servants of society and of the judicial system; they are working well with the police, the magistrates and the community. She must not put all that at risk by implementing untried, untested theories about commercial motivation, so I urge her to put redemption at the centre, not profit.

9.50 am

John McDonnell (Hayes and Harlington) (Lab): I congratulate my hon. Friend the Member for Great Grimsby (Mr. Mitchell) on securing the debate. I have lost count of how many times we have debated this issue; it could be the fourth or fifth—

Mr. Austin Mitchell: The sixth.

John McDonnell: My hon. Friend says that this is the sixth occasion.

A number of years ago, we had a rational debate about how to reform the probation and prison services, integrated sentences, assessments and whatever support was required to ensure that offenders never reoffended. We also discussed how those things could be linked holistically with local authorities, social services departments and, in many instances, local primary care trusts to see what health care and other support was provided to offenders and their families.

That rational debate was led by the professionals in the field, including judges, magistrates and others in the judicial system. We also engaged with the police, prison officers and the probation service. Leading up to 2001, we were perhaps engaged in one of the most productive, rational debates on the issue for decades. It was a cross-party discussion, and a range of views were expressed about the service's performance up to that point and how we could improve it. That evidence-based discussion reflected the long experience of those in the service—as has been mentioned, the 100th anniversary is coming up—but it was also based on unemotional but committed discussion of how we served our community.

That is how the last reorganisation came about in 2001. We put together the national probation service and set up the national probation directorate. We were all committed to a multi-agency approach to tackling the problem of reoffending and to ensuring that the service was adequately resourced and based on professional, well-trained staff who were secure in the knowledge that they had the Government's support in the difficult task that they had to undertake.

That was the rational debate. What we have had since then would be farcical if, as my hon. Friend the Member for Great Grimsby rightly said, the issue were not so serious. The Government have introduced half-baked proposals that have not been thought through and have launched new services almost monthly. I do not know how many times we have had press releases and press events to announce the launch of the National Offender Management Service. Staff have been appointed on fairly high salaries before legislation has even been passed to enable the service to be brought into operation. Services have been distributed around the country and given bizarre titles, from NOMS to ROMS to whatever.

For some reason, the process in which we engaged from 1997 to 2001 was abandoned and we went into a headlong rush, but towards what? Let us call it what it is: it is not contestability or best value that the Government have in mind, but straightforward privatisation. Probation officers and prison officers know what is coming at the end of the day. No matter how the Government dress things up and no matter what reasons they give regarding improvements to the service, we have not, as my hon. Friend said, seen any detailed analysis of the system as it now operates. We have seen no detailed research that has been accepted by the professionals in the field or by independent observers of how the system established in 2001 has operated. That is what is so disappointing about the Government's performance, and it is becoming an increasing source of anger and anguish among professionals who see the Government's proposals undermining their service.

I welcome the Home Secretary's recent publication—provided that the consultation is genuine. If it is, and we listen to the professionals in the field, we will return to a proposal based on co-operation and, as my hon. Friend said, largely on the Welsh or the Scottish model. That is a multi-agency approach that embodies local accountability and involves the people who deliver at the sharp end.

Mr. Philip Hollobone (Kettering) (Con): Does the hon. Gentleman share my concern that despite nearly 100 years of splendid service to our local communities the probation service is too often seen as the ugly sister in the criminal justice system? It has been hugely

[Mr. Philip Hollobone]

overlooked, and the present uncertainty and confusion can only add to the demoralisation of probation officers who are doing their best in difficult circumstances.

John McDonnell: I know that it is nearing Christmas, but I was trying to avoid as many pantomime references as I could. They are tempting, I know. I thought that the 2001 restructuring was the first step in acknowledging the significance of the role of the probation services. That is why I welcomed it. I agree that there is concern that for too long the role of the probation service has not been acknowledged and in some instances funding has not been allocated in a way that recognises the significance of that role. The 2001 restructuring addressed that to a certain extent.

In London, in particular, we went through a number of budgetary crises on an annual basis, almost like a hardy perennial, but that is now being addressed as a result of the recognition of the importance of the service. That is why we are disconcerted that that rational approach, which recognised the importance of the service, examined the need for additional resources and gained them, and recognised that we should be listening to the professionals on the front line, seems to have gone out of the window, as a result of the Government's obsession with competition and their dogmatic approach that the best way to improve services is through competition and the best way to achieve competition through privatisation.

David Taylor: My hon. Friend referred to pantomimes. In a similar context, is this not an extreme example of the Alice in Wonderland idea of verdict first and trial later? We have had discussions about the probation service and NOMS in which the dialogue between those who are concerned about the lack of a business plan and the sundry Ministers could have been scripted by Samuel Beckett. We were always waiting for a marvellous business plan, until one one day appeared as some under-nourished, pathetic and ill-argued screen on the Home Office website. That is not the sort of business plan that we had in mind, and is that not at the heart of the problems we face?

John McDonnell: The number of our debates reflects the lack of available information and evidence provided to Members and therefore the number of times that Members have had to call for such debates to try to extract some information from Government on the rationale for their approach. Every time we have had the debate we have exposed the fact that there is no rationale except the privatisation of the service.

I have considered the evidence provided to the Select Committee via the various professional groups that provide the service on the ground. I speak as secretary of the justice unions group. We have been meeting on a cross-party basis for nearly two years and meeting the professional providers of the service from the probation service, the Prison Officers Association and the voluntary sector to discuss the issues that they face on the ground and the reforms that they require. None supports the approach that is being taken. It is interesting what a bashing the Select Committee's evidence gives the Government's overall approach. At the same time, it is interesting that the Government are still doggedly pursuing privatisation.

If our approach were rational, we would assess the performance of the probation service. I note from evidence provided to the Select Committee that it is performing better than ever in its history. Figures for November show that breach targets were achieved in 80 per cent. of cases, orders completed in 70 per cent. of cases and offender behaviour programmes completed by 91 per cent. of targeted cases. In addition, eight out of 10 supervisees were still in contact with their probation officer after six months' supervision, and 93 per cent. of victims were contacted within the required period. That is not a system that is imploding or failing. It is a system that, as a result of Government restructuring in 2001, additional resources and professional direction is succeeding exceptionally well. I pay tribute to the service providers themselves, the probation and prison officers who are working so hard.

The Government's proposal is about privatisation. What is that motivated by? Profit-making, of course. How do people make profits in a public service or in any service, but particularly in a privatisation? They sweat the assets. How do they do that? The first asset is the work force, so pay and conditions are reduced. Where privatisation has occurred within the prison service, salary levels have been reduced. The average pay rates for prison officers are 51 per cent. greater than for their private sector counterparts. We see a reduction in pay rates overall. When one adds the value of pensions and holiday benefits to that, there can be a difference in rates of up to 70 per cent.

Mr. Mitchell: The difference in pay rates between private and public prisons leads to a far greater turnover in the staff at the privatised prisons. That must be bad for the service. If that develops in the probation service, it will be even worse for offenders.

John McDonnell: My hon. Friend is right. Turnover rates are sometimes 10 times greater in private prisons than in public prisons. At the moment, a probation officer is trained for two years, in service and in various correspondence courses and additional course support. With those turnover rates, we would be left with a de-professionalised probation service. We would be left with a large number of staff who were untrained or undergoing training and never completing it. We would de-professionalise the service. There is no commitment from the private sector to stay the course over a two-year training programme to ensure that staff are adequately trained. I fear that the private sector will cream off the profits, and it will be left to the public service to invest in training to ensure that we have at least a core of trained staff providing the service itself.

My hon. Friend the Member for Great Grimsby also mentioned how costs have increased dramatically where elements of the probation service have been privatised. Under the Morrisons contract, costs rose by 62 per cent. That is not making profits, but profiteering at the expense of the public sector. When we had this debate more than a year ago, it was not just about the increase in costs of 35 per cent., but about the lunacies and inadequacies of the management of premises. There were classic examples of how many private sector staff it

took to change a light bulb in one of those establishments. Bizarrely, staff were sent more than 100 miles for a simple maintenance operation.

The other issue that has been mentioned—lack of independence in the privatised probation service—will undermine confidence in the service. When profit becomes the motive, independence of judgment is often driven out, as we have seen in other private sector operations and in other privatisations. No matter how good the probation officers are at their job, no matter how committed they are, they will come under private sector pressure to maintain and maximise profits rather than to fulfil the role that they would have had in the public sector.

The issue of local accountability is increasingly worrying. Local authorities will be inadequately represented on local trusts or boards. There will be no requirement for judges or even magistrates to be represented. That breaks a link between the provision of justice and local views and attitudes that we have had for nearly 500 years. The link between local magistrates and how offenders are dealt with in their local area will be broken.

The Government have prayed in aid the role of the voluntary sector. We have met with the voluntary sector throughout the process. It has the same fears as probation officers that they will be squeezed out of the system by the nature of the contracts that will be awarded to the private sector, that they will not have the resources to be able to compete and that they will come under pressure to provide services in a way that they do not feel appropriate, given their role to date. As much as probation officers themselves, the voluntary sector fears for the future of the service, and it is equally dedicated to maintaining the service in the public sector.

I urge the Government to think again even at this late stage. Let us consult our colleagues in Scotland and Wales on how the multi-agency approach is bedding down and operating there. Let us have further consultation with the staff through their trade unions to ensure that we establish a service based on what the professionals tell us about what is needed, including the necessary investment and how the service best operates in the public sector, co-operating with the voluntary sector, to achieve the best results.

I fear for the future of the service. I feel that we are throwing out a 100-year tradition that has served this country well. Of course there have been mistakes in the past, but there have been mistakes in all services. I warn the House that if we privatise this service, we will not have seen anything yet. There will be a backlash against the proposals if they are implemented in our communities, given that the private sector fails those communities when it comes to securing justice, peace, security and the end of reoffending. I shall encourage as many hon. Members as possible to vote against proposals if legislation is ever introduced in the House. I also give this commitment: if these iniquitous proposals provoke industrial action among probation officers or prison officers, I will join them on the picket lines to oppose them.

10.6 am

Mr. Neil Gerrard (Walthamstow) (Lab): I am grateful to my hon. Friend the Member for Great Grimsby (Mr. Mitchell) for introducing the debate. In the light of the consultation paper that came out recently, it is important that we have this debate. My hon. Friend the Member for Hayes and Harlington (John McDonnell) says that we have had six debates on the National Offender Management Service. We have certainly had five or six, but one thing that has been true of all the debates is that they have taken place in Westminster Hall. What we have not had, and what we should have had, on the proposed major restructuring of the service is a debate in the main Chamber of the House of Commons.

I suspect that one consequence of having the debates as Adjournment debates in Westminster Hall is that quite a number of hon. Members are not fully aware of what is happening and what is proposed. When they do find out, the Government will find that there is considerable opposition to what is happening. Previously, when a major rally was held in Central Hall Westminster by the probation officers' union—the National Association of Probation Officers—many hon. Members were contacted by their local probation services and they then gave clear support to those services in what they were saying. Exactly the same thing will happen if a Bill is introduced in the new year and we have a debate in the main Chamber of the House of Commons.

As has been said, it is difficult to understand the rationale for what is happening. We are dealing with a service that was reorganised only in 2001. Among the major reasons that the Government gave at that time for the reorganisation and the creation of the national probation service was that the existing structures were fragmented and unaccountable. That was the argument for creating the present structure. The consultation paper issued before the 2001 reorganisation talked about having too many autonomous units free to deploy resources from central Government, limited accountability and a lack of democratic accountability at local level. It was also argued that fragmentation inhibited efficiency and did not provide value for money.

Having said all that in 2001 and created the national service, the Government now seem to be going in exactly the opposite direction. One would assume that if a service had been restructured in 2001 and it was thought necessary four years later to come back and do something else, there would be shoals of evidence for the failure of the 2001 restructuring, and of the service not having performed or delivered. However, as my hon. Friend the Member for Hayes and Harlington pointed out, all the statistics say that the probation service is performing better than it has for many years. If that is happening, what is the rationale behind tearing up the structure that has been in existence for only four years?

During those four years, many other changes have happened, which have had to be coped with. The Criminal Justice Act 2003 changed sentencing, with community sentences and the new custodial sentences, and that has added a considerable amount to the probation case load. Even so, there is no evidence that the probation service has not met all its targets. In the most recently published report, the national probation directorate said that the results were better than at any stage since the national probation service was created, and they were expected to get better still.

[Mr. Neil Gerrard]

Nobody is suggesting that everything that needs to be done to deal with offenders has to be done by the probation service. There is already co-operative work going on, involving the voluntary, not-for-profit sector. Many of the current drugs rehabilitation projects are run through voluntary sector organisations. However, if we go down the road of contestability, it will be a problem not only for the probation service, but for the voluntary, not-for-profit sector, which will be in the same business of facing risks, and needing spare capacity to make bids. Some smaller voluntary sector organisations have told us that they are concerned that, after the changes that are now envisaged, they will be squeezed out of work that they can currently do with local probation wards and services.

Nobody is arguing that there should not be a multi-agency approach; nobody has a problem with the idea of partnership between a range of statutory and voluntary organisations. Nobody has any difficulties with that. However, the issue of contestability destroys that co-operative working, and some of the arguments that have been advanced about the need to bring in privatisation—because that is what it is—have cited what has happened in the Prison Service, and have argued that the effect of privatisation in the Prison Service has been to drive up standards. If one looks at where privatisation has happened in prison administration in the last 10 to 15 years, the private sector has only ever had brand new prisons to manage. It has never had to face dealing with Victorian prisons with serious overcrowding, or with the prisons that have had the biggest problems. It is the public sector that has raised the standards in prisons with the most serious problems, not the private sector. By and large, the private sector has had the easy bits of the Prison Service to deal with.

John McDonnell: There are now examples of the private sector confronting a problem that it is unable to deal with, and then bringing in the public sector to handle it. I give the example in my constituency of Harmondsworth detention centre, where there was a major riot with an associated fire. It was the private sector that withdrew, and public sector workers—Prison Officers Association members—then had to deal with the problem.

Mr. Gerrard: That is a common pattern. Public sector services are being privatised and when things go wrong, it is almost always in the end the public sector that ends up picking up the tab and dealing with the problem. I shall say a word or two about the latest consultation paper—the paper that was issued recently, entitled "Restructuring Probation to Reduce Reoffending." The use of that title makes the assertion and assumption that restructuring probation is necessary to reduce reoffending. A number of issues arise from that consultation paper. I am sure that other hon. Members will have seen the response to the consultation made by the Probation Boards Association, the national body that represents the local probation boards, which are currently the employers of probation staff. Incidentally, that raises another issue; if we go down the road of contestability, who will be the employers of the current probation staff?

The probation boards welcomed quite a bit of what the Government said earlier: they welcomed the idea of putting the prevention of reoffending at the centre of what they do and the idea of packages of support and intervention for every offender. No one has issues with such aims and objectives. However, they point out that although the consultation paper has been issued, the Cabinet Office code of practice is not being followed. That is acknowledged in the introduction to the consultation paper—the argument made for not following the code is that the 12-week consultation period is not needed because

"we have conducted previous consultation exercises on the National Offender Management Service and are now hoping to introduce the legislation needed to give effect to these proposals as soon as possible."

However, as the Probation Boards Association points out, a significant change is being proposed, and the document returns to some issues that we thought had gone away.

It was only in July last year that the then Minister for Prisons and Probation concluded that we should keep the existing probation boards, at least for the foreseeable future. We all thought at the time that that meant that the probation boards would stay for some time but, a year and a bit later, we are back again discussing the suggestion that the 42 probation boards will be abolished. As we have all been saying in this debate, the overriding test that should be applied is: how will these changes have a positive impact on the degree of reoffending and why, and what is the evidence that they will do so?

If we dismantle the probation boards as suggested, that will remove the local links that exist—it will disengage local communities, the local judiciary and police forces from those links. In the present structure there is coterminosity of services and, particularly since the restructuring of some police services is under discussion, one would have thought that this matter might be better left alone until some of those decisions have been made.

It seems to me that the proposals threaten an end to publicly provided probation services in the form in which we have known them. I think that if the Government introduce legislation to abolish the probation boards and to restructure the probation services, they will find that many more hon. Members will be interested and concerned about that issue than are present this morning. That is what happened the last time that this issue was raised at a national level.

I hope that before we go too far down this road we will stop and think again and, as my hon. Friend the Member for Hayes and Harlington said, listen to what the professionals—the people who work in the service, who deliver the service on the ground and who run the service through the probation boards—are actually saying, because none of those people supports the proposals. I urge Ministers to think again about the route that they are taking.

10.19 am

Mr. John Grogan (Selby) (Lab): I am delighted to be able to make a brief contribution. I am moved to do so by two things: by the tour de force of my hon. Friend the Member for Great Grimsby (Mr. Mitchell), and by the

fact that I have always had a high regard for the Minister, about whose educational background I know more, thanks to my hon. Friend, than I did at the start of the debate.

The Home Office has form on this issue: the Government have suggested in recent times that forensic science and young offenders' institutions should be opened up to market contestability. But it stepped back slightly on those fields of endeavour, and I hope they will do so in respect of the probation service.

I repeat the question that I asked my hon. Friend the Minister last week at Home Office questions, which she may remember: do the Government think that any part of the management and apprehension of offenders has such a strong public service element that it should not be open to contestability and marketisation? I paraphrase my hon. Friend's reply, which was that as long as there was a public service element in the provision, she was indifferent about who was the provider.

There must come a point at which the public service element of something is so strong that all parties recoil from its being provided by a private company. I hope the Home Office would rule out plans for market contestability in the case of a magistrates clerk, a judge or a police officer, and the probation service is not very far from those core elements of our judicial system that have such a strong public service element. That there is not a well developed market and a rush of private providers coming forward to manage offenders suggests that there are some things in which the public service element is so strong that that is where the line should be drawn.

Across Government, the only model being provided is of the public sector being a commissioner and being indifferent to who the provider is, but time and again Ministers have to step back because of opposition, as they have had to do as a result of the situation in primary care trusts in the health service. I hope that my hon. Friend will do the same in respect of the probation service.

I want to add a little more force to some of the points made by other hon. Members. It could be said that the broad issue has been subject to consultation before, and the Government's defence is that a 12-week consultation period is therefore unnecessary, but these proposals are so radically different from anything that has been consulted on before that it would have shown a measure of good faith to have had a full, 12-week consultation.

In north Yorkshire, it is feared that there will no longer be a locally commissioned service and that what we have will be decided by regional or national bureaucrats. People are worried that there will be no local community or judicial input in the remaining local boards and trusts and that input will come mainly from business.

I shall be fascinated to hear what the two Opposition parties say about the politics of the proposal. If they announced that they would oppose the marketisation and privatisation of the probation service, they would kill the proposal and provide a great public service.

From my humble position on the Back Benches, which is likely to be permanent, I say to my hon. Friend that there are two ways to be a junior Minister: you can either keep your head down, carry out the brief and take instructions from whichever bright young thing happens to be in No. 10 Downing street, or you can exercise some political judgment. That is what I hope the Home Office has done in respect of the forensic science service, although I am not quite sure; I trust that it is pausing for reflection.

I have enough regard for the Minister to believe that she will not get into a political situation in which the Labour Government carry large numbers of measures only with support from the majority Opposition party, but that is her only hope of getting measures on this matter through the House. I hope that such is the descriptive potential of the proposal, and such is the feeling that a line must be drawn somewhere between the public and the private sector, that the Opposition parties will say today that they oppose it. I also hope that my hon. Friend will stage a stylish and managed retreat.

10.25 am

Martin Horwood (Cheltenham) (LD): I congratulate the hon. Member for Great Grimsby (Mr. Mitchell) on securing the debate. His instinct for the ethos of girls' public sch[illegible]s surprisingly spot-on. Cheltenham ladies college is, of course, in my constituency, and I can tell him that the researcher, Elizabeth Poston, who prepared me for this debate, was recently at that college and is just as alarmed as he is by some of the proposals. Perhaps the Minister is out of kilter on this issue.

I do not doubt the Government's sincerity in wanting to reduce reoffending and crime, which are critical issues, but that makes it even more important and critical that we get this right. The Government's proposals run the risk of making some of the classic errors of new Labour projects, such as seeking solutions in restructuring rather than in quality of work. Other examples include their short-termism, their naivety about business—I say that as someone who has a background in both business and the voluntary sector—and their instinct for centralisation or, at the very least, delocalisation.

I shall take those issues one by one. First, I shall address the practice of seeking solutions in reorganisation. I made this point in a surprisingly similar debate on police restructuring. Her Majesty's inspectorate of constabulary was supposedly there to improve the performance of constabularies, yet the solution appeared instead to be in restructuring. Similarly, the probation service has Her Majesty's inspectorate of probation, the purpose of which—in case the Minister has forgotten—includes contributing to improved performance in the NPS, NOMS and youth offending teams, and contributing to sound policy and effective service delivery by providing advice. Perhaps the Minister can tell us: has HMIP so failed in that duty that we have to abolish the existing probation service, or has it recommended the change? I know that the Carter report suggested it, but has there been any recommendation from the inspectorate that these changes should take place? I trawled its website this morning and found no such recommendation.

There are better ways to try to improve reoffending rates, such as the better enforcement of licences, making sure that breaches in community service orders are more rigorously pursued and better education. The

[Martin Horwood]

National Audit Office recently delved into the area of reoffending, and it, too, failed to recommend any kind of restructuring on this scale, but recommended considering education. It said that it is clear that overcrowding in prisons is disrupting attempts at reducing reoffending through education, and recommended shorter modular education courses that can be standardised across establishments to minimise disruption. It also suggested arranging for relevant education records to be transferred when a prisoner is moved, or introducing evening or weekend courses in local prisons to increase learning opportunities for prisoners. We know that the high level of functional illiteracy and lack of numeracy among prisoners contributes to reoffending. The NAO accepts that link, yet we are not giving time for its recommendations to be accepted and acted on. Therefore, we are rushing into a restructuring solution.

The social exclusion unit—another Government body—has identified housing stability as an important issue in patterns of reoffending. There is the possibility of looking at more joined-up operations without this kind of restructuring between youth offending teams, the police, the National Offender Management Service, local authorities, and voluntary sector services such as drug rehabilitation services. There are even simple solutions such as the branding and presentation of information and the way in which services are presented, and the recent example of community service teams being rebranded as community payback teams, which is welcome, I suppose, if it is about trying to emphasise the importance of the victim's role in community rehabilitation and community service provision. There are lots of things that the Government could consider, but they have opted instead for a structural solution, as they are doing with the police. There is an equal chance that that may go wrong.

The second issue that I shall address is short-termism. Many hon. Members have mentioned that the probation service in its current form was put in place as recently as 2001; indeed, NOMS was set up only last year. We have the model of the health service in which primary care groups were set up and were, in theory, being piloted, but were abolished before they had even finished their pilots. We then had the primary care trusts, which were established only in 2001, but they are now being abolished and restructured on a grand scale. The Countryside Agency was set up and abolished by the same Government. We have the repeated terrorist legislation—every time there is a major atrocity we seem to produce fresh anti-terrorism legislation urgently. The Government's knee-jerk reaction is to attempt to tackle each new alarming set of statistics or findings through restructuring or new legislation. Instead, they should allow the reforms that they have already introduced, and which we may support in many respects, the time to bed in. They should wait to see whether those reforms are working and then evaluate them properly. Several hon. Members have mentioned lack of evaluation.

Mr. David Drew (Stroud) (Lab/Co-op): I a[illegible] my hon. Friend the Member for Grea[illegible] (Mr. Mitchell) and to other hon. Members [illegible] the early part of the debate.

The regulatory impact assessment, which I am sure the hon. Member for Cheltenham (Martin Horwood) has read, says that the restructuring of the probation service is a positive move. Does he agree that, when one picks away at it, the regulatory impact assessment does not say clearly why it is a positive move and why there will be cost savings?

Martin Horwood: The hon. Gentleman makes a valuable point. The lack of thorough evaluation is a major factor.

My third point concerns new Labour's naivety in business. It has a breathless enthusiasm for business terminology. We have heard the Home Secretary's comment about the "vibrant mixed economy", as if that were appropriate for a probation service. There is a statement in "Restructuring Probation to Reduce Re-offending" about winning business from the Secretary of State. One can almost sense his enthusiasm for playing big business.

I have a business background, and markets operate well where clear consumer pressure operates. Consumer markets operate on several different levels. They operate not only on price, but on people's experience of the product, on their perceptions of quality, on brand loyalty and, these days, on the ethics of the product. Without those consumer pressures, markets are reduced to being about contracts for price. Cost becomes the only significant factor.

Similarly, pseudo-markets in the NHS or the railways have not really operated as the Government expected them to because an individual passenger or patient cannot choose a particular rail company at a particular moment. They must take the train to London that turns up on the platform, just as they must be treated in the accident and emergency department to which they are sent. They do not have consumer choice in that sense. Likewise, offenders and victims will not be able to choose another probation service provider when they come to use the service or attempt to influence it.

This is a pseudo-market; it is not a market in the true sense. The market will not operate in the way in which the Government expect it to. I am not ideologically committed to state provision, but the business approach is not always right. Each case needs careful evaluation and thought.

As the hon. Member for Selby (Mr. Grogan) pointed out, even in business some core competencies are not outsourced. One must ask what the Government's core competencies are. The probation service would seem to me to be pretty close to being a core competency. Moreover, a new business approach would not be launched without a robust business plan and without plenty of evaluation having been undertaken. I have known plenty of large companies that would spend 10 years evaluating a new product or approach before launching it on the market. The Government could learn something from such an approach.

Finally, on centralisation, which I would call "de-localisation", my constituency is facing less-local hospital children's services and planning powers and a less-local ambulance trust, fire control centre, police force and primary care trust. We even face a less-local strategic health authority, and the probation service is now to be added to that list. In the end, the provision of

probation services in my constituency will depend on the whim of the Secretary of State. Either it is a huge coincidence that all the evidence about all those different services happens to point in the same direction or some other underlying reason is behind the Government's rush to de-localise services. That reason may be more about saving money.

Hon. Members and the National Association of Probation Officers have listed many practical problems. A conflict of interest arises when private companies advise courts on sentences and parole decisions, because those companies must weigh up their commercial interest and a duty to their shareholders against the public interest. There is the problem of sensitive personal data on offenders and victims being handed to multiple data processors. There is an impact on youth offending teams, on police and on local social services, which may need to deal with multiple providers of probation services in their area. We must also consider the impact of the different cultures of the police and probation service within the National Offender Management Service, which has not yet had time to bed in.

There is an overall recurring theme of restructuring, rather than examination of the underlying problems and attempts to improve the quality of work. There is short-termism in restructuring before proper evaluation. There is naivety about business provision and business terminology, and there is delocalisation.

In Scotland, in coalition with the Liberal Democrats, Labour has had to find a different approach. After much careful thought, a different route has been taken. I suggest to the Minister that, instead of risking more crime and, possibly, more lost lives, she and her Government should, for once, think again, take time, take advice and take the right decision.

10.36 am

Mr. Andrew Turner (Isle of Wight) (Con): It is a great pleasure to congratulate the hon. Member for Great Grimsby (Mr. Mitchell) on securing this debate. He said what a good job the probation service had done, and he provided evidence to support that. That has been a consistent theme this morning; my hon. Friend the Member for Kettering (Mr. Hollobone) agreed with him, and so do I. The hon. Member for Great Grimsby remarked on the process of relentless change based on assertions without evidence, which seems to be the underlying motor of the changes that are proposed to the probation service. I was amused by his flights of fancy on the meaning of correctional services. I should report, for the record, that the hon. Gentleman is wearing red socks, if not a red tag.

I shall not take too much time because there is a history of Ministers not fully addressing the issues in answer to hon. Members who speak. The hon. Member for Crosby (Mrs. Curtis-Thomas) remarked on 6 April that, during an earlier debate secured by the hon. Member for North-West Leicestershire (David Taylor), concerns were not adequately addressed by the Minister. My hon. Friend the Member for Chesham and Amersham (Mrs. Gillan) remarked that a letter dated 24 March 2005 did not fully answer all the questions raised in a debate on 16 March. Those are two examples; one in which a Minister had not been able to answer during the debate, and another in which a Minister was not able to answer in writing after the debate.

It is worth noting that, in the previous debate that took place on this matter, the Minister spoke for seven columns in *Hansard*, and only in the fifth column did he begin to address the points made by the hon. Member for Crosby. I cannot say whether this applies to the Under-Secretary, but some Ministers seem to take up too much time with bland and uncontroversial reiteration and never get on to the meat of the matter. That is why I do not propose to spend too much time on my remarks.

There are a number of issues to address, the most consistent of which, in previous debates, has been the disfranchisement of those who work for the probation service and the failure to adequately consult before implementing changes proposed by the Government. I shall not repeat those details, which were adequately set out on 6 April. However, despite ministerial promises of flexibility, the results of consultation always seem to end up much as they start.

I conclude that, regardless of responses from Ministers—among them the right hon. Member for Sheffield, Brightside (Mr. Blunkett), who said that integration was best achieved at regional and local level—not all Ministers have enough clout to dissuade the national offender management system or civil servants from following a course that has been predetermined, presumably, somewhere further up the line. The hon. Member for Selby (Mr. Grogan) suggested that bright young things in No. 10 may be responsible for that. There will be brighter young things in No. 10 in the very near future, but I am sure that they will take much more account of the requirements and wishes of those who work in or are served by the public service.

Something about the consultation that surprised me was a letter of 7 November from the director of probation at the national probation service to NPS chief officers and chairs and national probation directorate regional managers, which told them:

> "I am writing to you formally to remind you of your responsibilities in your roles as statutory office holders".

The letter continued:

> "You should not engage in lobbying activity, you must not promulgate misinformation (e.g. contestability is privatisation) and you should avoid any action that might suggest that you are encouraging staff to lobby against government policy."

Thos instructions are being given to those who know most about the operation of the probation service. The Minister has some explaining to do about why it is unacceptable for those who know most to criticise the Government's policy on restructuring the probation service, when the Home Secretary invited those who know most to criticise the Opposition's policy on sentencing.

Promises have been sought in the past, and many either have not been given or have been given in such a form that they are not reliable. One of the most significant is the one about commissioning at local, not regional, level. Baroness Scotland recently put out a press release announcing that the measures outlined today would transfer the duty to provide probation services to the Home Secretary. He would then assign to national and regional offender managers, acting on his behalf, the task of contracting with a range of providers—public, private or voluntary and

[Mr. Andrew Turner]

community for the supply of probation services. There seems to be complete confusion between the expectations that Ministers—not least a former Home Secretary—have repeated time and again, that the service will be a local one, and statements now coming from the Home Office that it will be regional and national. Unless we get clarity over the way in which the service will be provided, no one will trust it.

A second area on which more information is needed is the timetable for the remaining contestability. Of course we need some of the changes, because prisons do not plug in with probation services, because people are released from prison half way through courses and because there is churning of prisoners, who are moved from one prison to another regardless. I was on the Education Committee and I saw exactly the same kind of things as those for which the National Audit Office has provided evidence. However, although I incline to favour contestability in privatisation, the Minister must concede that the explanations of why it is the right solution in the present case are unconvincing.

Finally, I should like the Minister to say more about evaluation. It is evident that inadequate evaluation has been carried out. Indeed, the hon. Member for Walthamstow (Mr. Gerrard) cited the restructuring that took place in 2001. He said that it was designed to prevent fragmentation and to promote localism, yet there has been no evaluation of that restructuring to say "Yes, it works" or "No, it doesn't work". Instead, as the hon. Member for Great Grimsby said, someone behind the grey walls of another place seems to be committed to a national structure.

As my hon. Friend the Member for Witney (Mr. Cameron) said, we will support the Government when they are doing what is right. If and when we get the opportunity—I should still like to know when that will be—we would have no concern about voting for a well-worked out Bill that proposed a sensible solution. As I said, market testing can be effective, and contestability can drive standards up as well as, or instead of, driving cost. down. However, there is no evidence for the cost savings that are said to be the consequence of the proposal.

The Government do not seem to have settled on their arguments. Even when they are doing what is right, we cannot support them if they are doing it in such a ham-fisted way. That is not to say that the situation is irretrievable. It is retrievable if the Minister listens to what is being said by hon. Members on both sides. I hope that she will listen and, more important, I hope that she will answer.

10.45 am

The Parliamentary Under-Secretary of State for the Home Department (Fiona Mactaggart): I have written on my notes, "I would like to congratulate my hon. Friend", meaning the Member for Great Grimsby (Mr. Mitchell). I sometimes wonder whether I really want to congratulate that person. I do now, because I am glad that we have been able to discuss such an important issue. However, do I thank that person for giving hon. Members on both sides the opportunity to patronise me, especially about where I went to school? No, not particularly. However, we have had a real insight into the views of the different political parties on the fundamental role of the probation service, which is to protect the public and to reduce reoffending.

My hon. Friends seem concerned that we should build on, maintain and preserve the progress that the probation service has made to date. The hon. Member for Cheltenham (Martin Horwood) muddled me; he seemed keen to praise such initiatives as community payback but then railed against the Government for delocalising services. Nevertheless, every contribution to the debate has rightly emphasised the importance of the reform of probation in 2001, which led to a national probation service and drove up standards.

I join in the congratulations that many hon. Members have expressed on the service's progress in enforcement. Some 43 per cent. of sentences were enforced in 2001; the figure is now than 92 per cent. Such progress is important, although where we started from was in some ways depressing.

The hon. Member for Isle of Wight (Mr. Turner), who represents the official Opposition, gave us an insight into how they plan to deal with their policy vacuum; they will not say what they think but instead will try to stir it to see whether that helps. They are doing so by discussing the role of Ministers rather than their policies. It was entertaining, and I am grateful to the hon. Gentleman, but I would prefer to deal with the issues raised by my hon. Friends; what are we trying to do, why are we not building on the achievements made to date, and will it break the system?

We set out clearly what we wanted to achieve in the Carter report. The objective of reducing reoffending is not particularly controversial. We want to achieve it by giving an offender manager the clear role of managing the sentence of an offender; and that should be backed up by intervention.

It is striking that we have invested to deliver that. The improvements that hon. Members referred to were achieved because we made resources available. In 1997, the probation budget was £439 million. At that time, the enforcement target was met in less than half the number of cases. The budget for the current year is £874 million, a real-terms increase of 55 per cent, and the number of staff has increased from 14,000 to 20,000. I give those figures because, among other things, I want to make it clear to my hon. Friends that we do not intend to chuck the service out with the bath water, as they imply. Nor do we seek to make massive savings. Our concern is to ensure that the improvements that have been made are built on.

We must also ensure that we make real progress in reducing reoffending. We have made some progress, but not enough. Our target is to reduce reoffending by 10 per cent., but at the current rate of progress, there is a real risk that we will not achieve that. There is a sense among my colleagues that if it ain't broke, don't fix it. I would not say that our probation services are "broke", but I would say that the improvement made to date is not the most that we can achieve.

There is a real opportunity for us to make greater improvements if we manage to separate offender management from interventions and identify more clearly the outcomes that we want so that we can make another change rather like the one that we made in 2001.

The driver for change should not be the way in which we have always done things around here; it should be the ambition to do things much better.

Martin Horwood: The Minister says that this is not about sticking to the way in which we have always done things. We have, however, been doing things this way only since 2001. Is she not worried that one of the contributors to the success that she claims could be the presence in the current structure of local probation boards, which, as her proposals make clear, will cease to exist in their current form?

Fiona Mactaggart: The hon. Gentleman has no evidence that local probation boards are the most important, or even a substantial, contributor, although they have certainly played a very important role. Let us be clear; local probation boards make a contribution partly because of their coterminosity with the police, a function that my hon. Friend the Member for Walthamstow (Mr. Gerrard) mentioned, which has been very useful.

Another reason why we have been able to improve some of these services is that the local criminal justice boards have worked in partnership with probation officers, with the police, with the judiciary and others to improve offender management.

As the hon. Member for Cheltenham knows, we are also considering the future structure of the police force. As my hon. Friend the Member for Walthamstow rightly said, that is one of the challenges that we face. People have urged me to listen, and I agree that we must get that structure right.

There is no doubt of the benefits derived from police forces and probation services being able to work in partnership. One has only to consider community sentences and prolific offenders. There is already collaboration between police officers in basic command units and people who work in probation, and that collaboration extends to some voluntary sector partners. I know, for instance, of voluntary sector initiatives in my constituency that work with offenders and are making a contribution. We also need to get that sort of very local partnership right, and we are open to suggestions about how to do that.

John McDonnell: Very briefly, is the Minister assuring us that any changes to the probation service will be timed to be made exactly when changes to the police borders are made?

Fiona Mactaggart: My hon. Friend knows that I cannot give that precise assurance, but I hope I have convinced him that I strongly believe that we want to move these things forward in a parallel way so that we can reap some of the real benefits of coterminosity and working in partnership, which have not been emphasised sufficiently in the debate.

Mr. Austin Mitchell: The patience taught at Cheltenham ladies college is commendable and essential for this debate. My hon. Friend does not seem to have grasped our point. We all want the improvement that has taken place with the creation of a national service to continue, but we are arguing about the best way of advancing that. The improvement has been achieved on the basis of the local running of the service, of co-operation and of a community service serving the courts. The Minister asserts that the service can be improved further by bringing in commercial briefs and contestability. Can she prove that?

Fiona Mactaggart: Until some of it has happened it is difficult to prove precisely how any initiative will operate. At present some 20 probation hostels and other similar provisions are provided, not by the probation service but by voluntary sector providers. Those play a critical role in public protection. In addition, there is provision in the prison service. Hon. Members have referred to that and pointed out how the privately run prisons are largely modern prisons. That is true. Nevertheless the advantages that they have introduced in the way we run our prisons, in terms not just of the physical space of prisons but of the relationship between prison staff and inmates, have significantly improved the decency agenda in our prisons.

That is not something that everyone predicted would happen as a result of introducing the private sector in prisons, but it has been an important result which has had an impact on the culture of the public as well as the private prison service. It has helped to make our prisons more effective. We believe that the best way for the public interest to be served is to identify what needs to be done, the functions that we expect the probation service to fulfil and the standards we expect. We then must look at the best way that that can be achieved. That might be to invite voluntary, private and charitable organisations to play a role. They already do to some extent. Their role has been kept quite small and frankly needs to be much bigger.

It might be achieved through the private sector which has introduced the more efficient use of technology in supervising offenders. That is not universally efficient and not every change has always been excellent in all respects. That is true of any major public sector reform. There is no doubt that some of the savings that we have been able to make by introducing, for example, tagging on bail have enabled us to run a safer service to protect the public at less public expense.

Why do I want to save that public money? It is not to reduce the spending on this facility but because I believe that we need to reinvest it in further initiatives to improve public protection. The best way to improve public protection is to reduce reoffending further. We have made progress on that, but it has been at a snail's pace. It is quite clear that community sentences—

Frank Cook (in the Chair): Order. The next issue that requires our attention is the funding of children's hospices.

Children's Hospices

11 am

Mr. Simon Burns (West Chelmsford) (Con): I am delighted to have secured the debate, because the hospice movement does a fantastic job of backing up the health service by providing vital palliative care and relieving the pressures on families and carers. Children's hospices are a crucial, albeit relatively new element of that care; as the Minister will know, the first children's hospice was opened only 22 years ago, in 1983, and there are now 38 throughout the country. Children's hospices play a vital role in providing respite care and palliative care for vulnerable and ill young children. None the less, there is a problem.

I pay tribute to the thousands of people throughout the country who devote their time and energies to raising money to run children's hospices. As the Minister and my hon. Friends will know, running a children's hospice is not a cheap business; the level, quality and cost of providing such care are immense, and people are fundraising day in, day out, through efforts small and large, to ensure that the good work that hospices do can continue.

In that respect, I pay tribute also to *The Sun* and its online campaign "Help sick kids". *The Sun* has linked up with Somerfield in helping to raise funding for children's hospices to the level of that for adult hospices. It is heartening to see that many people in public life have signed up to the campaign, including Sharon Osbourne, Dame Kelly Holmes, Gary Lineker and Barbara Windsor. That is a plus, because it will not only raise the profile of the children's hospice movement, but be a stimulus to raising money. At least 8,000 people have so far pledged their support for what is a relatively new campaign.

What, however, is the problem? Over the past 22 years, children's hospices have evolved significantly, and, as I said, we now have 38 of them. They provide a range of care and support services to meet families' needs. Equally importantly, they provide those services when families need them. In 2004, the Government published their 10-year national service framework for children, young people and maternity services to support the implementation of the every child matters programme. The key principles of that guidance are that care must follow the child; families need choice over where their children are cared for; and respite care is a crucial ingredient, which should be seen as part of general provision, rather than as a separate service, so that we have a holistic approach and an integrated service that meets the needs of carers and their families.

Children's hospices have a crucial role to play in advancing those aims, but the problem that faces them, even more than adult hospices, is funding. Whereas adult hospices receive just under 40 per cent. of their day-to-day funding from central Government, children's hospices, rather amazingly, receive just under 5 per cent. on average. As everyone will appreciate, that gap is significant. Equally importantly, it shows the mountain that voluntary fundraisers have to climb in raising the funding that children's hospices need to make ends meet and continue providing care.

Mr. Philip Hollobone (Kettering) (Con): I congratulate my hon. Friend the Member for West Chelmsford (Mr. Burns) on having secured the debate.

I know from Cransley hospice in my constituency, which looks after adults, how difficult it is to raise enough money to provide all the care that is required, despite the fact that, as an adult hospice, it receives 40 per cent. of its funding. It must be nearly impossible for children's hospices, which get as little as 5 per cent., to meet the targets that they have set themselves.

Mr. Burns: I know that my hon. Friend has a close interest in the well-being of his local hospice, and does tremendous work in supporting it. He makes a valid point, and reflects the experiences of many hon. Members and their constituents. The situation is critical, and that is one of the reasons why I was so keen to seek this debate. I wanted to bring home to the Minister, if he is not already aware of them, the sheer pressures and problems facing children's hospices in particular—but it is not unique to them—in raising the money to make ends meet.

In my region, East Anglia—if we take that to include the northern part of Essex—there are three children's hospices: in Ipswich, Milton near Cambridge, and Quidenham in Norfolk. In south Essex, including my constituency, we are fortunate in having a fantastic children's hospice, Little Haven. It is close to the constituency of my hon. Friend the Member for Castle Point (Bob Spink), but it serves the area up to mid-Essex, including Chelmsford. Their problem is that they receive significantly less funding from state sources than the adult hospices, so they have tremendous difficulty in raising sufficient money to meet the inexorable increase in costs that they must meet if they are to survive.

I suspect that nobody in this Room would disagree that for those children who, sadly, have advanced progressive illnesses our objective must be to provide the highest possible quality health care services, tailored to individual needs. That is what the providers want to be able to offer, and what ill children and their families deserve to receive. However, hospices are, unfortunately, chronically underfunded by the state. The NHS has relied heavily on the good will and charitable funding of the hospice movement. That inequality needs to be addressed, and the taxpayers' contribution to hospice services increased—in the case of children's hospices, greatly increased.

While, thankfully, the number of children and young people diagnosed with life-limiting illnesses is relatively small, those who have terminal conditions are surviving for much longer than was the case in the past. However, the current provision of palliative care services in no way reflects that; it has not been able to adapt sufficiently to meet the challenge, as we all hoped that it would. Children's hospice provision is particularly underfunded compared with that for adults. That is why I plead with the Minister to listen carefully to the messages of this debate, and to seek to ensure that something is done to rectify what is seen by many as an incomprehensible situation.

In 2000, the Government made available through the big lottery fund some funds for children's palliative care. Why should lottery funds be used to fund children's hospices and palliative care? Surely, funding should come from central Government, at least to the same degree that it does for adult palliative care. Back in 1988, I proposed a ten-minute rule Bill that would have set up a national lottery, the proceeds of which would have

gone to funding health care. That would have been additional money, not a means of allowing the Government to cut their contribution by the amount that the lottery raised. It is ironic that, root and branch, Labour Members and Labour shadow Ministers strongly opposed that concept at the time, saying that it was entirely wrong that a lottery should provide funding for the health service, because funding was the duty of the state through the tax system. They said that if that happened, Governments would be tempted to use the money that was raised from a lottery for the health service and to cut the amount that the Treasury would make available to it.

Tim Loughton (East Worthing and Shoreham) (Con): My hon. Friend makes a good point. It was very prescient of him to propose that legislation some years ago. Does he not agree that what has happened with funding of hospices breaches two of the major tenets of the lottery when it was set up in 1994? First, it breaches the tenet of additionality—that the lottery should not be a substitute for mainstream funding from the public purse, and secondly, it breaches the tenet that it should be at arm's length because, as my hon. Friend said, the Government closely influence the causes funded by the new lottery.

Mr. Burns: My hon. Friend makes a powerful point. He is absolutely right. He has identified a sad contradiction between the rhetoric and the actions of the Government. Frequently the rhetoric sounds fine but, sadly, when it comes to implementation of that rhetoric through action, it can be a very different thing. My hon. Friend gives a powerful example of one case in which what the Government say is not what they do, which is to be deplored.

The money from the big lottery fund runs out in April 2006, and there are currently no plans to make any more cash available through that sourcing. Perhaps, as with the three-year announcement of public spending, that does not mean that the Government will not continue to provide funding from that source after April 2006. However, to the best of my knowledge, no categorical assurance has been given. Given that the Minister has been sitting in the debate shaking his head in a negative way, I hope that he will be able to reassure us that the Government will continue to provide that source of funding to the hospice movement. I am sure that he will do so because it would be good news and it is systematic of this Government that they are more than happy to announce and sometimes re-announce good news.

If there is to be a good-news announcement during the debate, which I will warmly welcome, will the Minister temper that good news with an explanation of why he thinks it is justified for the Government to rely on funding from a lottery source for that sort of financial aid to a crucial area of health care, rather than using that lottery funding as additional to the amount that the Government have given? It seems to most people that the Government are using the lottery to reduce the contribution: that they are making up the shortfall through the lottery rather than maintaining high levels of Government funding and then topping that up from the lottery as a bonus.

I hope that my own local children's hospice, which is also the hospice that serves the constituents of my hon. Friend the Member for Southend, West (Mr. Amess), who is equally involved and active on their behalf, will benefit from such continued funding. Whatever money the Little Havens children's hospice may have received in the past does not take away from the fact that it currently receives only 2 per cent. of its £1.6 million costs per annum from Government funding sources. The Minister will see from that that 98 per cent. of that £1.6 million must be raised from other sources to ensure that the hospice can continue to do the fantastic work that it does.

In that respect, I make another plea to the Minister regarding a problem that applies both to children's and adult hospices. They have to negotiate with their primary care trusts for funding. In principle, we support the philosophy behind PCTs—that 75 per cent. of health funding is given to a local organisation, staffed and manned by local people, which can identify local health needs and distribute the money to provide health care in the area.

The trouble is that many hospices, especially children's hospices, because there are fewer of them, have to deal with several PCTs, usually individually, to secure funding through that stream. That is time-wasting, cumbersome, bureaucratic and difficult. Without compromising the independent nature of PCTs, I urge the Minister to ascertain whether there is anything that he can do, through the Department of Health, to get PCTs in respect of adult and children's services to unite and provide one forum for negotiations for hospice funding, rather than hospices having to go through the burdensome procedure every year of approaching each PCT to secure funding.

It would also be of great benefit to children's hospices if the Government could announce a three-year rather than a year-by-year, programme of funding, as they have done in other areas of public spending such as general health and education. A three-year programme gives greater security and the ability to plan for the future. Like practitioners in the health and education services, I welcome that excellent system because of its clarity and transparency and because it gives those services greater ability to plan over a longer period. Under the old system, the services found out only a few months before the beginning of a financial year how much money they would get, which caused uncertainty and disruption until the money was announced.

I would like more to be done about the provision of palliative care in children's hospices and for the National Institute for Health and Clinical Excellence further to develop standards in health and social care. I support the continued roll-out of the gold standards framework in palliative care, but the NHS desperately needs adequate and appropriate resources to deliver such standards. I estimate that the cost of delivering palliative care services is likely to be identified by NICE as requiring an additional £40 million funding a year for hospices and approximately £60 million for other palliative care services.

I want to see a more cohesive and community-based approach to palliative care and new initiatives to be engendered that provide care in a range of new and innovative settings. Partnerships should be encouraged between local NHS bodies, health and social care providers and the voluntary sector to harness the expertise of professionals to provide care-based quality standards. By allowing money to follow the patient, the

[Mr. Burns]

patient should have the right to choose the place in which they, their families and their carers would most like to be placed.

Hospices have a vital role to play in palliative care—partly, but not exclusively, in relieving pressure on the NHS through the fantastic work that they do. Many patients at the end of their life require the specialised and continuous services that hospices can offer. Hospices must have the resources that they need to respond positively to the demands made on them and to provide the greatest care possible for some of the most vulnerable, sick and frail members of society, whether they are children or adults. That is why funding from the state to children's and adults' hospices must increase.

Mr. David Amess (Southend, West) (Con): I know that the Minister is listening carefully to my hon. Friend and that he will do his best to help. Unfortunately, I am chairing a meeting at the same time as my hon. Friend's debate, so I am a bit stretched. He mentioned Little Havens, and I wonder whether he is aware that I was at a charity event on Saturday and that the lady who spoke to try to raise more funds said that if it were not for charitable giving continuing, by spring there would be no money left to continue the service. The situation is serious. Would my hon. Friend agree that the Minister should do everything that he can to underpin the funding so that there is some certainty in future arrangements?

Mr. Burns: I am grateful to my hon. Friend because he has hit the nail on the head with the hammer. There is a terrible strain on hospices year in and year out, particularly on children's hospices because of the disparity in state funding. The army of people who help to raise money for Little Havens cannot be praised enough for their fantastic work. However, the state has to help that army because 2 per cent. of funding from state sources for the hospice is, I think the Minister would agree, wrong and unfair.

As my hon. Friend knows, we fought a general election six months ago and the Conservative party was clear about what it believed should happen to the funding of children and adult hospices. We do not believe, and neither does the hospice movement, that the state should step in and pay more than a maximum of 49.9 per cent. of the funding. If the state were to pay more than that, it would start dictating terms because it would have the whip hand as the funding source. One of the strengths of the hospice movement is that it is charitable, relies on the voluntary sector and organises its own provision of care within strict guidelines for quality and standard.

The hospice movement does not want to be taken over by the state, and we do not want it to be taken over. However, we believe that that cannot be used as an excuse not to give a fair and reasonable amount of money to allow it to thrive. Every pound that the hospice movement raises to pay for the care of its client group is a pound less that the state has to pay. If only for that reason, the Government should be shamed into making more money available.

My hon. Friends and I fought the last election on the policy, as we did in 2001, that if we were returned to office we would increase funding for adult and children's hospices so that they got 40 per cent. of their funding for their day-to-day running costs from the state. That is a fair balance and would make a significant difference to the strains and pressures facing the hospice movement. That would give breathing space and extra money so that hospices would be able to run their services and provide care with less of a burden and worry about where the money was coming from. If that argument is valid, as I think it is, it is even more valid for children's hospices.

For a children's hospice to receive less than 5 per cent. of its funding from the state in this day and age is a travesty and a national disgrace. We are talking about young children and teenagers who, through no fault of their own, find themselves with life-limiting or serious illnesses and disabilities that place a tremendous strain on their families and carers. In some cases, without a hospice to step in and help, there would be no one else. Those families would be left on their own to fend for themselves with all the problems and pressures that causes. For the state to be content to provide less than 5 per cent., less than 5p in every pound spent on those vital and valuable services, is a national disgrace.

I urge the Minister to give serious consideration to the matter, because it has come up time and again in the House, and it will not go away by ignoring it or by flowery flannel, where Government spokesmen try to give the impression that the situation is infinitely better than it is. It is not good, and if the Minister does not believe that, and more importantly, if the Treasury does not believe that, let them go out into the country and visit children's hospices. Let them talk to that army of decent people who spend so much time working to raise money for hospices and find out from them exactly what is going on, the problems and difficulties that they are facing, and the possibilities of cuts in the services, of which we need more, not less.

11.26 am

Dr. Ashok Kumar (Middlesbrough, South and East Cleveland) (Lab): First, I congratulate the hon. Member for West Chelmsford (Mr. Burns) on securing the debate. I listened to him carefully and agreed with most of what he said. However, in some ways, I part company with him, because he talked about the Government's record and I do not remember his Government delivering any better when they ran the country. I do not want him to lecture this Government on what they should be doing.

Mr. Burns: The hon. Gentleman made an allegation about the previous Government's record. It is slightly facile to compare something with the situation that prevailed over eight years ago, but given that he is obviously an authority on the subject, can he tell the House what was the percentage of funding for adult hospices when the Conservative Government left office, and what is it now? If he cannot say, I will.

Dr. Kumar: The purpose of the debate is to secure support for hospices. I remember the record of the hon. Gentleman's Government: year in, year out, there were cuts in budgets.

Mr. Burns: I suspect that the hon. Gentleman is not familiar with the health service. If the Minister is honest, he will admit that there was never a 1p cut in total funding for the national health service from the day that Margaret Thatcher became Prime Minister in 1979 to the day that we left office in May 1997. In fact, there was a more than real-terms increase. As for hospice funding, when we left office, the state provided 33.5 per cent. of the day-to-day running of hospices to the hospice movement. At the moment, it is just under 32 per cent.

Dr. Kumar: I am sure that the Minister will respond to the facts and figures, but my experience on Teesside is quite the opposite of what the hon. Gentleman is saying. This is an important debate, and I wish that he had not politicised it in the way that he has: it is tragic because the issue is important. If you want to battle on with figures, I am sure that the Minister will pull out the figures.

Frank Cook (in the Chair): Order. I assure the hon. Gentleman that I do not want to battle on anything. Will he please address his remarks through the Chair to the hon. Member who is making the claims?

Dr. Kumar: Thank you, Mr. Cook, for correcting me on the manner in which I should have addressed the hon. Gentleman.

I want to open up the debate in good faith, in trying to support much of what the hon. Member for West Chelmsford said. He mentioned the 38 children's hospices. One of them is in the north-east, and I am sure, Mr. Cook, that you are familiar with it, because it is on your patch, on the Stockton side, rather than the Tees valley on my side. I am sure that if you had not been chairing the debate you would have said something similar to what I am about to say.

I support much of what the hon. Gentleman said about concerns for hospices. I want the Minister to listen carefully to what I have to say; I am sure that he will. I speak as a friend and supporter of the Government in all that they have done in tackling problems of health and in all the support that they have given to the health service. I speak as a strong friend, not as a foe, as the hon. Gentleman has done. I shall focus on one issue, but first I want to praise the work of Butterwick house children's hospice in my area, because it provides and has provided a tremendous service for children in my area and in the north-east as a whole. I want to pick up on the issue of funding, which was addressed by the hon. Gentleman, because it is a concern for people in the north-east, including many of my constituents.

As I said, Butterwick house children's hospice provides a tremendous service, from which about 80 families in the north-east, many of whom are my constituents, benefit. It provides many useful services, such as complementary therapies, advice and pre- and post-death bereavement support and counselling. The hon. Gentleman referred to such services. The hospice provides a breathing space when things go wrong and support for families over 24 hours. It has had a tremendous impact on the quality of life of families and children in my area.

Butterwick house hospice and other hospices save the national health service a great deal of money. The resources and the bed space that a hospice provides facilitate tremendous support and ensure that people receive an excellent service, which should have been available in hospital. The mere fact that people are in a hospice saves the health service some money.

Butterwick house hospice enjoys tremendous support from my constituents and others throughout the Tees valley, but it feels that it is threatened by lack of funds. I have received a document from its chief executive, Mr. Graham Leggatt-Chidgey—no doubt he is familiar to you, Mr. Cook—about the funding concerns. He informs me that the hospice is in real difficulty because of funding problems. He tells me that the £145,000 annual grant that the hospice receives from the big lottery fund expires on 31 March 2006, and he is naturally very worried. The hospice is working exceptionally hard to secure funding from a range of sources, but the harsh reality is that it can only operate a service that can be financed. The hospice is worried and has asked me to raise the issue today, which is why I am here.

The £145,000 from the big lottery fund contributes 21 per cent. of the hospice's annual funding. Unless that funding is replaced, there is a real threat that Butterwick house's front-line services will have to be cut, which will have severe consequences for many families in my constituency and in the north-east as a whole. It will also have adverse effects on the NHS in the region, which will be forced to replace some of the specialist services provided by the hospice.

As the hon. Member for West Chelmsford said, many hospices have to deal with a large number of primary care trusts. Butterwick house has to negotiate with 15 PCTs for its funding, which presents huge complications and difficulties. I know that the Minister will tell me that the PCT reconfiguration will simplify some of these matters, but children's hospices face serious difficulty with rising PCT deficits and staff already in transitional mode, which has resulted in their not being willing to make any financial commitment for their successors. That is genuinely a serious worry, too.

I speak with great concern. I have never before raised the issue of hospices on the Floor of the House, but I raise it now because I am concerned. I know that the Minister really cares about these issues, so I am sure that he is taking serious account of what is being said. Local health authorities and social services have significant financial difficulties and restraints, and although they are willing to help children's hospices in most cases, they often find that their resources are scarce.

As the hon. Member for West Chelmsford said, children's hospices receive only 5 per cent. of funding from the Government. The consequence of that for Butterwick house was that in order to balance its books, it had to raise about £600,000 last year. All of us have been involved in various forms of fundraising, so we know that that is a lot of money for an organisation to raise, despite the fact that people in this country give generously. Given that adult hospices typically receive 35 per cent. of funding from the NHS, children with life-limiting and life-threatening illnesses seem to be getting a raw deal. I agreed with much of what the hon. Gentleman said, but I found the way in which he was saying it—against this Government—difficult to stomach. We must move away from the 5 per cent. figure: we must increase it. That cannot go on. It does not look very good. As someone who

[Dr. Kumar]

champions the Government and recognises the great contribution that they have made to tackling health problems, I speak as a strong friend to them. I urge the Minister to take note of this point: we must balance the level of funding to adult and children's hospices. I am not seeking more: parity would be enough. We are talking about a lot of money, but it can be seen as a challenge or target. We have to ensure that the funding that adult hospices receive will lead to further Government funding from here onwards. That is a goal that we should work towards.

We must ensure that hospices get support. People who work in them give their best because they believe in them and in the caring service. Butterwick house has made a tremendous contribution to our area. It will be a huge loss if the services there are cut, and there will be great concern in Teesside. I assure the Minister that as we approach the end of the financial year, Members from the Tees valley area will speak on this issue. No doubt you might speak on the issue, Mr. Cook, if there is a further need for debate. I want to make the Minister aware of this issue long before we get down that road, because it is of genuine concern.

The people at Butterwick hospice are not alarmist. I have never know them to express worry about dangers like this before. In all the years that I have been a Member—I have lived in Teesside for 21 years and know the area well—this is the first time that they have written to me in this spirit. Therefore, I ask the Minister to listen. We need some action to be taken. The hon. Member for West Chelmsford and I might have started on a wrong note, but his points were genuine. As someone who champions Butterwick hospice care, I passionately believe in the support that it gives our area in the north-east. I do not want the Minister suddenly to make an announcement; I know that he has to go away and think and put figures together, but I appeal to him. If he really wants to help, he should please consider the situation. If he is in a position to meet the people from Butterwick hospice, I am happy to bring them to the House with a delegation of right hon. and hon. Members from my area. I hope that you, Mr. Cook, can assist with this matter in future. We do not want the hospice to be threatened with service cuts toward the end of the financial year. I do not want the Minister to say, "Nobody made me aware of this," at that point. I seek his support on this and on the wider principle of increasing funding from 5 per cent. The Opposition suggested a figure of 49 per cent.

Mr. Burns: It was 40 per cent.

Dr. Kumar: Well, I would be happy with 30 per cent. If we had equal parity with adult provision, I would be happy. I am not asking for the figure to be announced tomorrow. I want to see some movement from the Minister. Given the Government's excellent record it would be a credit to them and the Labour party if he shifted from the position that he holds today.

11.40 am

Mr. David Amess (Southend, West) (Con): Perhaps I might act as a peacemaker between my hon. Friend the Member for West Chelmsford (Mr. Burns) and the hon. Member for Middlesbrough, South and East Cleveland (Dr. Kumar). I will attempt to pour oil on troubled waters. Before I do so, I apologise again to the House that I am not able to be present throughout the debate. There are conflicting interests and someone is chairing the meeting that I am supposed to be chairing at the moment. I mean the Minister no discourtesy.

I congratulate my hon. Friend the Member for West Chelmsford on securing this extremely important debate. It is timely because Dame Cecily Saunders died this year. She was the remarkable lady who said that people go to hospices not to die, but to live. Certainly in the years that I have been a Member of Parliament, I have been moved by those women and men who work in a voluntary capacity in our hospices throughout the country. All hon. Members support their local hospices. All hon. Members have friends and relatives who, sadly, are served by them. This is not a party political matter. I am not interested in what the last Government or the Government before that did. I am only interested in what good news, as we move towards Christmas, the Minister can announce this morning.

No one has done more than my hon. Friend the Member for West Chelmsford to fight for resources for hospices in Essex. He is served locally by a splendid hospice but he will recall that when I represented Basildon, one of the two miracles that occurred in my area was that we built St Luke's hospice, which is a first-class hospice today, without any core funding. No millionaires lived locally, and if there had been any I would have been on their doorstep for obvious reasons.

As one of the original supporters of the national lottery, I felt that it should never be used, as it is today, for funding for education and health. I recognise that the Minister has no responsibility whatsoever for the way that lottery money is spent, but I believe it is a tragedy that more and more lottery money is spent on health and education. As we have the Olympics in 2012, there will be even less money from the lottery than at present. I hope that in his reply, the Minister will look specifically at the amount of money that the Government can give to the hospice movement.

My hon. Friend the Member for West Chelmsford and I served together on the Health Committee. The Minister, if he has a spare moment, can look back on the report on palliative care that we produced two or three years ago under the chairmanship of Mr. David Hinchliffe. We took evidence from a wide range of witnesses, who all shared with the Committee their increasing concern about the way that funding seemed to be slipping from core funding to charitable giving.

My hon. Friend the Member for West Chelmsford and I salute those who do voluntary work in Essex. We are both blessed to live in a county where people give so readily to charity. However, the fundraisers at Little Havens tell us very firmly that because of competing interests, there is less and less of an audience to which they can turn, and they are struggling to raise money from charitable giving. That is why I was delighted to be in Leigh-on-Sea's Salvation Army Christmas concert on Saturday, which raised a huge amount of money—as we know, the Salvation Army leads the way in such matters. The lady who addressed us said that it is becoming increasingly difficult, in terms of charitable money raising, to keep our hospices going. She was very

concerned that unless the Government hike up the money—my hon. Friend the Member for West Chelmsford quoted the percentages earlier—there will be a crisis.

I am sure that, when he responds to the debate, the Minister will agree that we all want to be healthy. There is nothing as stressful as having a child who is ill. Ironically, it affects the child's loved ones rather more than it does the child, because children are very tough and resilient, but the parents and other relatives can go to pieces, for the very good reasons of stress and anxiety and the understanding that there are no miracle cures. Little Havens is a first-class hospice that looks after such children. It also provides respite care for their loved ones. Again, I say to my hon. Friend the Member for West Chelmsford—because some of the children from his area are looked after at Little Havens—that Little Havens wants to do more, but it cannot because of its tight budget.

In conclusion, I say to the Minister that all hon. Members recognise that the Treasury has its priorities. We all know that Health Ministers will do their best to fight for as big a share of the cake as they can get. However, we should never take for granted the work of our hospices, their army of volunteers and the number of charitable organisations that support their overall budget. The hospice movement wants to retain its strong sense of independence but, increasingly, it finds itself struggling. How can we say to parents, "This is going to be very difficult because we are running out of money and there is a limit to what we can do"? I do not suggest that we go in for blackmail, but there can be no greater priority than looking after children who are unwell at a time when emotions are running high. I congratulate my hon. Friend the Member for West Chelmsford on having enabled the House to consider these matters, and I very much look forward to hearing good news from the Minister about the future amounts of money that will be dedicated to hospices, not only in Essex but in the rest of the country as well.

11.49 am

Stephen Williams (Bristol, West) (LD): I, too, congratulate the hon. Member for West Chelmsford (Mr. Burns) on having secured a debate on such an important and emotive topic, and recognise the passion and commitment with which he addressed his subject.

It has been said a few times that, nationally, there are 38 children's hospices. The nearest one to my constituency is Little Bridge House in north Devon. On a good day on the M5 and other roads, that is about two hours away, but frequently it takes rather longer to get there. There is certainly demand in greater Bristol for a new children's hospice. In the heart of my constituency, we have the Bristol Royal hospital for children. Bristol, West also has CLIC, the well-known charity for children with cancer and leukaemia, which was founded in Bristol. The Association of Children's Hospices is also based in Bristol. There are plans to build and equip a new children's hospice at Charlton Farm in Wraxall—just over the Avon gorge, which divides my constituency from Woodspring. However, it will cost £15 million to build and equip the new hospice and to endow the initial running costs. Some £5 million per annum will also need to be raised to run it jointly with the hospice that I mentioned in north Devon.

I was pleased recently to attend a fundraising ball; it will contribute in a small way towards the costs of running the hospice, but as has been mentioned, such charitable fundraising is competing with ever-growing demands from other parts of the health care system and from other charities that are trying to raise funds. The children's hospital in Bristol is having a Wallace and Gromit appeal to raise funds, while the hospice is having its Babe's Big appeal. We therefore have well-known children's characters competing to raise funds for essentially the same sort of care for children. I am also aware of the campaign being run by *The Sun*, although I was not aware, until the hon. Member for West Chelmsford mentioned it, of the campaign run by Somerfield. I am pleased to hear about it, however, because Somerfield is also a Bristol-based commercial company.

As has been mentioned, children's hospices receive about 5 per cent. of their funding on average from the state, but 15 of the 38 existing hospices get no state funding whatever. That compares with core funding of 28 to 30 per cent. for adult hospices. Surely, it is reasonable that hospices that give children essential palliative care, which might otherwise be provided by the NHS, should get a fair price for those services from the NHS or other health care commissioners. It is not immediately clear, however, how they can access some of those funds.

In 2002, in response to a parliamentary question tabled by my hon. Friend the Member for Mid-Dorset and North Poole (Annette Brooke), the then Minister, now the Minister for Housing and Planning, the hon. Member for Pontefract and Castleford (Yvette Cooper), said:

> "It is for the national health service locally to make arrangements for financial support for both adults' and children's hospices, given the extent of local diversity both of the services provided and of alternative sources of local support."—[*Official Report*, 11 March 2002; Vol. 381, c. 818W.]

The restructuring of primary care trusts has been alluded to, and I wonder whether existing PCTs or even new ones have adequate funds to provide that support, particularly given the situation that I mentioned in the south-west, where children will typically come from a wide range of communities. A better way of directing funds towards hospices might therefore be to fund them on a regional level.

In the recent general election, the Labour party manifesto contained a commitment to increasing end-of-life palliative care, and I look forward to the Minister expanding on what that means, particularly for hospices. I share the concern expressed by other hon. Members that it would be unrealistic to expect the state to fund hospice care entirely, and we are certainly not arguing for that: it would undermine hospices' charity ethos, their volunteer base and their independence from the state. Surely, however, it is realistic to expect the state to pick up more than 0 per cent. of funding in 15 cases and more than 5 per cent. in 23 cases, and to at least match the average funding that is given to adult hospices. That would give children's hospices some degree of core funding and security so that they can provide an important and appreciated service in our communities. I look forward to hearing what the Minister has to say.

11.54 am

Tim Loughton (East Worthing and Shoreham) (Con): I too congratulate my hon. Friend the Member for West Chelmsford (Mr. Burns). It is a shame that more hon. Members have not been able to participate in the debate, but that does not reflect on the seriousness of its subject, which affects all hon. Members; in many cases, it will have done so directly and personally, because relatives and friends will have used the facilities that children's hospices provide. They do an essential job.

I declare an interest as a patron of the St. Barnabas hospice in Worthing, which is the parent organisation of a recently set up children's hospice, the Chestnut Tree house, which is a fantastic facility on the outskirts of Worthing. Staff at that hospice have already looked after many of my constituents. St. Barnabas has been running for 32 years, and in that time has provided direct care to 20,000 people. That is no mean achievement.

It is estimated that, generally, hospices must provide about 80 per cent. of all palliative care in the United Kingdom. Part of the problem is that the provision of hospices is subject to something of a postcode lottery. There is patchiness in the provision of children's hospices. As with many charitable causes, they are quite often less easy to find in less affluent areas. That results in a double whammy whereby many facilities are not available in areas where they are desperately needed.

Hon. Members have already mentioned the legacy of Dame Cicely Saunders who died this year, having set up the first hospice in 1967 and the first children's hospice in Oxford in 1982. The Chestnut Tree house hospice was opened for overnight care in April 2004, and has already cared for 135 children and young adults with life-limiting conditions. It has also provided services for almost 500 family members. I wish to pay tribute to Monica Ridley, who recently stood down as chairman of the trustees of the Chestnut Tree house hospice, and to Hugh Lowson, who, as chief executive of St. Barnabas, has made a great impact on that excellent resource over the past few years.

All hon. Members agree that we owe a great debt of gratitude to the volunteers who make the hospice movement possible. They are unsung heroes who do much to take the pressures and strains off the national health service, which would otherwise have to pick up the tab. All hon. Members have, in affectionate terms, mentioned hospices in, or close to, their constituencies. We heard about Little Havens in Essex, Butterwick in the constituency of the hon. Member for Middlesbrough, South and East Cleveland (Dr. Kumar), St. Luke's hospice in Southend, and Little Bridge House in Devon, which the hon. Member for Bristol, West (Stephen Williams) mentioned. The latter hospice is two hours away from the hon. Gentleman's constituency, which reinforces my point about the patchiness of provision. There are other high-profile children's hospices that do a fantastic job, such as the Shooting Stars hospice in south-west London and the CHASE hospice in Surrey, which has been at the forefront of a campaign to secure a fairer deal on funding.

My hon. Friend the Member for West Chelmsford made some good points, especially on how important it is that hospices are able to keep their independence. There is a strength and wealth of talent and good will in the hospice movement. The last thing that hospices would want is to be nationalised in some way. As the hon. Member for Middlesbrough, South and East Cleveland put it, we must achieve something approaching parity of funding with adult hospices. He made some good points about the range of care that Butterwick hospice is able to offer. It is not just a matter of the last few days of someone's life; especially for children, it is a matter of their going there for short stays to take the pressure off parents and to take advantage of specialised facilities and complementary therapies. The hon. Gentleman freely admitted that that hospice is facing a funding crisis. I defy any hon. Member who has been in touch with a local hospice to come away with a different story.

Nationally, about 20,000 children are suffering from life-limiting diseases. An average of around 4,300 of those children and their families are assisted by hospices, but there are only a few hundred acute beds available in children's hospices. Those figures apply to the 38 fully operational children's hospices and another five that are planned or being built.

It is interesting to reflect on the nature of the diseases that children's hospices treat. Some 96 per cent. of cases that are treated in adult hospices tend to be of some form of cancer. Mercifully, only one in 600 children under the age of 15 develops a cancer, and children respond differently to treatment than adults do. Some diseases that children's hospices deal with are: Duchenne muscular dystrophy, which affects 100 boys born each year; Batten disease, or neuronal ceroid lipofuscinosis—that will really frustrate *Hansard*—which affects one in 30,000 births and leads to a progressive and incurable deterioration of the brain and nervous system; Rett syndrome, which affects more than one in 10,000 females and causes profound and multiple disabilities; and cystic fibrosis, with which hon. Members will be more familiar.

Children with those diseases now live well into their teens, so many fall into the gap that exists between adult and child provision. Therefore children with the aforementioned diseases form an increasing body. As a result of advances in medical technology, more children can live much longer with diseases from which they would have been expected to have only a short lifespan. Surely children's hospices' work load will increase as the pool of children with whom they will deal increases. Unfortunately, those diseases will still be around until we find a cure, but they are much more manageable, and children can, fortunately, often live on into adult life.

First and foremost, children's hospices deal with health problems. In a country that has a national health service that is charged to deal with such problems, surely hospices should be an integrated beneficiary of national health funding. Even at the most advanced stages of a disease, caring for the dying is a fundamental part of health care and should not be treated as some novelty good cause that may be lucky enough to pick up public funds through a lottery board's philanthropy.

I fear that the care of children with life-limiting conditions often does not fit into the Government's obsession with a health service that is driven by target tables, waiting-list numbers, hospital admission numbers and bed blocking. How does one measure the outcomes of looking after children who have life-limiting

conditions? Obviously, one does not measure those outcomes on the basis of how long they stay in hospital, by minimising the cost of their drug treatment, or by curing their diseases and cutting down on their readmissions. One does not measure those outcomes based on comparative morbidity rates or on the number of complaints made about treatment. They can be measured only by the length of time for which quality of life can be extended, the impact of physical pain relief on the child and his or her emotional well-being, and, of course, the impact on the family and how they cope at a tremendously emotional and traumatic time before and after their child has passed away. That is what children's hospices are all about.

One cannot easily evaluate, quantify, tick boxes for or comply with target tables for children's hospices. They are measured by the comfort and relief that they bring. As someone put it: "Hospices are not places where people go to die; a hospice is somewhere where you can come to life." That is the modern vision of palliative care.

On the subject of funding, many hon. Members have already mentioned that children's hospices receive, on average, little more than 5 per cent. of their funds from public sources. The former Minister for Public Health, Melanie Johnson, raised the problem. She stated:

"Funding the services provided by hospices is a matter for negotiation between the hospice concerned and the NHS primary care trusts to which the hospice provides a service. There are no limits to the amount of funding which may be provided; this is for local decision."—[*Official Report, House of Commons*, 16 September 2004; Vol. 424, c. 1759W.]

The problem is that there are no limits to the minimum amount that primary care trusts can provide. In many cases, because it is not a statutory requirement and because of the great funding pressures on PCTs, they provide zero funding for children's hospices. Unless there is a statutory duty on PCTs to provide funding, I am afraid that, because of priorities and because PCTs are strapped for cash, children's hospices will not get a look-in, whatever we might say here. The Minister and his Government must take direct action to encourage PCTs to provide funding.

The new opportunities fund—now the big lottery fund—provided £48 million over three years for 130 palliative care projects. The funding runs out at the end of March 2006. At present, there are no plans to renew that funding. I shall be interested to hear what the Minister has to say about his intentions, now that March 2006 is just four months away. Children's hospices have received little, if any, of the extra money from the cancer plan funding that the Government established some years ago. The Government promised to double the level of investment in palliative care, but, often, that extra investment has got lost in PCTs and has not found its way to end use in hospices—most certainly not children's hospices.

In addition, in the past few years there have been many extra funding pressures on charitable institutions such as children's hospices from national insurance increases, extra pay pressure from Agenda for Change, price inflation of 7 to 9 per cent. for pharmaceutical products that are heavily used in hospices, extra requirements under the Care Standards Act 2000, and the estimated £400 million of VAT that is not reclaimable. I hope that the Minister will be able to give assurances of a more sympathetic financial treatment of children's hospices from the Treasury in future.

I remember speaking on this subject in the House three years ago. It is not a new subject or a new problem, but it is getting worse. I was told that new funds such as Futurebuilders would help to deal with the problem. Futurebuilders is a fund designed for voluntary bodies. I tabled a parliamentary question recently to ask how much money Futurebuilders had paid out, and how much of that had gone to children's hospices. Out of a promised fund of £120 million, so far about £4.5 million has been paid to voluntary bodies, of which not one penny piece has gone to any hospice, let alone any children's hospice.

Perhaps we should not be surprised about that, because to qualify for funding from Futurebuilders the applicant must be able to show that 50 per cent. of core funding is sustainable. However, children's hospices rely on very transient funding. We cannot say that a given number of people will die in the coming year and leave legacies to a hospice in their wills. Charitable fundraising is, as we know, unpredictable. It is virtually impossible for those hospices to get funding from Futurebuilders.

We owe an enormous debt of gratitude to the carers of the children who use children's hospices. There are about 6 million carers in this country, more than 2 million of whom are aged over 60, and 20 per cent. of whom are over 70. They do an enormous amount, for which they get little gratitude, and without them the state would have to pick up the tab and things would be much more difficult. We should be making their job easier, not harder.

I want to end my remarks by relating the problem to the Chestnut Tree house. My local children's hospice is one of those 15 that receive zero funds from the public purse. It has been losing staff because of wage pressures. Charitable fundraising has raised some £600,000 in the past year, but it takes almost double that to run the hospice. Therefore, the parent hospice, St. Barnabas, must subsidise its work. That is unsustainable. Donations have been difficult recently because of all the competing charitable pressures, not least the tsunami. We all know the enormous amount of fundraising that was done for that.

The Chestnut Tree house has four acute beds at present, plus one for emergencies, but it was planned that it would have eight, plus two for emergencies. It has received no money from Children in Need, despite repeated applications to that charity. We are told that West Sussex has had quite enough, so it is tough. It used its grant from the New Opportunities Fund to develop a very sophisticated and welcome bereavement counselling support service for parents of children who have gone into a hospice.

All in all, hospice funding is highly unsatisfactory and it is time that things changed. It is particularly unsatisfactory that many hospices must shrink their services at a time of growing demand. Effectively, many hospices are subsidising the NHS by providing services that it would otherwise have to provide. That contravenes Charity Commission rules. Is that really the way in which to fund health care? Would it be acceptable for the Government to seek to fulfil their

[Tim Loughton]

target to recruit so many thousands of doctors or to reduce waiting times for hip operations to less than 18 months through random grants from one of the lottery funds? Of course it would not, so why should palliative care for children be treated as a bonus good cause that just happened to come up trumps this year under the Government's current definition of what worthy cause needs to benefit from the British public's gambling largesse? What happens when that funding stream runs out next year? Faced with those pressures, how can hospices plan long-term expansion strategies?

Health policy is not rocket science. It must treat palliative care and hospices as a mainstream health activity, and it must feature in the health strategy of all the NHS providers as a matter of course. We need fair funding through the NHS, not funding at the whim of the lottery, which sends out the message that the Government do not regard hospices as a priority. Surely we should be doing everything that we can to help to nurture, to encourage and to expand the tremendous legacy of Dame Cicely Saunders.

The Government really should be doing more to support the fantastic work done by children's hospices, and I hope that we will hear some wise and solid words from the Minister and the assurance that the Government will at last take children's hospices seriously as a mainstream provider of palliative care in the NHS.

12.11 pm

The Parliamentary Under-Secretary of State for Health (Mr. Liam Byrne): I am pleased to serve under your chairmanship again, Mr. Chope.

I congratulate the hon. Member for West Chelmsford (Mr. Burns) on securing the debate, and my hon. Friend the Member for Barnsley, East and Mexborough (Jeff Ennis), who has done an extraordinary amount in the past few years to challenge the issue in the House. I also congratulate my hon. Friend the Member for Stoke-on-Trent, South (Mr. Flello), who is not in the Chamber this morning but who very much wanted to be. He secured an Adjournment debate on the subject on 3 November, and I am happy to spell out many of the things that I said that evening, because they correspond directly to the points that hon. Members made this morning. I welcome the support of *The Sun* and of the *Daily Mail*, which has dedicated its Christmas appeal to children' hospices.

In the past three months, I have had the opportunity in the course of my ministerial duties to meet some of the most extraordinary people and public servants at work in this country. In Stoke, I met the people behind the Donna Louise trust and some of the families who had benefited so much from the services with which the hospice provides the local community.

As I went around the hospice and met some of the children who use its services, as well as some of the families of those children, one parent really helped me to understand the difference that some of these hospices make to families when she said that sometimes the pressure of looking after a child with a life-limiting illness was so great that all sorts of things crept into family life. She told me that it sometimes felt as if the whole fabric of goodness in the family was unravelling. That helped me to understand that, as well as supporting hospices, there is an enormous amount that we need to do to support carers.

The steps that we have taken to increase support for carers, which is up to £185 million this year, is a vital part of the debate, too. I saw some of the fantastic games rooms that the trust has been able to provide for teenagers. I met one of the children, Tilly, who uses the service there and told me about the fantastic Jacuzzi that makes her visits to the hospice very special.

The trust is only one of five or six different places in which I have seen the most extraordinary services for children in the past two or three months. In Liverpool, I heard from Lynda Brook, a paediatric palliative care consultant, who is behind the reorganisation and development of services for children at Alder Hey hospital. She is also instrumental in developing the Alder Hey at-home service, which is a new service that Alder Hey is pioneering.

At Christie hospital NHS trust, I met Sam Smith and Pauline Sutherland, the paediatric oncology liaison nurse, who shared with me the ways in which they are reshaping services for teenagers. They made the point that the manner of the care must take account of the nature of the individual, because we will be able to provide care sensitively, compassionately and appropriately only if we take account of the way in which people live their lives.

At Great Ormond street hospital I met the team that is working with children that have cystic fibrosis, and I learned about the extraordinary advances that the NHS has been made in treating such children. I also met Dr. Carlos de Sousa, a pioneering consultant who is developing an extraordinary new treatment for people with conditions such as uncontrollable epilepsy.

I walked around the ward with Dr. de Sousa, where we met one of the families whose children are benefiting from an extraordinary new technique. It is called invasive monitoring of the brain, and it allows surgeons to see which bits of the brain are involved in what sorts of activities, and to work out which bits of the brain need treating if uncontrollable epilepsy is to be dealt with effectively. I stood in the room with the family, we looked at one another, and we all agreed that the NHS is indeed at the cutting edge of medical science. It is the medical equivalent of rocket science.

We are fortunate to have world-leading medical researchers, consultants and surgeons. In our local communities, we have extraordinary public servants working in NHS community nursing teams; and we have the hospice movement, which has grown to a record strength over the past few years. I join the hon. Member for West Chelmsford in recording my admiration and thanks for the parents and families that are involved in that movement.

Our challenge is to weave those experts—all those who provide care and support—into a web of care around children and their families. The debate about caring for children with life-limiting illnesses is not only about children's hospices, it is also about providing an entire web of care.

As the hon. Member for West Chelmsford said, the children's hospice movement has grown up over the past 22 years. Since 1997, there have been seven key steps.

Mr. Burns: I was interested in the Minister's recollection of his visits to hospitals over the past few months. How many children's hospices has he visited in that time, and which ones?

Mr. Byrne: I said at the beginning that I started my travels of the past few months at the Donna Louise trust. That is the principal hospice that I have visited on site, but I have met multi-disciplinary teams working with hospices throughout the country.

On 3 November, in a debate that the hon. Gentleman was not able to attend, I said what steps have been taken since 1997, but I shall repeat them for his benefit. The first was our immediate commendation of the report by the Association for Children with Life-Threatening or Terminal Conditions. That was closely followed by the second step; NHS executive guidance was issued in 1998 that drew on lessons learned from a series of projects that provide a range of care to families.

The third step also occurred in 1998, when a team headed by the Treasury invited applications to establish Diana children's community nursing teams throughout the country. They were to build on the work undertaken in the first pilot programme and blaze a trail for the development of home care for children with life-threatening illnesses. Additional funding of about £1.5 million to support that project in England was provided by the Treasury.

The fourth step was the partnership that became possible in 1998 when the Association of Children's Hospices was registered as a charity to promote the interest of the children's hospice movement. Since then, the Department of Health has worked closely with the association to develop a better understanding of the issues on both sides. In particular, the Department has commissioned the association to provide quality assurance packages to enhance the quality of care provided by children's hospices.

Step five, as the hon. Gentleman mentioned, took place in 2000, when, after discussions with the New Opportunities Fund, about £45 million was made available to 135 projects, including 71 awards to home-based palliative care teams. Step six took place in 2003, when the National Institute for Health and Clinical Excellence commissioned the national collaborating centre for cancer to develop service guidance on child and adolescent cance. services, including palliative care and bereavement support. NICE service guidance supports the implementation of the national cancer plan and also forms an additional structure to provide support for children's palliative care needs. The seventh step involved work with ACH, where the Department funded the production of care pathway guidance launched last year to complement the national service framework on disabled children and young people.

That is the past, so I will now talk about the future. As hon. Members from all parties have argued for some time, the steps taken are not enough and we must and can go further. Several trends emerge from the work on hospices undertaken by ACH. Often hospices are set up after a family's tragic struggle, and they create an enormous amount of energy to see through an important dream backed through the strength of local communities. As a former native of Harlow I well know the generosity and support that is available in Essex. To help ensure that that energy is channelled in the right way, the Department of Health can do a great deal to support innovative services.

Part of the answer has to be how we support hospices in their plan. To support those ambitions the Department provided funding for ACH to develop a toolkit on how children's hospices work, which aims to provide references to the sources of information that are required to plan and establish services so that any new services that are being set up can make informed decisions about what services the families would find most helpful. As the hon. Member for East Worthing and Shoreham (Tim Loughton) pointed out, children with life-threatening illnesses often have different conditions and needs. The services that hospices need to provide are often varied. However, the toolkit provides a much better understanding of what is involved in starting and running a hospice and an overview of some of the challenges.

Although there is support for the hospice movement, the Government have to bear their share of the responsibility. We must take three steps. First—this is probably the crucial point—we must strengthen the support provided by the local NHS for hospices. We have tripled the amount of money that will go into the health service by 2007–08 to £92 billion. At the heart of this morning's debate is how we make that money work for local people who provide hospices for children. The way in which the local national health services will work together is important.

As my hon. Friend the Member for Barnsley, East and Mexborough has said on a number of occasions, many hospices provide services over wide areas. I know that the hospice near his community confronts that challenge. We need to ensure that local health service commissioners work together effectively to provide financing. I have launched dedicated guidance for that purpose that will build on and make real the intentions expressed in the NSF for children and young people, which is mandatory for the NHS. I have laid copies of the guide in the Library, and it will support health care organisations, local authorities and other partners. Of course, a range of partners are involved who are working together in children's trusts to understand and develop children's palliative care services and make the mandatory NSF a reality. The guide is important because it sets out the service model, describes the elements that need to be involved and gives practical examples of the services that need to be provided and how they should look.

Secondly, we must make specialist commissioning sharper. My noble Friend, Lord Warner, made a ministerial statement on Wednesday 19 October announcing a review of NHS specialist services. The taskforce set up to lead the review will be headed by Scotland's chief medical officer and will consider how such services are commissioned and how they can be changed in future. It will address to a good extent the issues raised by the hon. Member for Bristol, West (Stephen Williams), when he said that a stronger way of doing things is needed than the method that we now operate.

[Mr. Byrne]

Finally, I want to consider the question of resources. I made an announcement to the House in the Adjournment debate on 3 November, which was secured by my hon. Friend the Member for Stoke-on-Trent, South. He spoke passionately about the need to extend the manifesto pledge that we made about strengthening end-of-life care for adults. He asked why we could not extend that commitment to include children. I can tell him, with the agreement of my hon. Friend the Minister of State, Department of Health, that we shall extend that pledge for children and young people with life-threatening conditions. I shall make further announcements to the House as soon as possible, but I expect that the Department will be able to say far more about how the policy will be implemented in detail, in the forthcoming White Paper on social care and health.

Tim Loughton: We have only a few minutes left, and we have heard an awful lot about what the Government do and must do. Now we hear about a White Paper. However, on 31 March the £45 million from lottery funding that has benefited a number of children's hospices will run out. Will the Minister tell us now what resources will be available to children's hospices to make up for that shortfall after 31 March, or whether he is prepared in some way to compel PCTs to make sure that they pass on to children's hospices a fair share of the funding that I think he intends should go to them, but which, in 15 cases at least, does not—not even to the tune of a penny piece?

Mr. Byrne: I can help the hon. Gentleman with that. My understanding, from the advice that I have received, is that the New Opportunities Fund money expires in 2007, not 2006. I shall happily write to the hon. Gentleman to correct those details if I am mistaken. The detail about how we proceed with our commitment will be in the White Paper, which will be published at the turn of the year. We have held several meetings with the national cancer director and officials. We are also in discussion with people who run children's hospices. Much of the planning work is some way through, but the precise details must wait for the White Paper.

Mr. Burns: I hope that the Minister is not trying to talk himself out. He has spoken for 16 minutes and has three minutes left. The nub of the debate, for every hon. Member who spoke, was whether the Government would give a fairer share of money to children's hospices, compared with the amount for adult hospices. The Minister has not dealt with that and is leaving it to the tail end of his speech.

Mr. Byrne: I regret the manner in which the hon. Gentleman thinks the debate should be conducted. I think that I have made it clear that we must do three things to strengthen funding for children's hospices. We must ensure that specialised commissioning is fit for the purpose and that PCTs provide adequate funding and know how to go about that; we shall also extend funding for children's hospices by extending the manifesto pledge that we put to the British people in May. The way in which we shall implement that will be set out in the White Paper that will be published at the turn of the year.

Jeff Ennis (Barnsley, East and Mexborough) (Lab): I thank my hon. Friend for his earlier kind remarks about my campaigning zeal. I shall try to give some comfort to the hon. Member for West Chelmsford (Mr. Burns) by asking whether the onus now is on PCTs to engage actively with local children's hospices in trying to set up work agreements and contracts. Previously the children's hospices have always had to engage the PCTs in the process. Are we shifting the onus for who must engage with whom?

Mr. Byrne: The way in which PCTs should operate is set out clearly in the guide that I have placed in the Library. The job is considerably easier for the extra £16 billion that is going into PCTs. We are not quite clear whether that commitment is matched by the Conservative party, but I am clear about the fact that it is helping local health service commissioners.

To strengthen end-of-life care for children with a life-limiting illness we must do a number of things. This is not just a debate about children's hospices. It is also a debate about how we strengthen NHS community care for children and how we strengthen tertiary care and the range of other services that are provided by NHS consultants and surgeons. We strongly believe that treatment for children with a life-threatening illness will be best when the NHS works together with the hospice movement, and that is exactly what we plan to see happen.

Slavery (Abolition Anniversary)

12.30 pm

Ms Diana R. Johnson (Kingston upon Hull, North) (Lab): I am very pleased to have secured this debate on the 2007 anniversary of the abolition of the slave trade in the United Kingdom. Unfortunately, the topic still has much resonance today.

I have the enormous good fortune to represent one of the three Hull constituencies. Hull's proud history as a trading and maritime city and a port goes back more than 700 years, and the city has played an important role in the life of the nation. In 2007, it will be 200 years since Hull's Member of Parliament and most famous son, William Wilberforce, oversaw the abolition of the slave trade, against which he had campaigned for many years.

I want to do three things. First, I shall talk a little about William Wilberforce the local Hull man and about his campaign to rid the country of the slave trade. Secondly, I shall talk about the city of Hull and its long-standing role in championing human rights. Thirdly, I shall discuss the extensive celebrations that Hull is planning for the bicentenary in 2007, which are known as Wilberforce 2007.

In 1759, William Wilberforce was born into a family of wealthy merchants in the High street. His father died when he was quite young, so Wilberforce spent time with his aunt who was under the influence of John Wesley and the Methodist movement. It is worth pointing out that Christianity played an enormous part in his life and the causes that he took up.

It is also worth pausing to note that Wilberforce's house in the old city is now the award-winning Wilberforce House museum, the first in Britain to tackle the subject of slavery and its abolition, and one soon to celebrate 100 years in operation. It is currently undergoing major redevelopment and refurbishment in preparation for the 2007 celebrations.

At 17, Wilberforce went to St. Johns College, Cambridge, and he was shocked by his fellow students' hard drinking—some things never change. He then went on to represent the city of Hull as its Member of Parliament, having been elected in 1780, at the tender age of 21. It was a hard-fought contest and his election cost the exorbitant sum of £9,000. Clearly, that would breach many of the conditions that the Electoral Commission puts on elections these days. Wilberforce entered Parliament and supported the Tories—they were the future then. His friend William Pitt, was the youngest Prime Minister this country has seen.

In 1784, Wilberforce converted to evangelical Christianity and joined a Christian group known as the Clapham set. At that juncture, he decided to follow the social reform agenda in Parliament and was approached to campaign particularly against the slave trade. Between 1776 and 1807, it is estimated that Britain trafficked about 1 million people, so it was a huge issue that Wilberforce was going to have to tackle.

The Society of Friends had been campaigning against the slave trade for many years and had presented petitions in 1783 and 1787. Wilberforce first introduced his Bill against the slave trade in 1791, when it was easily defeated by 163 votes to 88. Of course, Wilberforce had the support of many parliamentarians and people with a social conscience outside Parliament, and I should mention Thomas Clarkson and Granville Sharp.

The abolition of the slave trade finally became law in 1807 thanks to Wilberforce's tireless campaigning. He died on 29 July 1833 and was buried in Westminster Abbey. One month later, Parliament passed the Slavery Abolition Act 1833, which gave all slaves in the British Empire their freedom.

In addition to his campaign against slavery, Wilberforce was involved in other social reform organisations and in setting up of the charity that is now known as the Royal Society for the Prevention of Cruelty to Animals.

The anti-slavery movement was arguably the first international human rights movement, and Wilberforce was its prime mover in the British Parliament. Hull is very proud that its MP led such an important movement, and I now want to move on to how the city has built on that heritage.

Mr. Philip Hollobone (Kettering) (Con): I congratulate the hon. Lady on having secured this important debate. Before she moves on to other aspects of Hull, may I draw her attention to the Reverend William Knibb, a son of Kettering, who was a leading light in the Baptist missionary society? I associate myself with her remarks about Christianity and the promotion of religion, which drove people such as William Wilberforce to abolish slavery.

Ms Johnson: I am grateful for that intervention. It reinforces the role that religion played in a lot of social reform movements in this country.

Because Hull is a port city, many people pass through it, and it has had to have an eye to the injustices that have happened in continental Europe and further afield because some of those passing through have claimed asylum and refugee status. With its strong maritime and trading background, Hull was relatively unusual at the time of Wilberforce in that it did not develop its wealth from the slave trade, unlike cities such as Bristol and Liverpool.

Stephen Williams (Bristol, West) (LD): As a Bristol Member, I am in a position to intervene on the hon. Lady. She has referred to her city's positive past, with Wilberforce as its champion in getting rid of the slave trade. Bristol, as the principal slaving port during much of the period to which she refers, unfortunately has a rather more negative image, but wishes to mount an important exhibition to mark the 200th anniversary of the abolition of the slave trade. We were therefore shocked and disappointed to discover last week that the application by the British Empire and Commonwealth museum had been turned down at the first stage by the Heritage Lottery Fund. Would she be willing to join me in urging the Minister, as well as her city colleague, the Deputy Prime Minister, who has supported Bristol on previous visits to the city, to ask the Heritage Lottery Fund to consider—

Mr Christopher Chope (in the Chair): Order. That intervention is too long in a short Adjournment debate.

Ms Johnson: Thank you, Mr. Chope. I reinforce the point that Hull comes to the 2007 celebrations with clean hands. It had a pioneering MP who fought very

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hard to bring about the abolition of the slave trade, and I believe that it is appropriate for Hull to lead the national celebrations in 2007 because that would bring clean hands to the whole debate.

Dr. Ashok Kumar (Middlesbrough, South and East Cleveland) (Lab): I praise my hon. Friend for this great debate. Would she stretch her point to say that the achievements of Wilberforce spilled over to America, which followed some 30 years later in abolishing the slave trade?

Ms Johnson: That is absolutely right.

I want to combine my historical approach with a tribute to the work done by the city of Hull in recent years in the field of human rights. In 1982, Hull became the first city in the west to twin with a third world city—Freetown in Sierra Leone, the world's first colony for free Africans, which was set up in 1792 by Wilberforce and Thornton. In the 1980s, the then leader of Hull city council, Alderman Patrick Doyle, was instrumental in developing the links to enable it to twin with a developing country. Those links have gone from strength to strength over the years. We now have eight schools actively twinned with schools in Freetown as well as further links with churches and hospitals. A head teacher in Hull recently said to me that he would like to extend the opportunities for teachers to have work placements in Sierra Leone in 2007, and he hoped that some funding might be available to facilitate that.

Hon. Members will also know that Freetown is still recovering from a lengthy period of considerable turmoil. There is much scope for development in Sierra Leone, and I hope that in 2007 the Government will take a view about the extra support that it might wish to offer to Freetown, and to other cities in this country that wish to form links with developing world cities.

Hull was also the first local authority to sign up to Amnesty International, and Desmond Tutu and Nelson Mandela are freemen of the city. For many years, we have celebrated the spirit of William Wilberforce through the Wilberforce lectures. This year, James Coleridge Taylor, head of the national commission for democracy and human rights in Sierra Leone, will be our key speaker. We are also a proud fair trade city in Hull, having obtained that status earlier this year.

I must also mention the important development of WISE—the Wilberforce Institute for the Study of Slavery and Emancipation—which was established at the University of Hull. Its patron Desmond Tutu said of it:

> "It is exemplary that the university should build on the history of the city and one of its most outstanding citizens. Tragically, slavery and the violation of human rights are still with us in the 21st century. The institute will be a beacon that will continue to throw a light on issues that are too often overlooked."

The institute brings together the study of history, law, politics, anthropology, medicine and genetics, and had its funding launch at Downing street, hosted by Cherie Booth.

Unfortunately, we know that slavery continues around the world today. A conservative estimate is that 27 million people are still in bonded slavery. That is why it is still a critical issue that we need to address in the 21st century. WISE will be able to build on the work that the University of Hull has undertaken in years gone by on the history of slavery, as well as on the association of the world's first professor of social justice at that university.

Mr. Peter Bone (Wellingborough) (Con): I congratulate the hon. Member for Kingston upon Hull, North (Ms Johnson) on securing a debate on a really important issue. While we are talking about Wilberforce and the past, we must not forget that we still have a form of slavery in this country: there are sex slaves imported from eastern Europe. Does the hon. Lady agree that we need a campaign as vigorous as Wilberforce's to get rid of that evil?

Ms Johnson: I agree absolutely with what the hon. Gentleman says. I am proud to have rehearsed the list of Hull's commitments to human rights over the years. Hull is often portrayed as geographically isolated and a rather backward-looking city. However, it has a forward and progressive approach to today's world.

In conclusion, I want to talk about the plans for celebrations in 2007. There will be 34 weeks of celebration in Hull, starting in March and ending in October 2007, during black history month. I shall read through some of the plans already in place. There will be a fair trade fortnight in March to start the celebrations. Hull Truck Theatre, which is nationally renowned, will put on a play on the subject of the modern issues of equality and freedom, which is to be written by Caryl Phillips, and which will go on tour to Liverpool and Bristol. We shall see the re-opening of the Wilberforce house in March 2007. The Hull Philharmonic orchestra has a special one-off commemorative concert to coincide with its 125th anniversary. There will be an international conference on the themes of "Slavery: Unfinished Business", which the University of Hull is organising. There will be a football tournament in our wonderful KC stadium, at which all teams will be playing for the Wilberforce cup. There will be a film festival celebrating films on the theme of freedom. We hope that there will be a Sierra Leone cricket tour, which will bring a team from Sierra Leone to tour Hull and to play the Wilberforce XI and local teams. We shall also have the Wilberforce lecture, and in 2007 we have already secured the Archbishop of Canterbury and the Prime Minister of Barbados as our key speakers. There will be a memorial event in the Wilberforce gardens, which are attached to Wilberforce house, and we hope that there will be a national competition for a piece of art to celebrate Wilberforce's life.

I am sure that the Minister will recognise that Hull is a long way down the path of ensuring that the celebrations are a success. Given Hull's unique and relevant links to Wilberforce, the council's support for human right over the years, and the city's long standing links with Africa, it is absolutely appropriate that the city should seek to lead, promote and commemorate the bicentennial of the abolition of the slave trade in the United Kingdom for the whole nation. I extend an

invitation to the Minister to visit Hull, to see how well we are doing with our plans. I hope that he will be able to attend some of the event in 2007.

12.44 pm

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. David Lammy): I am very grateful to my hon. Friend the Member for Kingston upon Hull, North (Ms Johnson) for introducing the debate, and giving me the opportunity to respond on what I know all hon. Members here will know is an historic occasion for me, as the descendant of freed slaves. The 200th anniversary of Parliament's passing of the Slave Trade Act offers us an incredibly important opportunity to mark a crucial turning point in this country's history.

I want to set out how important I believe 2007 and the bicentenary of the abolition to be. In so doing, I pay tribute to the work of those who have done so much to keep alive the spirit of the abolitionists and who are now planning on making the bicentenary such a success, particularly in my hon. Friend's constituency. I also want to indicate where the Government believe they can best contribute in the lead-up to 2007.

From 1562, when the first English slaving expedition was led by Sir John Hawkins, to the eventual freedom of enslaved men, women and children in the British Empire on 1 August 1838, this country was intimately concerned in slavery and the slave trade. Until the 19th century, slavery was considered by many to be an acceptable part of the economic system and the fabric of this country. It was seen as enabling many countries in Europe and beyond to profit from the exchange of goods produced by a vast pool of free labour.

At the time, the legitimacy of slavery was justified by people from across society: politicians, businessmen, scientists and even some within the churches. Indeed at some time or another much of the country was intimately connected with slavery and its products. Every spoonful of sugar or coffee and every bale of cotton was closely connected with the slave trade. This country was not alone in benefiting financially from the slave trade. Yet, as the strongest power of the age, it bears a great weight of responsibility. As the bicentenary of Parliament's passing of the Slave Trade Act approaches, it is right that we begin to feel that weight more keenly. There are very strongly held views on the historical facts of slavery, the moral and legal accountability of those who were involved and the lasting effects. Many people have argued that the repercussions of the slave trade still resonate down the centuries.

The bicentenary in 2007 marks a crucial turning point in this country's move towards the nation it is today. It was a critical, if long overdue, step into the modern world, which we should still be proud this country took before any other. We took it before France, the United States and Brazil. I am very keen that we use the bicentenary in 2007 to the best possible effect. So, 2007 offers a timely opportunity for the people of Britain to recognise the reality of the transatlantic slave trade, to mark the abolition itself and the role of ordinary people, alongside other Britons, Africans and Caribbean people to help bring slavery to an end.

My hon. Friend has eloquently reminded us of one of the great heroes of the abolition movement—William Wilberforce. His conviction, his strength and above all his belief and sense of purpose, still shine out to us over the intervening years. Many people will already know a little of his life, and those of his contemporaries such as Thomas Clarkson. As my hon. Friend said, 2007 offers a great opportunity for his life and achievements, and those of his contemporaries to be made much more widely known.

I am also keen that in 2007 we do our utmost to celebrate the lives and contributions of those abolitionists who are not so well known. I think of Olaudah Equiano, thought to have been born in 1745 in west Africa, and kidnapped and sold into slavery in the west Indies. Having bought his freedom he became a leading spokesman for the campaign for the abolition of the slave trade and slavery. His autobiography is still in print today.

In addition to Equiano, there is Quobna Cugoano, the acclaimed writer who was born in 1757, who denounced the evils of slavery and pleaded for human dignity, not the relocation of ex-slaves to Sierra Leone. There is also Ignatio Sancho, who was born on a slave ship in the mid-Atlantic in 1729 and who became a leading activist in the pro-abolition campaign.

All three were Africans and important figures in this country's history. One of the measures of a successful year in 2007 will be that the lives and achievements of those still largely unknown Britons are brought to the fore. I am pleased that plans for a major ground-breaking exhibition in 2007 on the life and times of Equiano are already well advanced.

The year 2007 also offers the important opportunity to celebrate the lives and achievements not only of politicians, church leaders, Africans and former slaves, but of the countless ordinary British citizens who demanded change. Their petitions, marches, lobbying and prayers were crucial in putting pressure on Parliament to abolish the slave trade. They were ordinary people who spoke out against what they knew was wrong, despite the unpopularity of their views at the time.

Therefore, in addition to ensuring that the reality of the transatlantic slave trade is highlighted in 2007 and that we celebrate the achievements of the abolitionists, I want to ensure that we make the links between the concerns for justice that were present 200 years ago and our current concerns to tackle modern-day slavery and injustices, such as dealing with people trafficking and smuggling, making progress on providing debt relief for the poorest countries in the world and on development and justice in Africa, and dealing with the trade in sex slaves that the hon. Member for Wellingborough (Mr. Bone) mentioned. It is right that we understand and do all we can to combat those injustices.

I believe that the bicentenary in 2007 offers a chance for the country to make a collective commitment to ensure that in another 200 years, no one should feel the need to express the same level of regret for our actions today. That is a bold ambition, but 2007 is the right year in which to make it.

We know that poverty and social exclusion are at the root of most forms of contemporary slavery. Since 1997, the UK has doubled its aid budget and the primary focus of our programme has been the elimination of poverty. Where possible we do that by supporting country-owned development plans. At the G8 summit in

[Mr. David Lammy]

July, it was agreed that an extra $50 billion a year would be provided to poor countries by 2010, some $25 billion of which will go to Africa, which will more than double our aid to Africa compared with 2004's figure.

A key aim is to ensure that the needs of the poor, and particularly the most vulnerable groups, are taken into account in all the Government's approaches. It is therefore right that I should highlight just a few of the approaches that are already being adopted by the Department for International Development to tackle modern-day forms of slavery.

In west Africa, we provide more than £1 million to the International Labour Organisation's programme to tackle descent-based slavery and other forced labour issues. In Sudan, we support the participation of displaced children, including those who have been forced to work as soldiers and slaves, in the rebuilding of Sudan. The Government's contribution is nearly £500,000. In Nepal, the modern slave trade project provides more than £250,000 to reduce the number of young boys and girls coerced into prostitution.

I am grateful to my hon. Friend for drawing attention to the considerable work already undertaken in Hull at the Wilberforce House museum and the Wilberforce Institute for the study of slavery and emancipation. The close working between the museum, the University of Hull, the city council and others is a strong example of how we are most successful when we work together.

Through its close connections with William Wilberforce and as one of the country's major ports, Hull clearly has a key role to play in 2007. I am especially pleased that it has been working closely with the other great port cities of Liverpool and Bristol, which had a direct connection to the slave trade. The focus in Hull on highlighting the historical detail of the slave trade, the role of abolitionists and the links to modern-day forms of slavery and injustice is the focus that will make 2007 a success. Hull will rightly play a major role in the events of 2007, and I am grateful to my hon. Friend for inviting me to visit the city. I look forward to seeing the work she outlined in the new year.

I recognise the pivotal role of Hull—I underline pivotal—and I shall highlight a few of the other initiatives that are already in hand or planned for 2007. The National Maritime museum in Liverpool will open a new gallery, known as the national museum and centre for the understanding of transatlantic slavery. In the design of the displays and through focused outreach, the museum will target new visitors, particularly from under-represented and ethnic minority groups in and around Merseyside. Funding for the museum comes largely from the Heritage Lottery Fund. I am pleased that my Department is directly contributing £250,000 a year to meet the new museum's running costs.

Education and youth involvement is a key element in 2007. As part of strategic commissioning through the national-regional partnerships programme, my Department and the Department for Education and Skills have funded the understanding slavery initiative, involving Hull, Bristol, Liverpool and the National Maritime museum in Greenwich. I am pleased that since 2003 that initiative, which anchors teaching of the history of the period within the school curriculum, has received nearly £600,000 from the Government. It is most important that children in key stages 2 and 3 learn that history.

In funding events in 2007, the Heritage Lottery Fund is encouraging community-based organisations and others to apply for funding inspired by the bicentenary. It is keen to fund projects that add to the collective understanding of the transatlantic slave trade and its impact on our national heritage.

It was noted earlier that there was a problem in the application made in Liverpool; I was also lobbied vigorously on the issue by my hon. Friend the Member for Bristol, East (Kerry McCarthy). I understand that the Heritage Lottery Fund will meet the Bristol Empire and Commonwealth museum again soon. The fund is keen to emphasise that it is committed to funding projects throughout the UK to mark the 2007 bicententary. It has already awarded grants totalling £15 million and published guidance for applicants considering projects. I hope that the problems, particularly those in Bristol, will be overcome.

We cannot hope now to right the wrongs perpetuated in the past, but we should not ignore them. We must learn from them, and take the opportunity of the bicentenary to engage more widely in positive debate about the evils of present-day unfree labour, trafficking and forced prostitution. We must also celebrate and commemorate the many lay people and parliamentarians, men, women and free slaves who successfully campaigned in Britain for the abolition of the slave trade.

Rural and Island Transport

1 pm

Mr. Andrew Turner (Isle of Wight) (Con): It is a great pleasure to have this opportunity to raise rural and island transport. I welcome the Minister and thank her for her great courtesy in meeting the leader of the Isle of Wight council, Andy Sutton; the councillor with responsibility for transport, Ian Ward; and myself—supported by officers—on Wednesday 1 December, when we discussed a couple of the issues with which we on the Isle of Wight are concerned. I do not intend to reiterate the arguments made then, but I know that the Minister was impressed by the passionate way in which Councillor Sutton made the case for a highways private finance initiative. We are ready and raring to go with a highways PFI. Our highways have been neglected for many years, so if the Minister wants the island to be a rural pathfinder for such a PFI, we are ready and waiting at the starting block.

I know that the Minister cannot make any commitments at this stage, and she said that she would not be able to visit us while the question of a highways PFI was up for decision, but she would be very welcome to visit as soon as she has made that decision, whether it is the right one or not. However, I am sure that she will make the right decision.

Under its new leadership, the Isle of Wight council is much more dynamic and forward looking than its predecessor. One area in which it is taking a proactive role is in easing and improving public transport. Charlotte Cooke, the member of the Youth Parliament for the Isle of Wight, as well as many of her predecessors and the Isle of Wight Youth Council, which was elected last Monday, have repeatedly complained about the cost of bus fares on the island, especially for young people. One of their biggest gripes is that, once one is 14, one must pay the full adult fare, which is not the case in many places on the mainland. Councillor Sutton tells me that he is looking very hard at introducing a £1 flat-rate bus fare for travel anywhere on the island. That will do wonders for young people in improving their choice of school, improving access to facilities in Newport, Ryde and the other towns and generally improving accessibility for the young, vulnerable and elderly. We are certainly pleased that that is going ahead.

The second issue that I raised with the Minister was cross-Solent transport. We have an excellent service; let us be in no doubt about that. There are around 300 sailings a day of various kinds and at various times across the Solent. However, they are costly for low-income groups. The hovercraft goes between Ryde and Southsea; the catamaran goes between Ryde pier and Portsmouth harbour; a car ferry runs between Fishbourne and Portsmouth harbour; the Red Jet runs between Cowes and Southampton; and another car ferry goes between east Cowes and Southampton. We also have the Lymington ferry. I will not go into all those services in detail.

I do not propose to ask the questions to which the Minister gave clear answers a fortnight ago, but I must reiterate the case for action to improve cross-Solent accessibility. The Minister's hon. Friend the Minister of State, Department of Health said 18 months or two years ago that she recognised that islanders should not have to cross the Solent to get to a dentist. I am pleased to say that there have been slight improvements in that area. Not all islanders now have to cross the Solent to get to a dentist. However, they must cross the Solent for other major medical interventions, including radiotherapy. A 30-day season ticket for the Red Funnel ferry—which is what one needs for a 28-day course of radiotherapy in Southampton—costs £180. That is a substantial cost, which is not met for everyone by the hospital travel cost scheme. That helps only the poorest. It does not help those visiting or accompanying patients. I met a resident in Newport earlier this year whose husband had died in a hospital in Portsmouth. She was very distressed because she could afford to visit him, she said, only twice a week before his death.

People also cross the Solent for education purposes: for higher education and for some aspects of further education that are not available on the island. I am anxious to ensure that a dialogue opens up between my local authority and the Minister's officials, so that the Minister will not in future be placed in the position in which she was placed this time. When the Chancellor of the Exchequer introduced his Budget for elderly people to get free bus travel, that was costed without taking into account the cost of Isle of Wight ferries.

Mr. Angus MacNeil *(Na h-Eileanan an Iar)* *(SNP)*: Does the hon. Gentleman agree that perhaps one of the most crucial things for islanders, be they on the Isle of Wight or the Scottish islands of Na h-Eileanan an Iar or, indeed, Orkney and Shetland, is that a mile travelled at sea should be equivalent to a mile travelled on land, in that there should be some equivalence in the fares to overcome the disadvantage of island living?

Mr. Turner: I shall not go as far as the hon. Gentleman would perhaps like me to, but I thank him for his intervention. There are different costs to providing transport in different places on the mainland, so there could be no standard fare on the mainland, even if there were to be one on the island. I do accept, however, that people should not be significantly disadvantaged because they live on islands.

We do not have—I do not want to use the word "enjoy"—any subsidy for our ferries. That enables them to operate as quickly as they can and to respond to the needs of the market without an intermediary body. However, I would like the Minister's officials to work with officers of the Isle of Wight council to ensure that if another scheme comes up, we are not forgotten. I accept that, in the recent past, the council has not made approaches to the Department for Transport or its predecessors. As far as I know, it has not made any such approaches since 1997. I can therefore understand why the issue was not on the Department's radar, but I would like the Minister to accept that ferries are an integral part of an island's public transport network and to ensure that, in future, her officials are alert to our needs.

The Minister kindly agreed, when confronted with the costs of travel, to "reflect"—I use that word carefully. I am sure that, when reflecting, she will understand that a hospital car, which someone might use to get from home in, say, Alnwick to a hospital in Newcastle upon Tyne, is no use when travelling from Bembridge to Southampton.

[Mr. Turner]

There are a number of related cross-Solent issues. One is the failure of the Strategic Rail Authority and South West Trains to co-ordinate changes to timetables with ferry services and Island Line services. For example, the Portsmouth harbour train from Waterloo sometimes terminates short of Portsmouth harbour. If it finishes at Portsmouth and Southsea, people miss their ferry connection. Ferries will sometimes delay if a train is running late, but they cannot delay too long or they will miss the connection with Island Line at the other end. Island Line is, I think, the premier service in the country as regards meeting the Government's punctuality targets. The problem is that those targets are not as useful for people on the island if the train departs before the ferry arrives, as they might be in other places. There is a crossing loop on Island Line only two thirds of the way along the route, so an asymmetric service has to be provided. Will the Minister consider whether the punctuality targets can be appropriate for our trains in our places, rather than a standard national target?

Another change that the SRA and South West Trains made without consulting the ferry companies was in the services from Waterloo to Cowes. The through services that now leave at 5 minutes past and 35 minutes past the hour just manage to miss the bus that gets to the ferry in time to catch the Red Jet to the island, so the service between Cowes and Waterloo that used on occasion to be a two-hour service is now a two-and-a-half-hour service.

The bus and ferry companies could at least adjust that, should they so want, but the Lymington service, with which you may be familiar, Mr. Chope, has changed, too. The London to Brockenhurst to Lymington service has been adjusted, so it now no longer matches the times of the Wightlink sailings to Yarmouth. It is much more difficult for the ferry company to adjust its sailing times, because two ferries cannot pass each other in the Lymington river. Each of those examples is an occasion on which the SRA must consult other transport undertakings before it sets in stone new time.abling arrangements.

My final moan about South West Trains and the Strategic Rail Authority concerns advertisements for services, especially those from Waterloo. It would help if Cowes, Shanklin and other island destinations were advertised at Waterloo as they would be if they were railway stations on the mainland. The fact that there is a break in the service to take a ferry is no excuse not to advertise those destinations. If public transport is to be integrated, whether by Government or the private sector, it must be integrated fully. There must be effective advertising of all available services.

While I am on the subject of trains, I ask the Minister to look at the duration of the Island Line franchise and at Network Rail's long-term plans for the permanent way of the island's rail service.

I have two fears. First, the Minister may be aware that we have a unique vertically integrated railway franchise. That means that Stagecoach, which owns Island Line, is responsible for maintaining the permanent way—the crossings, embankments and bridges—and for purchasing, or hiring, and maintaining the rolling stock. If there is a short franchise, the money provided—notionally to support the permanent way—will be spent elsewhere in Stagecoach's extensive network.

Secondly, with a short franchise, there is not the same incentive that there might be with a longer franchise to invest in rolling stock. As a consequence, the Isle of Wight is still running London underground stock that dates back to the 1950s. It is quite effective, but it is not exactly attractive. We could do better for the island.

The Minister will be interested to hear about a ragbag of odds and ends that I want to draw to her attention. As well as ferry services, it is important that we develop air services to the island. They would not be used by an overwhelming proportion of the population, but they would encourage business and investment to the island. Air services would also encourage some higher-spending holidaymakers to visit the island.

We are pressing the South East of England Development Agency, through the Isle of Wight economic partnership, to examine the possibility of a helicopter link to Cowes, perhaps from Southampton airport. We are also pressing for the navigation system at Bembridge airport to be upgraded in order to make blind landing possible there. It is a wonderful airport with an excellent runway, but, at present, it is not possible to land a plane in the dark or when there is low cloud.

Just before the most recent council elections, the ruling group on the council proposed the introduction of a landing charge. Islanders viewed that as a covert form of congestion charge. Not surprisingly, they threw out the ruling group and elected the Conservatives instead.

I should like the Minister to give some assurance that if Portsmouth or Southampton city councils were to consider a congestion charge the cost would not be borne by Isle of Wight motorists. As I have said, the cost of crossing the Solent is already significant, and we do not want any artificial boost to that through a congestion charge.

Finally, as the Minister will know, two thirds of the island is made up of areas of outstanding natural beauty. Many areas that are not designated as AONBs are very attractive and worth visiting. I congratulate the Government on an excellent booklet on street design, reduction of road signs in rural areas and on enhancing the environment that English Heritage and the Office of the Deputy Prime Minister have recently published. The environment of the Isle of Wight is precious to us all. I congratulate the Minister and her Government on that booklet and should welcome her if she would like to come to the island in the near future.

1.15 pm

The Parliamentary Under-Secretary of State for Transport (Ms Karen Buck): I congratulate the hon. Member for Isle of Wight (Mr. Turner) on securing this debate and on his energy in making representations to me a couple of weeks ago. He and his council colleagues have made many valuable points about transport on the Isle of Wight. We can all agree about the special character of the Isle of Wight and some of the particular challenges faced by rural and rural island communities in transport and in accessing services.

I hope that I will be able to respond to a number of his points. If I cannot cover them all, I shall be happy to speak to him later. He talked about bus transport today, as he did when we met earlier. The Government are heavily committed to supporting bus use. We are providing more than £360 million a year through the bus service operators grant and through rural subsidy grant, which is now £53 million a year and helps to support around 2,200 rural bus services. We also invest in particular projects, such as bus challenge schemes and kick start.

Isle of Wight services are benefiting from more than £250,000 in rural bus services grant in this financial year and have been awarded more than £1.6 million since 1998 to develop their rural bus services. That supports 15 services in the authority's area. The Isle of Wight was successful with a 2002 rural bus challenge bid, the "East Wight villager", for which it was awarded more than £400,000. The "East Wight villager" is essentially a demand responsive service, linking the small villages with the principal towns. The award paid for the purchase of the vehicles and provided support to maintain the service for three years.

The hon. Gentleman referred to concessionary travel. As he knows, the Government are committed to helping older and disabled people to access public transport. We introduced the first statutory minimum entitlement in 2001, which guaranteed half-fare travel on local buses. We will provide an extra £350 million in the next financial year to allow older and disabled people to travel free on local off-peak bus services. As he is aware, we have made it very clear that this is a baseline of service on which local authorities are encouraged to build. That may be in partnership with other local authorities, which is not so easy when one is separated by a body of water, or by developing additional services on top of the concessionary fare that is essentially Government funded.

It is pleasing to hear that the council is looking at innovative ways of approaching flat fares or other concessionary fare approaches to help meet the particular local needs of the community. The Government are investing the money to provide a service but we recognise that central Government cannot and should not attempt to develop a very responsive service to every local area's particular needs. We want local government to take a lead in doing that.

One of the appropriate ways for local authorities to rise to that challenge is in the field of community transport, which is particularly relevant to rural communities. Provision and funding of transport to hospital and medical facilities, for example, can be provided by a number of different organisations, such as the hospital trust, local, voluntary and community groups, and bus and taxi companies. Community services operated by the voluntary sector have a valuable role in supplementing public transport provision. Local authorities have the flexibility to support these services from their local budgets should they choose to do so. A local authority can use its allocation of rural bus subsidy grant to help fund such services, and many community transport operators are also eligible to claim bus service operators grant from the Department.

The hon. Gentleman has made several representations on making travel concessions on ferry crossings a statutory entitlement; that was the clear theme of his speech today and at our meeting on 30 November. As he vigorously explained, it will be necessary for islanders to travel to the mainland to access hospital health services or services such as education. However, I assure him that travel concession authorities can already provide enhancements to the statutory minimum requirement, and it would be within the local authority's power to give concessions on ferries, subject to financial priorities. The current basis of concessionary travel is the Government framework for a minimum entitlement, which leaves local discretion to add extras, such as bus travel before 9.30 am, community transport schemes and concessionary travel on services outside the local authority boundary.

The context is the financial settlement for local authorities, which was announced early last week. It was the first two-year settlement for local authorities' Government grant. Overall, £62 billion will be provided in 2006–07 and £65 billion in 2007–08. For the Isle of Wight, that means an extra £6 million, or 5.5 per cent., in funding in 2006–07. Taking formula grant and dedicated schools grant together, that will increase to £7 million, a 6.1 per cent. increase.

Mr. Turner: Can the Minister give a figure for reimbursing the cost of introducing the free fare scheme for pensioners?

Ms Buck: I am afraid that I do not have the figure with me, but the grant is not ring-fenced, as the hon. Gentleman is probably aware. The distribution is done under a formula and in consultation with local government. The money is then put into the general environmental and protective cultural services block of the revenue support grant for local authorities to draw on.

On roads, the hon. Gentleman made a strong case for supporting the roads private finance initiative. It may be helpful if I explain the bidding process for PFI. We aim to invite expressions of interest for further highway maintenance PFI pathfinder projects from local transport authorities early next year, although the exact details have yet to be finalised. Under the process for accepting bids, the Department will invite expressions of interest from local authorities and ask the strongest bidders to produce an outline business case. If the Department approves an authority's outline business case, it will be put forward to be approved by the project review group. The group is an interdepartmental body chaired by Her Majesty's Treasury and has to approve all PFI schemes that require central Government support.

On air services, the White Paper on the future of air transport supported the growth of regional airports and recognised in particular the role that air services can play in providing rapid access from the regions to other parts of the country. The network of domestic air services in the UK has expanded significantly in recent years, and several airlines specialise in serving thinner routes to small regional airports. We are looking to those carriers, working with airport operators, to introduce proposals for new commercial services and to open up parts of the country that do not possess air

[Ms Buck]

links. I am aware that there is a history of air links to the Isle of Wight, although no sustained air services have operated for a great many years. The potential for new services to the island would of course be restricted by the limited capabilities of the two licensed aerodromes, which could support only smaller types of commercial aircraft.

The hon. Gentleman mentioned Island Line. As he knows, it is a stand-alone train operating company franchise operated by Stagecoach, and it is due to end in February 2007. The first stage of the procurement process for the letting of the new South Western passenger rail franchise has started. The new franchise will encompass the existing Island Line franchise. There has been no significant investment in the line for a considerable time, but it is being designated as a community rail line as part of the Department's community rail development strategy, which is examining the cost-effectiveness of infrastructure enhancements to enable a more regular service pattern to operate while reducing ongoing costs.

Progress has been made in establishing a community rail partnership for the island that involves the railway, the council, Wightlink and other user groups. Its main purpose will be to raise the profile of the line and to promote its local use and use by mainline visitors.

The hon. Gentleman made important and valuable points about information, advertising and rail punctuality. I promise him that I will ensure that the Under-Secretary of State for Transport, my hon. Friend the Member for Halton (Derek Twigg), who is responsible for rail services, is given a note of what he said, and I will ask whether he can add anything to my comments today.

We recognise that there are many challenges ahead, and that rural communities, particularly on islands, face very specific challenges. We believe, however, that there is a healthy future for rural transport of the island, given the Government's investment in local government settlements, in local transport plans and in the bus service, and given the partnership achieved by the Isle of Wight authority. I assure the hon. Gentleman that officials in my Department want to continue to work with the local authority to ensure that we make the best possible use of the opportunities available to us.

School Closures (Weaver Vale)

1.26 pm

Mr. Mike Hall (Weaver Vale) (Lab): I am absolutely delighted to have secured the debate because the issue that I am about to discuss is causing great consternation in four villages in my constituency. Under an initiative that it has called "Transforming learning communities", Cheshire county council has introduced a document on which it will base its attempt to tackle what it describes as falling rolls and surplus school places. Several people in the villages of my constituency believe that, rather than transforming learning communities, the title of the document is a sort of euphemism and that the council will close at least two, or possibly three, schools in my constituency. That is why they are very concerned.

The council decided on the basis of population projections and birth rates that it will have a surplus of some 5,000 school places by 2010. It decided on a piecemeal approach to dealing with the problem and has divided the county into eight different areas, three of which it will visit this year, a few of which it will visit next year, and a few the year after.

The first tranche of the review deals with the area that it has called Frodsham and Helsby, which contains Manley village school, Kingsley St. Johns and Norley Church of England school, as well as a primary school. The review also covers Frodsham technology college, which it recommends for closure because it has only 700 pupils, at least 400 of whom are from outside the county council area. Most of them, in fact, come from the Runcorn part of my constituency, which also causes me some concern.

I do not believe that the county council has thought through the implications of closing Frodsham technology college for the other parts of Cheshire, particularly for the constituency of my hon. Friend the Member for Ellesmere Port and Neston (Andrew Miller). Young people from the village of Elton in that constituency will be very much affected by the closure, and may be forced to go to a school other than Helsby high school for their secondary education.

The first tranche of the review suggests that Alvanley primary school merges—the council uses the word "amalgamate"—with Manley primary school, and that Kingsley St. Johns and Norley Church of England school should amalgamate. That could result in the closure of all four schools and the opening of two new schools on sites yet to be determined, or it could result in two of the schools closing and the two other schools amalgamating on one of the sites.

Whatever happens, village schools in my constituency will close. When we pressed the county council on the matter, its first argument was that it had to tackle falling school rolls and surplus places. The four primary schools, however, are full. They have a buoyant intake, they do not face the prospect of falling school rolls and they provide an excellent education for the pupils in their care. The role that they play in their communities is equally important. They are vital to the infrastructure of their communities, and closure of any one of them would be irrevocable.

The first thing that I asked the county council was that this was the first tranche of the review and it did not know what would happen in the other schools in the

county, so why the piecemeal approach? It said that it would review the area again in 2008, so not only do we face a traumatic review in 2005, but three years down the track, when the county council has found out the implications of its reorganisation, it will revisit the schools that stay open. I have told the county council that it should adopt a two-stage approach. It should review every primary school in the county and, when it has an idea of the changes it would like, go to the second stage of the process and carry out the statutory consultations required by law. That would give us a clear picture of the effect on the whole county, and we would not have to tell schools that they would be reviewed again. Everyone would see that the process was fair and transparent.

There is a fear that the county council will do the first tranche of work and find out that the temperature out there is so hot that it needs to rethink its views, so that village schools in my constituency will close but a different attitude will be taken to reviewing the rest of the county. That would be unfair and unnecessary. I hope that the county council will consider that view, but I am not optimistic that it will do so when it makes its decisions tomorrow and on 19 December.

When pressed on the matter of falling rolls and surplus school places the county council has used 2002 statistics. The statistics for 2003 show that the birth rate in the county council area of Cheshire is growing. The county council advised me in a letter that it accepts that the birth rate is increasing, but does not know whether it is a trend. Without waiting to establish whether there is a trend of an increasing birth rate the county council went through an exercise of removing surplus school places across the county. It readily acknowledges that Alvanley primary school, Manley village school and Kingsley St. John's and Norley Church of England primary schools are, all four of them, full. They turn parents away each year because they are popular village schools.

The county council then deploys a different argument. When I first encountered it, I thought that it had carried out an assessment of the education in those four primary schools and come up with specific criticisms about what was happening. It said that the schools are small, with cross-age group classes, that they teach across the key stages, and that the head teachers all have a significant teaching commitment. Of course, that is true for those four schools, but it is not seen as a problem by Ofsted, which has inspected the schools and found them excellent.

On digging below the surface, one finds that the criticism does not arise from observation of the four primary schools in my constituency. It is taken, lock stock and barrel, from a Government document called the toolkit for falling rolls, which mentions the three relevant characteristics as being found by Ofsted in schools with falling rolls; but that is not a criticism that can readily be levelled at the four schools in my constituency. In less strident language, the county council draws attention to its concerns that the four schools may not be able to deliver the national curriculum, and that they may have weak leadership and governance. Those three observations, of course, do not derive from direct observation of the schools, but are taken from the Government toolkit on falling rolls.

The county council has always said that transforming learning communities is not about saving money. However, the document that it has produced, and of which I have a copy, makes it clear—and draws specific attention to the fact—that educating pupils in village schools is more expensive than educating pupils in urban areas. We all know that, but we also know that it should not be a barrier to pupils' attendance at their village school to get the excellent education that it provides. Those arguments have all been put to Cheshire county council, which has not taken cognisance of the strength of feeling in the villages.

That leads me to a very important issue. If the schools do not have falling rolls and are not facing surplus school places in future, if they are full and buoyant and Ofsted has given them a good report, and if parents clearly want to send their children to those village schools, why does the county council propose to merge them? The county council has come up with a figure; it says that most primary schools should aspire to have 110 pupils, and the fact that those four schools have fallen below that figure is one reason put forward for their amalgamation.

I would refer the county council to another important document produced by the Department for Education and Skills, entitled "Schools organisation changes" which is drawn up for decision makers. Paragraph 52 of that document is specific. It states:

"There is 'a presumption against the closure of rural schools.'"

It goes on to say it does not mean that rural schools should never close, but it sets out strict criteria about what needs to be in place should a local authority propose closing a village school and the arguments that it should provide to the school organisation committee. It draws specific attention to transport.

The parents of the children in my four rural schools can currently walk their children to school. If Alvanley or Manley schools were to close, it would mean a two-mile journey for the pupils. There is no public transport, so the parents will have no choice but to take them by car. The same applies to Kingsley St. John's or Norley Church of England primary schools; if they were to close, transport would be a problem.

I asked the county council whether, when making its initial proposals, it had taken account of the impact that closing any of those schools would have on the wider village communities. Quite straightforwardly, it said that it had not but that it would do so when it undertook formal, statutory consultation. Again, the county council is being remiss in not recognising the role that primary schools play in the life of the community.

The document also talks about federation. All four schools have said that they would like to consider that option. I have to tell my right hon. Friend the Minister that the parents in Manley, Alvanley, Norley and Kingsley do not want federation. They all want their village schools to stay open. The governing bodies of the four schools have gone for federation because they think that it is the only way to save their schools.

My view is that if there is a true consultation—one about transforming learning communities, improving education and sustaining rural communities—the status quo must be an option. I accept that the status quo is not an option for the entire county and that things will have

[Mr. Mike Hall]

to change. However, no case has been made for the amalgamation or federation of those four schools, or for the closure of two of them, or even all four. The parents are right. They should have the option of federation.

The volume of opinion in the four villages—what people are saying in support of the four schools and in response to the county council's initial consultation—should give the council pause for thought. It should take stock and reconsider the issue. I would be reassured if, at its meeting tomorrow, the county council decided to consult properly; the decision would need to be confirmed by the executive committee on 19 December. If it put all the options on the table—the status quo, amalgamation and confederation—it would go some way to addressing the villagers' fears.

The county council has not given an educational reason why any of the four schools should be faced with the threat of closure. I hope that when my right hon. Friend replies to the debate, she will be able reassure me about Government policy, because when the hon. Member for Witney (Mr. Cameron) was shadow spokesman for education he wrote to one of my constituents and tried to blame the Labour Government for what is going on in Tory-controlled Cheshire county council.

I have never wanted to make a political issue of all this. It is not one. It is about what we should do in the 21st century for primary school kids in my constituency. They should still be able to go to schools that serve their villages, and some of those schools have been doing just that for more than 120 years.

1.39 pm

Andrew Miller (Ellesmere Port and Neston) (Lab): I thank the Minister for allowing me to speak in the debate initiated by my hon. Friend the Member for Weaver Vale (Mr. Hall). Apart from being an hon. Friend and a genuine friend, he is also my Member of Parliament.

Mr. Mike Hall: I have some troublesome constituents.

Andrew Miller: My hon. Friend gets some awkward letters from me.

Alvanley, one of the schools that he mentioned, is in the village where I live, and my wife is a member of the governing body, so I am accountable through that route as well. The project affects the whole of Cheshire. The county council has split the county into a number of sub-units and intends between now and the end of 2006 to complete its review. I have said from the outset, in respect of the parts of the review that impact on my constituency, including those that overlap with the constituency of my hon. Friend, that it is absurd that they should be dealt with in isolation. My hon. Friend suggested a two-stage approach. I do not think that any irrevocable decisions should be taken until the whole county has been reviewed. That would be illogical; we would create fixed borders between the sub-areas of the county, and if a decision were taken in, for example, Weaver Vale that affected Chester or Ellesmere Port and Neston, illogical decisions might be made in relation to schools that were close to the border because they had been dealt with in different blocks. There ought to be fuzzy borders, and a different approach will have to be adopted if that is to work.

I concur with my hon. Friend in questioning the methodology. I hope that my right hon. Friend the Minister will undertake to check whether the approach being adopted by Cheshire in respect of predicted population figures is sound—there are statisticians who would argue otherwise. In my constituency, the review has produced a bit of a curate's egg. There are some welcome parts and some that will cause serious problems, not because of the rural make-up that my hon. Friend described but because no explanation has been offered as to what will happen to schools such as Gorsthill and Mansefield, which have served the community well for a long time, Mansefield with a multiple learning disability unit. Gorsthill has a dangerous fast road.

Mr. Hall: One thing in the review of which I am critical is the lack of any real thought about special educational needs. When I challenged the county council about that, I was told that it will review the special needs of individual pupils. In my hon. Friend's constituency, two schools are affected by the review, both of which have provision for special needs.

Andrew Miller: My hon. Friend is right. That raises a legitimate question against the proposals. There are major implications for the secondary sector. One of the proposals involves two centres for 11-to-14 year-olds and a 14-to-19 academy. That must be reinforced with very substantial sums from central Government. I have not been consulted about my views, either directly by the Government or indirectly through the county council. I hope that Members of Parliament will be engaged directly with the issue.

My final observation concerns a small school, Dunham Hill. It is a tiny little village school with a unique feature: over the years it has developed a specialist unit to provide education for the children of Travellers. It is unique. The current proposal is that the school should be closed and moved, lock stock and barrel, into Horns Mill in my hon. Friend's constituency. That might be perfectly logical in terms of numbers, because Dunham Hill does not meet the 100 criterion. However, one has to ask whether it makes sense in terms of broader social policy considerations, because it will jeopardise the effort that has been made over the last 10 to 15 years by successive county council administrations to integrate Travellers' children into mainstream education, which is now showing success in getting some youngsters into the secondary sector. I do not believe it is possible to pick up such a unit and physically move it, and I have concerns about it.

I fully understand my hon. Friend's comments about rural schools, and, like him, I do not want to make this a political issue, but we find it a tad amusing to see signs popping up all around the county that say "Save our schools"—we must remind people that this is all about saving our schools from a Tory county council.

The issue is complex; there must be change in some parts of the county, but I hope that the Minister will use her good offices to intervene to ensure that the changes

that take place make sense in all the policy areas that my hon. Friend described, which have an impact on children in the communities.

1.46 pm

The Minister for Schools (Jacqui Smith): I congratulate my hon. Friend the Member for Weaver Vale (Mr. Hall) on securing the debate, from which it is evident that there is great interest among local people in Cheshire's transforming learning communities initiative, and particularly on the impact that it may have on primary and secondary school provision in my hon. Friend's constituency and in the constituency of my hon. Friend the Member for Ellesmere Port and Neston (Andrew Miller). My hon. Friends and other stakeholders in the local community should and will have an important role in considering the issues. It is good to see local MPs not only ably defending their constituencies but being willing to see the coherence of the plans throughout the area.

Changes to school provision in a district are essentially matters for local decision, as the local authority has the statutory responsibility for planning school places and for proposing to close schools and open new ones. The local authority has a statutory duty to ensure that there are sufficient places and that high quality education is provided in a cost-effective way.

My hon. Friend the Member for Weaver Vale rightly put great emphasis on the quality of the primary education that will be provided in his constituency, which must be at the heart of any proposals or changes made. The Department's five-year strategy for children and learners, which followed from our primary document "Excellence and Enjoyment—A Strategy for Primary Schools" sets out the success story of primary education, with many schools delivering high-quality education. Impressive strides in literacy and numeracy have been made in recent years, and teaching has improved in every curriculum in primary schools since 1997.

My hon. Friend is right to say that overall primary standards in Frodsham and Helsby are good and broadly in line with the average for all Cheshire schools. In Cheshire as a whole, key stage 1 and 2 results are above the national average. No primary schools in Frodsham and Helsby have been identified as requiring special measures, having serious weaknesses or as under-achieving. The staff and governors at Alvanley, Manley, Kingsley St. John's and Norley primary schools are doing an excellent job in ensuring that the work continues for my hon. Friend's constituents.

Cheshire county council is reviewing primary and secondary school places in Frodsham and Helsby because of the surplus places that exist in both sectors. The county council has informed me it is undertaking public consultations on the proposals for schools in Frodsham and Helsby. It is important that the process allows for the consideration of alternative proposals put forward by local stakeholders with an interest in education. Clearly, both my hon. Friends are concerned about and involved in that. Hon. Members must be involved. We recently changed the guidance on schools organisation to ensure that local Members are fully engaged in decisions. I assure my hon. Friend the Member for Ellesmere Port and Neston that he will be consulted about any academy proposals in his constituency.

Later this month, the Cheshire schools panel will consider the outcome of the consultations and will make recommendations to the executive of the council on which proposals to recommend for publication. The executive will then decide whether to authorise publication of statutory proposals setting out any planned changes. There will then be a formal process, which must be carried out, which I will outline in a moment.

My hon. Friend the Member for Weaver Vale concentrated particularly on the possible amalgamations involving his four primary schools. He outlined the need to ensure that the proposal to close the secondary school in his constituency is dovetailed with proposals for other changes and that considerations of the knock-on effect of any closure on where young people and families will receive their secondary education is important. In the Government's view, any changes to school organisation should focus on boosting standards and opportunities for young people while matching school place supply as closely as possible to pupil and parental needs and wishes.

The Education Act 1996 places a duty on each local education authority to ensure that sufficient school places exist to meet the needs of the local population in order to promote high standards of attainment for all pupils. If an authority decides to reorganise provision, decisions will not be taken by Ministers but will be decided locally, as Cheshire county council is starting to do. As I indicated, the proposals are at public consultation and have not yet moved into the statutory phase. All interested parties must be consulted before proposals are published by the authority, provided with sufficient information and allowed adequate time in which to respond. If there is a decision to proceed with closure proposals for individual schools, formal notices must be published in a local newspaper, posted at the main entrances of the schools named in the proposals and placed locally in another conspicuous place. There is then a six-week period in which people can submit representations in support of or against the proposals, except in the case of a school in special measures, when the period is one month, although that clearly is not the case in my hon. Friend's constituency.

If the authority publishes the proposals and there are no objections, it may proceed and implement them. In all other cases, such as those for which objections are received and those concerning voluntary-aided schools, the proposals are referred to the school organisation committee, which is made up of five or six groups, each representing major stakeholders in the provision of education, including the diocesan bodies. Each group has one vote and must consider all evidence in line with the guidance issued by the Secretary of State before reaching a decision. If a unanimous decision cannot be reached, the case is referred to the independent schools adjudicator for final decision.

Guidance for those publishing and deciding proposals for changes to local school organisation makes it clear that the Government are committed to

[Jacqui Smith]

greater personalisation and choice, with learners and parents at centre-stage, but that must be set in the context of raising standards.

Andrew Miller: Does the consultation requirement extend to proposals for infant and junior schools to merge?

Jacqui Smith: Yes, it absolutely does. The proposals that my hon. Friend the Member for Weaver Vale mentioned on the four primary schools would involve the statutory process that I have outlined. Our guidance on those changes states that decisions must be made in light of a range of factors, including potential impact on local standards, contribution to diversity, views of interested parties and cost effectiveness.

My hon. Friend made some important points about rural schools, which make an important contribution to their local area. They are often at the heart of rural communities, as my hon. Friend said. Closing a rural school can have effects well beyond the schooling of children. That is why we introduced a presumption against closing rural schools in 1998. Before that, an average of 30 rural schools a year were approved for closure. This has now reduced to an average of five. Of course, the presumption against closure does not mean that no rural school will ever close, but it ensures that there must be a strong case for closing a small rural school, and closure must be in the best overall interest of education in the local area.

As my hon. Friend said, the decision maker's guidance on statutory proposals requires local authorities or governing bodies that propose a rural school closure to provide evidence to show that they have considered a range of factors, including transport implications, alternatives to closure and the impact on the community. We also expect authorities to take full account of our proposals on primary education, as set out in the five-year strategy, when planning for primary school provision.

As for the review of primary and secondary schools in the Frodsham and Helsby area of my hon. Friend's constituency, he identified the arguments made by the local authority on surplus places. Surplus places can represent a poor use of resources that could be used more effectively to support schools in raising standards. In the light of a downward trend in the number of pupils in primary education and the resultant impact on secondary schools, that is a national and local concern. That is why we have developed, in conjunction with the Audit Commission, a web-based toolkit which offers a range of practical advice and guidance on dealing with falling rolls. Where pupil numbers fall below 150, the guidance states that schools may have to take some difficult decisions to maintain the quality of education, including considering the introduction of mixed-age teaching. However, I emphasise to my hon. Friend that the guidance does not state that a school should not have mixed-age teaching, or that that would be a reason for closure or reorganisation.

Mr. Mike Hall: I think that there are some strong educational merits in mixed-age teaching, certainly in primary schools. I am also certain that, where head teachers of primary schools have teaching commitments, those schools are better for it.

Jacqui Smith: My hon. Friend may well be right. The important point is that there is no central Government instruction; it is a decision that must be taken in the light of the quality of local provision. Indeed, while the latest Ofsted report for Cheshire local education authority states that performance in managing the supply of school places is unsatisfactory, the reduction of surplus places is not a matter for central Government; it is a matter for local decision making and we do not issue instructions on that matter. It is very much a matter for individual authorities to decide whether and how they reduce levels of surplus places, taking into account local circumstances, including school performance, as well as geographical and social factors. That is what my hon. Friend is exhorting Cheshire to do.

Both my hon. Friends made important points about the need to ensure that any changes made locally take into consideration the impact on standards, parental views, coherent provision across constituencies, and the impact on special educational needs. My hon. Friends have provided an important voice for local people. As the proposals proceed, it will be important that consultation, in line with the statutory approach that the Government have set out, ensures that the voice of local people is clearly heard.

Question put and agreed to.

Adjourned accordingly at one minute to Two o'clock.

Westminster Hall

Wednesday 14 December 2005

[FRANK COOK *in the Chair*]

Agriculture (Northern Ireland)

Motion made, and Question proposed, That the sitting be now adjourned.—*[Kevin Brennan.]*

9.30 am

Dr. William McCrea (South Antrim) (DUP): I am grateful for this opportunity to debate one of the most important subjects for the people of Northern Ireland: the state of Northern Ireland agriculture. Agriculture is three times more important to the Northern Ireland economy than it is to the UK economy as a whole.

The industry in Northern Ireland is predominately grass-based, with grazing livestock accounting for almost two thirds of gross industry output. The poultry, pig, cereal and potato sectors also have a significant part to play in the Northern Ireland agri-food industry.

In Northern Ireland, there are more than 28,000 farms, half of which are large enough to have at least one full-time employee. As in other regions of the UK, there have been great changes to the agricultural sector, resulting in many farms merging and becoming larger. The 3,800 largest farms account for 57 per cent. of all on-farm economic activity, for 82 per cent. of the dairy population, for 80 per cent. of the pig population and for 61 per cent. of the poultry population. That restructuring has resulted in the total number of farms falling by approximately 1 to 2 per cent. per annum, reflecting the fact that fewer younger people are entering the industry and that more elderly people are leaving their lifelong profession, handed down from generation to generation. In my contribution, I shall identify problems and express my concern about the fact that fewer young people are entering the industry.

Although the age profile of farmers has not significantly changed over the past decade—the average age of farmers is 55—it is noteworthy that farmers on larger holdings have a younger age profile than those on smaller holdings. It is vital that those on larger farms are given the help and assistance that they require to survive well into the future. If those large holdings do not have a secure and viable long-term future, I am genuinely afraid that the agri-food sector, Northern Ireland's largest employer, will become unsustainable.

Northern Ireland farmers supply the many food processing companies in the Province. Also, a large volume of milk is exported from Northern Ireland to the Republic of Ireland for further processing. The food industry has a gross turnover of over £2 billion per annum, and it accounts for approximately 21 per cent. of the total for the Northern Ireland manufacturing sector. The largest two sub-sectors—milk and milk products, and beef and sheep meat—account for almost 50 per cent. of the industry's turnover, reflecting the importance of those commodities in Northern Ireland's primary production.

The processing sector is heavily dependent on external markets, with sales outside Northern Ireland accounting for well over half the industry's turnover. It is not fully recognised that the food industry exceeds the performance of many other sectors of the economy. The agri-food industry is vital to the Northern Ireland economy as a whole.

I turn to the key problems facing the Northern Ireland farming community. A number of key policy decisions are currently being debated at local, national, European and global level; they will have a massive impact on how the agri-food industry survives in future, and on farmers in Northern Ireland.

The first issue is the Government's attack on the common agricultural policy, and the EU budget and World Trade Organisation discussions. In the past few months we have listened to the UK Government link any possible deal on the EU budget with a further reform of the CAP. I have to say that, at a time when the Government are chairing the EU presidency, the policy is flawed and will ultimately damage the agri-food sector, not just in Northern Ireland and the rest of the UK, but throughout Europe.

I urge the Government not to surrender the UK rebate won by a previous Government and not to accept a deal that will be bad not only for UK agriculture but for the UK economy. When the CAP was reformed in 2003, it was sold to UK farmers in the guise of something that would prepare Europe for a world trade deal. In Northern Ireland, we are already starting to see how the reformed CAP is impacting on the Northern Ireland farming industry.

Due to a reduction in export refunds for milk products, milk prices received by United Dairy Farmers, the largest milk processor in Northern Ireland, are 10 per cent. lower than this time last year. Over the coming months, many dairy farmers will struggle to survive as the price they get paid for their produce continues to decline. They will face losses rather than break even if that decline continues. Given the many hours that farmers spend on the farm, working for nothing is not practical and will drive many to the wall. A further reform of the CAP would undoubtedly mean support for agriculture being further removed, and I fear that that would result in many farmers turning their backs on the land. That will have a negative impact not just on the economy but on the management and sustainability of our rural areas.

This week finds us in the midst of the world trade summit in Hong Kong. The current proposals being tabled by the EU Commissioner, Mr. Mandelson, and supported by the UK Government, will jeopardise the whole rural infrastructure throughout Northern Ireland. They will lead to a reduction in import tariffs for products coming into the EU, and will result in further cuts of export refunds for products leaving it. That will have major consequences for both the beef and dairy sectors in Northern Ireland. I am also concerned that before a final deal is reached, further ground will yet be conceded and farmers will suffer even greater hardship.

This summer, beef prices collapsed in Northern Ireland as a direct result of the importation of high-value beef cuts from regions such as south America. My hon. Friend the Member for Upper Bann (David Simpson) will no doubt touch on the point if he is able to catch your eye, Mr. Cook.

[Dr. William McCrea]

The Mandelson proposal envisages current import tariffs being reduced by a further 50 per cent. The impact of that would decimate the market, and with a reduction in export refunds for exports going outside the EU, the impact on livestock prices would be dramatic, resulting in a loss of producer confidence. Given that consequence, there could be a mass exodus from both dairy and suckler production, and the slaughtering of the dairy and suckler herds which have taken decades to build up.

I challenge the Minister today: is she content with the depopulation of livestock numbers throughout the United Kingdom? Are the Government satisfied with leaving the job of supplying the food for the UK to another nation? What will happen when there is a global pandemic of a disease such as bird flu or foot and mouth? What will happen when there is a major natural disaster in one of the countries on which we rely to provide us with our food? What will happen if bioterrorism affects the food imported into this country?

Returning to the reform of the CAP, I say to the Minister that farmers have had to meet strict environmental and animal welfare standards. Are those same conditions and standards being requested from other countries that supply us with our food? My hon. Friends and I have grave doubts about that; we believe that other countries that sell their food in Northern Ireland and under cut prices are not meeting the standards, and that strict animal welfare and environmental conditions are not being met. Those are serious matters, to which the Government ought to give serious consideration.

In Northern Ireland, the implementation of stringent environmental legislation is causing considerable concern. Currently, both the Department of Agriculture and Rural Development and the Department of the Environment are discussing with the European Commission how best to implement the nitrates directive in Northern Ireland. My view is similar to that of many farmers: the environment should be protected from pollution. However, I harbour concerns that the implementation of the nitrates and water framework directives will result in a massive cost to the industry without any proper environmental gain.

The implementation of the nitrates directive will cause massive problems for the dairy sector and the intensive pig and poultry sector in Northern Ireland. Those problems cannot be overstated; neither should they be underestimated. In early July 2005, I gave a guarded welcome to the announcement made by the agriculture Minister, Lord Rooker, of a reduction in the closed period required for organic manures and to account being taken of producers who out-winter livestock, rent winter accommodation and use straw bedding. I was disappointed to learn that the Commission was not willing to accept the points given to DARD at that time.

Several issues need to be addressed before the action programme is formally submitted to Brussels. It is vital that the closed period for organic manures should be kept to a bare minimum. I would have preferred to see a system that allowed the spreading of slurry according to the prevalent climate conditions and those forecast by the Met Office. That seems more logical than using dates on the calendar to decide when and when not to spread slurry.

The current proposal, which will prevent slurry from being spread on land whose gradient is greater than 20 per cent., is also open to challenge. Its very nature shows how detached policy makers, even those in DARD and the DOE, can become from the reality on the ground. I would welcome a commitment from the Minister that the Government will reconsider the proposal to ensure that farmers can spread organic manure on land, even if the gradient of that land is greater than 20 per cent.

Another measure included in the proposed action programme which will severely limit the area of land available for spreading organic manures is the ban on the spreading of manure within 10 m of any other waterway. Do the Government realise that the majority of fields in Northern Ireland are small and have open drains? To have a policy that means that manure cannot be spread with 10 m of a waterway is totally illogical and, in many ways, impractical. Will the Minister give a commitment to look afresh at the matter and ensure that when the regulation is implemented, there will still be some available land left for the spreading of organic manure?

Another concern is phosphates. I recognise that traditionally there has been a surplus of phosphates in fertilisers and animal feeds used in Northern Ireland. However, the farming industry has already taken major steps to reduce the levels of phosphates included in fertilisers and animal feeds. That alone should help to address the phosphate imbalance that has traditionally existed. I oppose the introduction of individual farm phosphate balances from 2007. In the longer term, it is vital that the Government find alternative uses for animal manures, particularly from the intensive pig and poultry sector.

I welcome the group that has been set up in Northern Ireland and tasked with addressing that issue. However, much of the European legislation that the group is addressing has been on the statute book for years, so it is rather late in the day to set up the group, although it is welcome. That should have been done within the Department years ago. It is equally important that there is appropriate financial backing to deliver projects that will provide an alternative use for organic manure produced by the intensive sector. Without that, the measures will be impractical.

I welcome the announcement earlier this year of the £45 million earmarked to help farmers to make necessary adjustments to their holdings to cater for the implementation of the nitrates directive. However, there are a number of changes that could result in the farm nutrient management scheme providing better value for money. My party has called on the Government to introduce a roofing scheme to reduce the dirty water collected on farms instead of constructing additional storage capacity. The Government should not delay the scheme but seek to introduce it at the earliest opportunity.

I have received numerous complaints regarding the specification of tanks funded under the farm nutrient management scheme. I often wonder whether the current specification required from farmers is above

that required under the slurry and fuel oil regulations. It is vital that, when DARD is providing 60 per cent. grant aid for the construction of tanks, it does not gold-plate the building specifications. I always find that when regulations are introduced to deal with issues that have emanated from Europe, the UK Government gold-plate the legislation, rather than trying to bring the Community along with them.

I remember one of the issues that we faced in the crisis in the pig industry. Another noble Lord was the Minister at that time, and I remember begging him to save the industry from total collapse. He told me that European legislation would not permit that; no help could be given. However, France gave help to its farmers. I pointed out to the Minister that a great European country, France, the leader of Europe, was giving help and asked why the United Kingdom—we are looked on as poor Europeans who do not know whether we are in or out of Europe—could not help its farmers.

Lorely Burt (Solihull) (LD): The issue of gold-plating is of concern to all industries in the United Kingdom. Does the hon. Gentleman agree that we should put tremendous pressure on those responsible for the interpretation of European directives to ensure that they do not interpret them to the maximum extent but reflect the spirit of what they are intended to achieve?

Dr. McCrea: I absolutely agree with that sensible comment. A balance has to be struck, but there is a desire to prove something to Europe by gold-plating legislation coming from Europe instead of dealing with the spirit of its intention, so the UK tries to maximise the legislation, instead of having a balanced reaction to it. That causes grave concern to industry in general and to agriculture in Northern Ireland in particular, bearing it in mind that some of the legislation could destroy the industry completely.

To return to the case of the pig farmers, at that time, we were begging our Government to save an industry that was going down. Many farmers had been encouraged to spend money by the Department. They did so and found that the Department left them high and dry when they were up to their eyes in debt. Many of them went under. In fact, farmers committed suicide because of the tremendous debt they faced because of the Department's encouragement and because, when they were faced with a crisis, they were deserted. There is now another crisis.

I come to the end of my earlier story. When I spoke to the then Minister about the crisis in the pig industry, I said to him that the difference between the French Government and ours was that they would save the pig industry but ours would have it destroyed. In many ways, that was true because of the number of farmers who were totally destroyed at that time. It was not their fault. If one could say that they had contributed to their situation, it would have been their fault, but it was totally out of their control. There was a fire in one of the major factories; it seemed that one thing after another happened, and the pig industry was in a terrible situation.

I referred earlier to finding alternative uses for slurry, particularly in the intensive pig and poultry sector. Instead of forcing farmers to invest large sums in putting up storage, it would be more economical to consider investing the money in a system that would process the slurry into a valuable by-product. That is more rational and acceptable, and would be more acceptable to the environmental lobbies in Europe and elsewhere.

There are also small producers who cannot afford the adjustment to meet the new environmental legislation. Surely, urgent consideration should be given to the introduction of an out-goers scheme. Let us take the example of a small pig farmer who is asked to put up thousands upon thousands of pounds, to which the Government will add £30,000 or £40,000, to put in tanks in which to keep slurry. If he were given a certain amount of money to go out of the industry, because he would not be viable in the long run, it would be a more rational way of spending the money, and more helpful to the industry than giving him that first sum. Will the Minister ask the Department to consider the introduction of an out-goers scheme for the smaller producers who cannot afford the adjustment? Otherwise, they will have to apply for and take grants to keep going at least for a short period.

Before leaving the issue of implementing the nitrates directive, I ask the Minister to provide me with two assurances. First, will the Government give farmers more time to adjust to the new regulations? It is unacceptable that farmers have only until next August to complete all the works and submit the receipts to DARD. In reality, it is not practical and it cannot happen within that short time. Given that the Government still have to finalise the action programme and decide whether to introduce a roofing scheme for farmers, surely the additional time could be given.

Secondly, I should welcome a commitment from the Government that Lord Rooker, the Minister in charge of DARD and DOE, will take a more proactive role in the negotiations. It is essential that the Minister lobbies on the issue to get the best possible deal for the industry.

I spoke in the House the other day about the other side of the agriculture industry: fishing. Major debates are upcoming in Europe about quotas and how to deal with the fishing industry, yet I am led to believe that our Minister will not be present. It is vital that he takes an active role, batting in Europe for the farmers, taking on the battle himself and not leaving it to the officials. The Minister has good batting power, and I trust that he will lobby on those issues on behalf of the farming industry in Northern Ireland. Other pieces of environmental legislation likely to impact on Northern Ireland's agri-food industry are the water framework directive, integrated pollution prevention and control—the IPPC—and the climate change levy.

I welcome the issuing of single payments to many producers in Northern Ireland. However, with time running out, I encourage DARD to ensure that the maximum number of payments can be made to farmers before the end of 2005. There is some disappointment that, according to DARD's timetable, approximately one third of producers will not receive any other farm payment this year. I was also disappointed that only 75 per cent. of the single farm payment was issued to farmers in Northern Ireland, whereas 80 per cent. of it was issued to producers in Wales. If it can be done in Wales, it can be done in Northern Ireland. I wish my

[Dr. McCrea]

Welsh colleagues well, and I am happy for them, but I am looking for the same happiness for the Northern Ireland farmer.

Although many farmers have already received their single farm payment for 2005, many are still apprehensive about the inspection procedures under cross-compliance. It is vital that the inspection process is not over-zealous, and that the farmers are not severely penalised for minor non-compliance.

I turn to the potato sector. Despite the area of ground that is planted in potatoes decreasing annually, the sector still has a key role in the Northern Ireland agri-food industry. Although I do not agree entirely with everything in the recent Quinn report, "Review of Support Arrangements to the Northern Ireland Potato Sector", I believe that it could act as a basis for driving the potato sector forward. Northern Ireland traditionally had a lucrative seed potato sector. It is therefore vital that DARD puts increased resources into supporting this sector, to ensure that the critical mass remains in place to keep the sector viable.

Until there is an agreement over the EU budget, we still do not know how much money will be available for rural development in Northern Ireland for the period 2007–13. We do, however, know that the budget will be significantly less than that in the current round of funding. The rural development fund includes measures to boost farmland biodiversity, to restructure the rural economy and to improve the quality of life in rural areas. These constitute tangible public benefits that will support the EU's social and environmental objectives. However, this budget has been cut by 25 per cent., compared with the Commission's original proposal.

In the future, it is likely that that share of the rural development spend will be funded through compulsory and voluntary modulation of the single farm payment. It is therefore vital that the larger farmer who is likely to have contributed a greater amount of modulated funds in the first place is able to receive some funds through rural development. There is an opportunity here for intensive farmers to get some assistance to meet standards through rural development.

There is a significant lobby for rural development money to be spent on wider rural society. I support more funds going to rural schools, roads and health care. I also believe that the Government should be spending core budget funds on these areas, rather than targeting rural development money.

The future of the agri-food industry in Northern Ireland depends on young people coming into the industry. I welcome the new entrants scheme for Northern Ireland and hope that it encourages many young people into the industry. Despite all the negativity, I believe that there will be a bright future for those who are willing to adapt to new circumstances.

A number of changes could be made to the new entrants scheme that would help to encourage more people to avail themselves of it. I would like to see a mixture of a lump sum payment and a low-interest loan available under the scheme. I would also like other young people who commenced agricultural activity over the last five years to be able to avail themselves of the scheme.

If it is right that we have a scheme that encourages new entrants, it is also right to have a scheme that encourages and enables older people to move out and allow the younger people to get in. We are talking about an industry here—although the Government refer to it as an industry only when it suits—and in the past a farm enterprise was able to finance not only the older generation, but the incoming farmer and the new generation too. Quite often, two or even three families could be sustained on a farm holding. That is no more. Even the larger holdings could sustain only one family. Therefore, it is vital to encourage young people to come in and to encourage older people out. That can be done only if we have a scheme that allows it to happen.

I should like to say something about the high calibre of young people in the industry. For over 80 years, Queen's university, Belfast, has been training graduates in a degree in agriculture and they have gone on to lead the industry throughout Northern Ireland and further afield. It is vital that one of our main universities in Northern Ireland provides a high-quality agriculture degree to train young people for the largest industry in the Province. Others offer quality training for young people coming into the industry, but if one of our main universities does not offer an agriculture degree, we will not attract our brightest students and they will go elsewhere to qualify.

Will the Minister make it a priority to ensure that one of our universities offers a pure agriculture-based degree? I am concerned that in years to come the best export from the industry will be our young people, who are committed and interested in it but will go elsewhere to be trained. We cannot afford a brain drain from the agri-food sector in the Province.

In conclusion, I shall deal with renewable energy policy. DARD is currently consulting on a renewable energy policy for Northern Ireland. That strategy, together with the recent announcement of a £50 million budget to be spent on renewable energy in Northern Ireland over the next two years, will help renew interest in considering alternative land uses in Northern Ireland. I welcome this innovative move by the Government. With the current trend towards the globalisation of food products and massive increases in the price of oil and gas, many farmers look forward to the day when alternative land uses, such as planting oil seed rape for biodiesel or planting biomass for bio-remediation, will be economically viable. The Government's recent announcement regarding their renewable transport fuel obligations will hopefully allow some farmers in Northern Ireland to diversify into these new niche markets.

I am grateful to have had the opportunity to draw hon. Members' attention to the importance of this industry. Many are the challenges that the industry is facing. I believe that Northern Ireland farmers are willing to face, and meet, those challenges. There is a future; I am simply asking the Government to ensure that they do all within their power to give the farmers that future.

10.8 am

David Simpson (Upper Bann) (DUP): I congratulate my hon. Friend the Member for South Antrim (Dr. McCrea) on securing the debate. I listened

carefully; he covered nearly every point of agriculture, including the fertiliser that goes on the grass. I have to congratulate him on going into so much detail, because agriculture is an important industry in Northern Ireland.

My background in the agricultural business is 25 years in the meat industry. With my youthful looks, people find it hard to believe that I have been in it for 25 years, but that is so.

Dr. McCrea: They would certainly believe it given your size.

David Simpson: Someone told me that it is good to be a positive advertisement for the industry. It took an awful lot of money to put it here.

Dr. McCrea: It would cost a lot of money to take it away, too.

David Simpson: It would be a shame to lose it.

The beef industry has gone through hard times, and I would like to comment on that. I will do so briefly, as I know that the Minister is eager to start answering all the questions that have been put to her. I welcome the Government's announcement last week that £1.3 million will be put aside to assist Northern Ireland's beef industry. It is to be hoped that that, along with the money available under the fit-for-market initiative, will help to find new markets for the sector. However, I was disappointed that the Government did not provide more money to compensate for the beef special premium scale-back for 2004.

The beef industry's finding new markets is solely dependent on the UK getting rid of the beef export ban. My party is actively engaged in seeking that. Only yesterday, our colleague, Mr. Jim Allister MEP, met the European Commissioner for Health and Consumer Protection, Markos Kyprianou, to discuss this issue. It is clear that the UK has now taken all necessary steps to satisfy both the Food Standards Agency and EU officials that beef from these regions is safe to eat. However, I must also say that I am disappointed that the UK Government have not taken a more proactive stance on the issue during their presidency of the EU.

With the removal of the over-30-months scheme and the introduction of the older cattle disposal scheme in the latter half of January, there will be a significant increase in the number of cattle coming on to the UK domestic market. My party has already lobbied both the European Commission and the Government on keeping the OTM scheme in place until the market opens up for beef exports. That would prevent a glut of beef from coming on to the UK market and continuing to depress beef prices, as has been the case over the past months. Can the Minister confirm that the Government are pushing for the lifting of the beef export ban at the earliest opportunity? Are they also lobbying for the OTM scheme to remain in place until the export ban is lifted? Those are two vital components that must go together.

On the subject of beef exports, and on the assumption that the export ban will be lifted at the earliest opportunity, I wish to mention live animal exports. I understand that that is an emotive subject in the UK and that we cannot ignore animal welfare issues. However, it is essential for the live animal export market to be opened up for Northern Ireland, alongside the beef export ban being removed.

Northern Ireland is the only part of the UK that has a land border with another member state, and it is traditional for animals to be traded between the two countries. I was encouraged by the recent announcement by the noble Lord Rooker supporting the case for live animal exports from Northern Ireland. In 1995, the last year that Northern Ireland was allowed to export bovine animals, the value of that trade to the economy was placed at some £34.6 million. Currently, in Northern Ireland, dairy-bred male animals are being humanely slaughtered at birth, which is disgraceful. There is no viable market for these animals in the United Kingdom.

Over the 12-month period ending 30 September 2005, there were 64,953 animals of dairy sires registered on the database. Only recently did DARD adjust its rural portal to facilitate the humane slaughter of those young calves. If there were live animal exports, and these animals were exported to the Republic of Ireland rather than being humanely done away with at birth, they would be worth approximately £50 per head, which would make an awful difference to the farming community. It is therefore vital to the Northern Ireland economy that the export market re-opens for live cattle.

In an era where farmers are compensated for environmental and animal welfare management, instead of given direct production-linked subsidies, it is difficult to see how the primary producer and processor can survive with current market prices. It is vital that there is an open and communicative supply chain that will help achieve closer relationships between the primary producer, the processor and the consumer. In my lifetime in the industry, I have always preached that that should be the case. For many years, it was a "them and us" situation between the farmers and processors. That has to change, but I believe that it will because the pressure coming on to the industry will inevitably make it happen, and that is vital. To survive in future, the primary production sector must be competitive and profitable. For that to happen, the major multiple retailers need to pass more money down the food chain to processors and, ultimately, to the primary producer.

The current retailer code of practice has clearly failed the agricultural community, not just in Northern Ireland, but throughout the whole United Kingdom. Strengthening that code is vital so that a greater percentage of revenue coming from the food chain is passed down the line. The Office of Fair Trading should not only scrutinise the major multiples but investigate those companies' suppliers. I am concerned that monopolies can be created—if they have not been already—in the supplier sector of major retailers, due to their adoption of single sourcing policies in the United Kingdom.

Dr. McCrea: Does my hon. Friend agree that in Northern Ireland there has been a major bone of contention, in that while the housewife continued to pay high prices for the products on the shelves of these large retailers, in reality many producing farmers were receiving a price at the farm gate that did not even cover their costs? That bone of contention remains; therefore,

[Dr. McCrea]

there should be a major inquiry into that whole position. There is sufficient cake for everyone, but the issue is the division of it. Does my hon. Friend agree that an inquiry would be helpful?

David Simpson: I agree 100 per cent. with my hon. Friend's comments. Recent television programmes have shown the situation; he mentioned the pig sector, about which a programme was made. It showed how much it took to produce a pig up to a certain stage and how much people were losing by doing so. They took that same pig and transferred it into the retail side at the supermarkets; the price for the same weight was 10 times more. There is no doubt that we need an inquiry and we need fair play. That returns to my earlier point that it is imperative that there is a closer working relationship between the processor, the producer and the consumer. That must be done for the industry to survive. I hope that the Minister will take my points on board.

My hon. Friend mentioned waste material and the renewable energy methods that need to be examined in the industry. A system called anaerobic digesters is currently being researched and operated in Northern Ireland. A company is experimenting, trying to develop an anaerobic digester that will take much of the waste material that he spoke of, along with the blood and other animal waste from the meat plants, not only from the beef sector but from the pork and poultry sectors. It will make a viable fertiliser for the ground, which will deal with the nitrates problem and all the difficulties in the industry.

However, the company has come up against some difficulties, which derive from the lack of investment. It is a family with a private farm who have moved into this area and are forward thinking. Some problems have been caused for local residents, involving the odours coming from the plant. It is important that, although we are trying to help the company develop an anaerobic digester, we take on board the concerns of residents.

My hon. Friend mentioned the money that has been put aside by the Government to examine different sources and alternative uses for waste material. I would encourage them to consider helping the company to do further research in this area. We have in Northern Ireland one or two rendering plants for disposing of dead animals and other waste, but that is not the future; the future is anaerobic digestion, which we need to examine closely. I ask the Government to examine it and perhaps to contact the company to see whether there is any way that it can be helped. I know that Lord Rooker wrote a letter to the company and that it was not too promising. Will the Minister use her influence to see whether something can be done? It is obviously the future for the industry.

Lorely Burt: I wonder whether the hon. Gentleman is aware that funding for anaerobic digestion and for development of the use of slurry is available to other parts of the United Kingdom under the national industrial symbiosis programme, but that no funding has been allocated to Northern Ireland. I have written to the Minister to ask why. I will discuss her answer to my question at more length in my speech; otherwise I run the risk of making too long an intervention. I just mention that to find out whether the hon. Gentleman is aware of it.

David Simpson: I thank the hon. Lady for that information. I had heard that the money was not going to Northern Ireland, but I thank her for confirming it. The Government need to consider the issue in order to help the situation, and they need to think of the future.

Dr. McCrea: Returning to the situation that my hon. Friend talked about, it is a lot easier for the Department to close places down—that is an easy way out—than to help them to overcome their problems. There are problems in the community that need to be taken seriously and overcome, but we need to deal with the underlying problems, rather than simply close down a company to get rid of a problem, and that certainly requires Government help.

David Simpson: I agree. I encourage the Minister to use her influence. Perhaps she will even agree to a meeting with the company of which I spoke, or to receive representations from it and from me, to find out whether there is a way forward. I honestly believe that anaerobic digestion is the way forward for waste material in Northern Ireland, and indeed the United Kingdom.

I thank you for allowing me to speak, Mr. Cook. I am sorry that I took a little more time than I said I would. I look forward to hearing what the Minister has to say.

10.26 am

Lorely Burt (Solihull) (LD): I begin by echoing the concerns of the two hon. Gentleman who have spoken so far. I am sure that the Minister will confirm that it is her full intention that the whole Government should fight for our agriculture industry, particularly with respect to farms in Northern Ireland, where agriculture is obviously more important than in other areas of the United Kingdom.

I should like to speak about green issues. Not a lot of people know this, but my party has nominated me green Minister for Northern Ireland, which is a great honour. *[Interruption.]* Shadow Minister, that is, I hasten to reassure the Minister.

I want to speak about the national industrial symbiosis programme. The hon. Gentlemen who have spoken mentioned alternative uses for slurry and referred to the lack of investment in anaerobic digestion—both issues are crying out for investment in Northern Ireland. The Government's refusal to allocate funds under NISP, as it is colloquially known, has greatly hampered the farming industry in adapting to change as it needs to do.

I wrote to the Minister about the lack of NISP funding for Northern Ireland. The programme tries to marry different types of industry in a symbiotic way, so that, for example, slurry can be used for different purposes. It allows different parts of industry to work together in new and innovative ways, particularly those that help the environment. When I wrote to the Minister, she responded:

"As part of the Priorities and Budget process, decisions on the allocation of resources have to be taken in the context of local needs and priorities. Therefore, in this instance, it was decided to allocate these resources elsewhere within the Northern Ireland Block where the need is greatest."

Will the Minister say just where that need is greatest, given that we are talking about an industry that is suffering as a result of gold-plated European directives, and that faces all sorts of challenges? How is Northern Ireland agriculture to reshape and reform itself to meet challenges, which are not only industrial but environmental and global, if it is not to receive the support that is being enjoyed by other parts of the United Kingdom?

10.30 am

Mr. David Lidington (Aylesbury) (Con): I congratulate the hon. Member for South Antrim (Dr. McCrea) on securing the debate. The subject is of even greater importance to the economy and people of Northern Ireland than it is to the rest of the United Kingdom. I appreciated the wide-ranging nature of his speech. It certainly alerted the House to the complexity of the issues that we are debating and the way that Government policies and European legislation impact on many different types of farm and food businesses in the Province.

There is no doubt that farming, whether in Northern Ireland or elsewhere in this country, is going through a period of rapid and sometimes traumatic change. There is the major reform of the common agricultural policy—a reform that is largely a response to the development of not just a European, but increasingly, a global marketplace for food and food products, with the additional competitive pressures that that brings to bear on our producers. We have, both from the public and the Government, pressure for stricter environmental controls and higher standards of animal welfare. However, at the same time as imposing those higher standards, we as politicians are asking our farmers to compete with producers in parts of the world where such standards of environmental protection and animal welfare do not apply. That is often the case not simply in countries that we might label as developing economies, but in some quite advanced agricultural competitor countries.

It is therefore important for the Government—whoever it is that is in office—to approach regulation in the right way. I recall that about four years ago one of the Select Committees of the House of Lords produced a valuable report on the regulation of agriculture. It suggested a number of ways to change the culture of regulation which would not compromise the need for high standards and the need to root out the rogue elements that exist in farming, as in any industry. At the same time it recognised that, at the end of the day, farmers have to run profitable businesses and we would not get the attractive countryside that we all appreciate—whether we live in villages or cities—were it not for the existence of a thriving agricultural sector. It is important for us all to appreciate that, even in an increasingly urban and suburban society, we do not want our countryside to become simply a museum or an illustration on a chocolate box. We want it to be a vibrant part of the economy and a place where people can make a home and earn a living, as well as an attractive place for city dwellers to visit.

The House of Lords Select Committee concluded that, among other things, there needed to be much earlier consultation with the agricultural sector about regulation, and in particular European regulation, that affected it. In the report, the Committee drew attention to how a number of key European directives—for example, those on the disposal of waste—had got to quite an advanced stage before anyone in Whitehall woke up to the realisation that farmers, as well as more traditional industries, were going to be affected, in some cases quite severely, by that new legislation. Consultation should happen earlier and the Government should firmly resist the gold-plating of European legislation; I agree with everything said by other Members on that subject. However, we also have to recognise and be prepared to say to the electorate that if we are going to rule out gold-plating, that will sometimes mean also saying no to pressures for even higher environmental welfare standards than those provided for in the relevant European legislation. Sometimes, although the gold-plating may be well intended, we in the United Kingdom end up imposing stricter rules on our own businesses than apply elsewhere in the European Union.

My third conclusion from the House of Lords Select Committee report is that a change in the culture of inspection and enforcement in this country is needed. We certainly need fewer different inspectors and inspections, and fewer forms, which too often appear to seek exactly the same information as has been provided on a previous set of forms. We need fewer people coming up the farm track and knocking on the door.

We also need something less tangible, but none the less important. I have lost track of the number of occasions on which farmers—whether in Northern Ireland, my constituency or elsewhere in the country—have contrasted the attitude of inspectors in the United Kingdom with that of inspectors and enforcement officers elsewhere in Europe. The farming organisations' view is that, on the continent, there tends to be a realisation by those charged with enforcing new rules that they have a duty not only to enforce the law, but to discuss with the operator of the relevant farm business how that can be done so as not to compromise the profitability and sustainability of that enterprise.

However, the farming industry here certainly feels that too often the inspector comes in, bangs a wodge of papers on the farmer's desk and says, in effect, "It is up to you to read those and comply with them. If you step out of line, I'll come down on you like a ton of bricks." We need to think our way into some form of co-operation between inspectors and those who are trying to run businesses and serve their customers. That comes through when we consider specific directives.

I shall not repeat everything said by the hon. Member for South Antrim about the nitrates directive; his detailed points about time scales and the 10 m rule on the spreading of manure were valid and well made. I hope that the Minister will say a word about the water framework directive, which will clearly have a massive impact on agriculture throughout Northern Ireland. The fact that in future river quality is to be measured in biological rather than chemical terms marks a very significant change.

It seemed to me from the Select Committee report and other material on that directive that we are still very much in the dark about exactly what standards are to be applied. Yet, from memory, the directive—at least, its initial stages—is supposed to be implemented by 2010.

[Mr. David Lidington]

The changes required to apply the directive will probably mean considerable planning to ensure that businesses can make the adjustments in time. I hope that we will get greater clarity from the Government on that point.

I should also like to express my concern about two aspects of the reform of the CAP. First, I am concerned about the delay in the introduction of the entry-level scheme for Northern Ireland. I had always understood, when the CAP was being negotiated, that the Government regarded the introduction of the entry-level schemes throughout the United Kingdom as integral to their vision of the future of agriculture, and that it was a way to turn farm support payments away from subsidising production and towards providing support for the environmental stewardship carried out by farmers and land managers. Yet I am told by the Ulster Farmers Union that the introduction of the entry-level scheme in the Province is to be delayed for several years. I should like to know why. Is that due to budgetary constraints, or are the Government considering a pilot scheme that might operate with farms in some parts of the Province?

Secondly, I am concerned about cross-compliance, which was touched on in earlier contributions. The industry fears that minor, probably unintentional, lapses could lead to a disproportionate cut in farm payments in a particular year, yet I can recall the repeated assurances from Ministers, while the CAP reforms were being negotiated, that cross-compliance would amount only to what good, well run farms in the United Kingdom were doing already in terms of environmental standards. I hope that we are not seeing what might be described as agricultural mission creep, where environmental standards that one might have expected to fall within the ambit of an entry-level scheme will instead be imposed through the use of cross-compliance. I hope that the Minister can provide some reassurance on that point.

I should like to make two points that particularly affect the cattle industry. First, on the beef export ban and the over-30-months scheme, will the Minister say where we are now on the Commission's expected proposal to lift the export ban on cattle born on or after 1 August 1996? We have been waiting a long time for that. Farmers in Northern Ireland feel especially aggrieved by the delay, because they have not had the curse of BSE that we have had on the mainland of Great Britain and they have seen producers in the Republic of Ireland being able to continue to export their beef and beef products while Northern Ireland's farmers have been constrained.

It is well over a year since the Commission's food and veterinary office published a satisfactory report on the United Kingdom's BSE controls. I should like to know why we are still waiting. Is the delay with the Commission, or is there foot-dragging on the part of other beef producers in the EU? If that is so, will the Minister name and shame those countries?

Secondly, there is a consultation going on about how the new rules on specified material might operate following the hoped-for permission being given for exports. I read with concern in DARD's impact assessment about the possible impact on small rural producers in Northern Ireland and on small abattoirs if the Government did not make use of the derogation to allow the spinal column to be removed at butcher's shops, but instead ruled that it could take place only at certain licensed cutting plants. I very much hope that the Government will listen carefully to the views of the industry—retailers as well as farmers—and of customers who like to eat a piece of mature, grass-reared, well hung beef, and are willing to pay a premium for it in the shops.

Finally, can I press the Minister to say something about bovine tuberculosis? I am sure that, like me, the Minister tuned into "Farming Today" this morning and heard that her colleague, the Under-Secretary of State for Environment, Food and Rural Affairs, the hon. Member for Exeter (Mr. Bradshaw), is due to make a major announcement on the Government's bovine TB policy tomorrow. I know that the number of reactors in Northern Ireland fell a bit last year compared with the previous year, but I return time and again to the fact that the evidence from the Irish Republic is overwhelming: although the culling of wildlife, and in particular of badgers, is not a panacea, it is effective as part of an overall TB eradication strategy. Northern Ireland's cattle farmers face a crisis. This is a drain year after year on revenues that the Government could well spend on other priorities, and I hope that the Minister will give us some news on that, too.

10.46 am

The Parliamentary Under-Secretary of State for Northern Ireland (Angela E. Smith): I congratulate the hon. Member for South Antrim (Dr. McCrea) on securing the debate, and on the reasoned, knowledgeable and passionate way in which he put forward his views. He clearly feels strongly about the subject, and I assure him that my ministerial colleagues and I feel equally strongly about it.

We must ensure that we have a sustainable and efficient agriculture industry in Northern Ireland that is capable of addressing the challenges posed by the rapidly changing society of the 21st century. Contributions to the debate have highlighted many of the current difficulties facing agriculture. If the Northern Ireland industry is to move forward in what is an increasingly competitive environment, it must be fit for purpose and in a position to embrace change and exploit the opportunities that change inevitably brings. Both hon. Members from Northern Ireland made that point.

In the time available to me, I will do my best to address the points that have been raised. With regard to the broad charge that the industry is in decline, the 2005 reduction in the numbers of farmers and farm businesses does not represent evidence of a major exodus from the industry; it is no more than a continuation of existing trends. The rate of decline in the last 12 months is in line with the trend over the past five years—a decrease of about 2 per cent. per annum, as the hon. Member for South Antrim said. Similar patterns of structural adjustment are occurring across Europe. In many cases, the decision to exit the industry coincides with farmer retirement. It is also important to remember that the overall reduction in numbers improves the structure of the sector, and that it will contribute to its future competitiveness and sustainability.

On the age structure of the farm work force, the evidence that we have suggests that the age profile of farmers in Northern Ireland is relatively stable and that it is in line with the average for the EU 15 member states. The Department of Agriculture and Rural Development operates a new entrants scheme, which was launched in June this year. Its aim is to encourage and give support to young entrants who want to build a future in the industry. I can give further information on that.

On the request for a mixture of a lump sum and interest rate subsidy, I have received legal advice and, unfortunately, that is not possible. However, research shows that the interest rate subsidy offers better value for money in respect of encouraging new entrants into the industry and sustaining them. Applicants to the new entrants scheme must have been in business in their own right for no more than one year. We are bound by the legislation on that.

Some Members also referred to the announcement in the draft budget that DARD was proposing to delay the start of the entry-level countryside management scheme in 2008. That has been a cause of concern for a number of stakeholders, including the main farming organisations, which have made representations to my noble Friend Lord Rooker, who has ministerial responsibility for agriculture. I understand that the Department is looking into that again to see if there is anything we can do to bring that forward. An earlier starting date would be of assistance.

The issue of the WTO meeting in Hong Kong was raised. Progress with ongoing WTO negotiations in the development round has been slow, but significant benefits could be delivered to developed and developing countries as a result of an agreement.

The CAP reforms being implemented will help the industry focus on meeting market demands and improving competitiveness. The Department has in place numerous measures to help the industry make the adjustment. They will ultimately put the industry in a position to face the market pressures that are causing difficulties.

The hon. Member for Upper Bann (David Simpson) described himself as a walking advert for the Northern Ireland beef industry. I congratulate him on his commitment. The hon. Gentleman, along with the hon. Members for South Antrim and for Aylesbury (Mr. Lidington), raised a number of issues about beef imports. Hon. Members will be pleased to hear that imports to the UK for the first nine months of 2005 were 18 per cent. below those for the equivalent period in 2004. More than half of the 2005 imports came from the Republic of Ireland, and less than a quarter came from south America, Brazil, Uruguay and Argentina.

The issue of standards was also raised. Beef can be imported to the EU only from countries and establishments that meet strict EU food, veterinary health and hygiene requirements. Full compliance is ensured by inspections carried out at border posts. There is also full traceability under EU-wide beef labelling rules. Looking to the longer term, we must recognise that there is greater competition, and we must address it and help prepare the industry. Rather than trying to stifle trade, we must support the industry to allow it to compete.

All the hon. Members referred to the beef export ban. The recent lifting of the over-30-months rule is a significant step forward. It is a welcome boost for the food industry and for Northern Ireland's beef farmers, who can now enter their older cattle into the food chain. There are three plants that have been approved to slaughter OTM cattle for human consumption. The UK has met all conditions that the Commission set for lifting the ban. Effective BSE controls and traceability systems are in place. BSE has been reduced to achieve moderate risk status and the OTM rule has now ended.

I recognise the concerns that were raised about the matter, and the UK is pressing the Commission for a proposal to be made and adopted to lift the export ban as early as possible in 2006. I understand the concern that any gap between the OTM scheme ending and exports resuming may cause market difficulties. The Commission has made it clear that it is opposed to any extension of the OTM scheme, and there are mechanisms available to consider what action is needed to deal with market difficulties. We are pressing for the lifting of the export ban as soon as possible. It will provide new opportunities for agriculture.

Several hon. Members raised the issue of the nitrates directive and what compliance will mean for the industry locally. The Government are keenly aware of the significance of the issue, and DARD and DOE officials recently met the Commission yet again to discuss outstanding issues about the draft action programme and secure a viable way forward. There have been continual meetings. I remember, in my previous incarnation as a DOE Minister, meeting the industry myself to discuss the matter. The Government have been working with the industry for some time to find ways forward. The process has been protracted and difficult, and there are still differences between us and the Commission over the matter.

The position on a closed period for spreading organic manure has not yet been finalised. However, I can assure hon. Members that phosphorus balance measures at individual farm level will not be required at this stage. That may give some reassurance to the hon. Member for South Antrim, who raised the issue.

The draft action programme will be issued to stakeholders and discussed at their next meeting in January. We are seeking a balance on the issue. We recognise the pressures on farmers, and we shall do all that we can to ensure that we strike a balance between letting the industry get on with the business of farming and recognising the support that we must give to the environment.

If we consider the money that has been made available, we see that significant resources have been allocated to the industry. As part of the revised budget in December 2004, £45 million was announced; that money is still available under those proposals. Moreover, £16.6 million has been allocated for 2006-07 and £28.4 million for 2007-08, so the Government are going a long way to assist farmers in that regard.

The farm nutrient management scheme was also mentioned. Initial uptake has been slower than expected and the closing date has been extended to 31 March 2006. However, commitments totalling £10 million have

[Angela E. Smith]

now been made out of a total Government provision of £45 million, which represents additional support for the industry.

The hon. Member for South Antrim raised concerns about pig farming. I would refute the accusation that we have abandoned that sector or any other. It is always the role of the Department to give support and advice whenever possible within the constraints of EU legislation and within budgetary constraints. Hon. Members will be aware of the pressures on the draft budget. The hon. Members for South Antrim and for Upper Bann have made numerous representations to me about other areas of the budget. Within those constraints, the Department does everything it can to support farmers.

The hon. Member for South Antrim raised the issue of single farm payments being made in Wales and asked if our payments could be as good as those in Wales. I think that ours are even better. We are meeting the targets: of all applicants, 71 per cent. will receive payments totalling £103 million by Christmas and by the end of December that will have risen to 73 per cent. receiving £110 million. The hon. Gentleman mentioned the figure of 80 per cent. in Wales. There is a slight difference in the way that the money is counted; it is not the case that less money is being paid out in Northern Ireland. From a slow start, that represents very good progress, given that the applications were made in May and so much money is being paid by the end of the year.

Renewables and the environment were mentioned. It is worth flagging up that in the draft budget announced today there will be £50 million for an environment and energy fund, which will allow us to look for new opportunities to bring Northern Ireland to the fore in the field of renewables. As an energy Minister, I have a particular interest in that.

The hon. Member for Upper Bann mentioned anaerobic digestion. DARD has carried out extensive research and development in this area. It has offered financial assistance of about £3 million to a centralised anaerobic digestion plant; that particular project faced local opposition. However, part of the new strategy is the work of an expert group on animal waste, and research and development in the Department will help us learn what else can be done. We shall consider the opportunities that can be made available.

On university provision, I assure the hon. Member for South Antrim that we are working to ensure that there is in Northern Ireland a degree-level qualification in agricultural technology. There is extensive provision already in the sector, of which we should be proud.

The power of supermarkets was mentioned. I assure the hon. Gentleman that the Government are working closely with supermarkets on local sourcing; I know that he has asked a parliamentary question about that recently and has further information. I understand the concerns raised about the increasing concentration and buying power of supermarkets. I am concerned about allegations that multiple retailers are making excess profits at the expense of producers. If there is specific evidence of that, I ask hon. Members to give it to the Office of Fair Trading, and action should be taken.

The hon. Member for Aylesbury raised the issue of badgers and TB. He will be aware that the badger stakeholder group is considering the matter at the moment, and the results of the work will be presented to the badger group at a further meeting. It is expected to report to Lord Rooker in early 2006. I recognise the strongly held views on both sides of that argument. We felt that research and investigation was the appropriate way forward.

I hope that I have addressed as many of the points raised during the debate as possible. The breadth of issues raised shows the scale of interest in this subject in Northern Ireland and the challenges faced by the industry. There are numerous difficulties; I assure hon. Members that the Department will work closely with farmers and those in the industry to do all that we can to support them because that is important to the future well-being of the industry and the economy of Northern Ireland.

Driver and Vehicle Licensing Agency

11 am

Mr. Peter Atkinson (Hexham) (Con): I am grateful for the opportunity to have a short debate on what has become an important matter. After I applied for this Adjournment debate, *The Mail on Sunday* exposed the Driver and Vehicle Licensing Agency for selling the names and addresses of many tens of thousands of motorists, and since then the issue has moved up the political agenda considerably.

From my point of view, the issue arose in a small way when Tesco opened a new store on the edge of Hexham, the main town in my constituency, which was recently voted the best market town in the UK. Leaving that aside, Tesco has a large car park in the centre of the town, adjacent to the council car park where charges are made, and in order to protect its car park it introduced a parking control system. Much to our surprise, little yellow signs went up around the car park with an illustration of a camera on them, saying that if people overstayed their welcome in the car park, which was three hours, their registration numbers would be photographed and the company would apply to the DVLA for their names and addresses and they would then be asked to pay a charge of £70, which would be given to charity.

That caused a certain amount of outrage in the community as most of us felt that this was an abuse of the powers of the DVLA. We were amazed that a company such as Tesco—or probably its parking contractor—was able to obtain names and addresses in this way. As a consequence of that and a certain amount of local publicity, I wrote to the Minister, who replied courteously and quickly, in rather unconcerned terms. He wrote to me on 10 November explaining that under regulation 27 of the Road Vehicles (Registration and Licensing) Regulations 2002, the DVLA was free to give the names and addresses of car owners to anyone who could demonstrate a reasonable cause for their request. He pointed out:

> "'Reasonable cause' is not defined in law but release is normally associated with road safety, the direct involvement of a vehicle in road traffic incidents, the enforcement of road traffic legislation and the collection of taxes."

He added—this is important—

> "Requests from private car park enforcement companies meet the 'reasonable cause' criteria. Landlords would have great difficulty in enforcing their rights to their property if this was not the case."

That would seem to most people to be a reasonable definition of circumstances in which the DVLA should give out names and addresses, but from that it never crossed our minds that this provision would be used in wholesale fashion by large supermarket companies and others.

Finally, in his letter, the Minister directed us to the website of the Information Commissioner, www.informationcommissioner.gov.uk, saying that the Information Commissioner was aware of the arrangements for private car park enforcement and had issued advice on the website.

That was fine until 27 November when *The Mail on Sunday* published details of a large-scale investigation, which revealed the enormous scale of the releasing of information by the DVLA. The paper identified 157 different organisations that had computer access to the DVLA records and were able to obtain names and addresses of drivers for a whole variety of reasons. Among them was a company called Euro Parking Collection, which collects parking tickets incurred by British motorists abroad. They get in touch with the DVLA here and then the fines are issued in order to be repatriated to the country of origin.

Among those other organisations that were revealed as having rights of access to the information were not just car park owners, but car park clampers as well. Many of us will know the circumstances under which many of these car park clampers operate, and it is fair to say that they work very close to the edge of the law. Indeed, some of those identified as having the right of access to the DVLA records have criminal convictions for illegal clamping and what is effectively blackmail. Others with the right of access are bailiffs, credit control companies, debt collection agencies, property management firms, leisure centres, solicitors and even MBNA—which is, as *The Mail of Sunday* put it, one of the world's largest loan and financial services companies. When MBNA was asked, it said that it wanted it to protect the private car park at its Chester offices.

We must ask ourselves what use these companies can make of that information. I am making no allegations against MBNA, or Tesco, or anyone, but it is a fact that people's details are extremely valuable in marketing terms. Lists of people and their interests change hands for money, because companies want to build up a database. We would all be quite surprised at the amount of information that the large supermarkets have about us. They know what we buy; they can probably tell us how many bedrooms there are in our houses and how many people live there by the number of toilet rolls that we consume. They know all about us, and it might be of interest to them and others to know who actually owns a car—whether it is ours or a company's—or what the value of that car is. That such information is getting out is a serious matter.

There are other people who would be interested in knowing who owns which particular vehicle—car thieves for one, and motorbike thieves for another. There are some expensive Italian motorbikes on the roads that are worth large sums of money and so are a target for thieves. If somebody is seen riding a Ducati, for example, their registration number could be taken and all that would then be needed would be a contact with direct access to the DVLA database, such as a mate at one of these car clamping companies, who could tell them who owned it and where they lived and it could then be easily stolen.

Other people are also intrigued by car registration numbers. There are those on the fringes of the newspaper world who keep an eye on what celebrities and others are up to. There are strange creatures who occasionally rummage through the dustbins of celebrities to find out what is there and who has written to them. Others wish to know who is visiting, and it is rather useful, when a particular celebrity is visited regularly by someone in a particular car, to be able to find out to whom that car belongs. Quite a lot of money could be made from a newspaper by revealing such a relationship. So there are people with ill intent who would wish to get hold of such information.

[Mr. Peter Atkinson]

In another life, before I came to this place, I seem to recall that, over the years, a number of police officers were prosecuted for making improper use of DVLA records. To be precise, police officers would be asked by their various contacts—who may have been journalists, bailiffs, debt collectors or others—whether they could find out who owned a particular car and where it might be found. They may have wanted to repossess it. For a certain small sum, the officers would be prepared to do that. A number were discovered doing that, dismissed from the force and punished in court.

The sanctity, we may say, of the DVLA list changed in 2002 when, under the negative resolution procedure, a statutory instrument was put through the House allowing all this to happen. It is fair to say that it is a failing of the House that so much legislation goes through in that way. How on earth can Members of Parliament spot something like this? I obtained a copy of the statutory instrument, which, on the face of it, seems perfectly reasonable. As I said, it refers to reasonable cause. There was no suggestion that this would be used wholesale, to give out millions and millions of drivers' details in that way.

The ease with which one can access the system is also alarming. To set up a direct computer link to the DVLA one has to pay about £3,000, and then it is simply a question of banging in the number and getting back the information, for which one is billed £2.50. The DVLA has made several million pounds from the system since it started in 2002. Curiously, it is the only department that allows such information to be sold. No other departments do; they hold it close to their chests. Interestingly, when the story broke, the Information Commissioner and others appear to have taken the view that this was quite wrong.

The Department for Constitutional Affairs, which is responsible for the Information Commissioner and the Data Protection Act 1998, said that the practice was unacceptable. That is one Department talking to another Department, saying that the practice of an agency related to the Department for Transport is unacceptable. When tackled about this, the assistant Information Commissioner, Mr. Bamford, was also critical. He was quoted as saying:

"We will be taking this up with the DVLA to find out why they think this is covered by the 'reasonable cause' provision."

He, too, believes that the reasonable cause provision is being grossly exaggerated and extended by the present system.

My constituents were scandalised when they saw what was going on at Tesco. They became even more incensed when they read in *The Mail on Sunday* and in other papers about the scale of what was happening. Most reasonable people would think that it was unacceptable. I am pleased that, following the publication of the article in *The Mail on Sunday*, the Minister began to take a more robust approach. I believe that he said that he was going to take a more robust view and examine the matter with a view to having a consultation about what could be done. No doubt he will have time to explain that.

This is not a question of consultation. It is a serious matter that requires urgent action. The original statutory instrument must clearly have been based on some piece of enacted legislation in the House, so I presume it is relatively simple to introduce another statutory instrument to put a stop to this. The Minister must put a stop to it. It is a gross intrusion into people's privacy. It is Big Brother coming to the DVLA. We are giving out private names and addresses, which could put people at risk, in order for the DVLA to make £2.50 a time and a few million pounds over the years. It is a scandal and it should stop.

11.12 am

The Minister of State, Department for Transport (Dr. Stephen Ladyman): I congratulate the hon. Member for Hexham (Mr. Atkinson) on taking an interest in this matter and on obtaining this Adjournment debate. I will start with his final comment—the implication that the DVLA does this in order to make millions of pounds. In actual fact, it makes not one penny on these dealings. It is allowed to charge a small fee to cover its administrative costs only; it is not allowed to make a profit. If it is reasonable that information is given out in some circumstances—I will deal with that in a moment—surely it is right that the cost of meeting that reasonable demand does not fall on the taxpayer. Therefore, those people who will benefit from it should pay a sufficient sum to cover the costs. That is exactly what they do. No profit is involved for the DVLA: £2.50 is a small fee, which is chosen to be just sufficient to cover the administrative costs of providing the information.

After all, as the hon. Gentleman said, many of the people who are requesting the information are doing so for the purpose of running a business that makes a profit. Possibly, they are in the business of enforcing private parking arrangements. They make a profit out of doing that and it is right therefore that they should pay something for the information that they need in order to do so. It is right that the costs should not fall on the taxpayer, and therefore a small fee is paid. Let us deal with that issue first and foremost. The DVLA makes no profit out of this. There is no money-making exercise on behalf of the DVLA or on behalf of Government. Sufficient money is raised to cover only the legitimate costs involved in this transaction.

Before I deal with the next issue, I will put it on the record, loudly and clearly, that I have undertaken to carry out a review of the policy. I believe that certain of the allegations that were made in *The Mail on Sunday* have raised legitimate concerns that need to be addressed. As yet, I am not taking a position on them one way or the other, but issues have been raised and the public are entitled to understand that they have been thoroughly examined and that we have arrived at a proper position. We will carry out a thorough review covering all aspects of the arrangement, and we will begin with the consultation. We need a consultation to deal with the core issue, which is about what is reasonable. When is it reasonable for the DVLA to provide such information?

The hon. Gentleman started by mentioning the case of his local Tesco, which has a piece of private land. I am surprised to hear the hon. Gentleman, who is a Conservative after all, seeming to imply that anybody should be allowed to park on that piece of land for as long as they want, irrespective of whether they are

engaged in commerce with Tesco. He shakes his head, but either Tesco is allowed to enforce parking restrictions on its private land or it is not.

Mr. Atkinson *rose—*

Dr. Ladyman: Let me make this point, then I shall certainly allow the hon. Gentleman to intervene. If we decide that Tesco should be allowed to enforce parking restrictions on that land, the question is how it is to do that. First, the company not unreasonably put up a sign explaining how it would enforce its parking restrictions, so that people knew how long they were welcome to park for free. Secondly, it indicated what it would do if a person decided to exceed the time limit, so that people knew. Thirdly, it explained how it would go about enforcing the restrictions and at what cost.

It sounded to me as though anyone parking there would know exactly the circumstances of the transaction. What would be the alternatives for Tesco? One, which I should like the hon. Gentleman to address when he intervenes, is that it would be forced to clamp vehicles. That is one of my big concerns. If in our consultation we come to the conclusion that private car parking companies should not have access to the DVLA database to enforce private parking, many businesses will have no alternative but to use clamping companies to enforce their parking rules. Tesco would have to clamp the hon. Gentleman's constituents' cars after three hours and charge a fee before it released them. If he thinks that his constituents would be happier about that than the arrangement that Tesco currently uses, I suspect that he does not know his constituents very well. I think that they would be horrified.

Mr. Atkinson: I am sorry, but the Minister has not grasped the tenet of this issue; this is a question of principle versus practicality. However, I leave that aside. Of course I understand that Tesco is perfectly entitled to police its car park in whatever way it decides, but there are many ways of doing that other than clamping. If the Minister goes supermarket shopping in many parts of the country, he will find different systems. One system uses a barrier: the person goes in, takes a ticket and has it endorsed at the till, which allows them out free of charge. If the person overstays their time, they are made to pay by an attendant at the barrier. Many other systems can be used without giving a private parking contractor access to DVLA records. That is a matter of principle, not practicality.

Dr. Ladyman: I understand the hon. Gentleman when he describes the matter as one of principle rather than practicality, but he describes exactly what I would regard as a case of practicality. In this particular case, Tesco seems to have concluded, rightly or wrongly, that it would rather have a relatively cheap method of enforcement that does not require barriers or people sitting at the gates collecting money after three hours. It would rather have a system that is, or ought to be, more or less self-enforcing—and therefore free—so as not to have to pass the costs on to its customers. The hon. Gentleman's constituents presumably pay less in that Tesco store than they would in other supermarkets that use manned barriers and other methods for collecting money. That is the commercial decision that Tesco has made.

Let us deal with the principle of whether the information should be available. Let us go through one or two scenarios in which we might make it available. If I were to drive into the hon. Gentleman's motor vehicle in the House of Commons car park, leave a dent in it and drive off without telling anybody about it and somebody were quick enough to spot me doing it and take my number, would he not think it reasonable for him to be able to approach the DVLA, get my details and make me pay the bill?

Mr. Atkinson: No.

Dr. Ladyman: I think that that would be reasonable. If the hon. Gentleman thinks it reasonable—I suspect that most of our constituents would do—the principle is established: there are circumstances in which it is reasonable for the DVLA to provide that information. If he does not think that it is reasonable for a private individual to be able to do that, it is up to him to say how private individuals will enforce their rights when somebody parks on their private property, or dents their motor vehicle and drives away after their number has been taken.

Having said that, I also entirely accept that there are circumstances in which it would not be reasonable for that to happen. The hon. Gentleman described many circumstances in which I would unequivocally say that it would not be reasonable. It is not reasonable for the paparazzi to attempt to trace celebrities by getting information from their number plates from the DVLA. If we find in our review that they are able to do that, I promise the hon. Gentleman that it will be stopped. As he said, it is also not reasonable for information to be provided to people who might be car or motorcycle thieves, and if I find that there are loopholes in the arrangements through which such information can be obtained by such people, we will try to find a way to stop that.

In order to achieve what we want, more is needed than just for me to make an edict. We need to have a consultation about what is reasonable and what is not reasonable. If we decide that there are circumstances in which access is reasonable, we will need to have a discussion about how thoroughly we would expect the DVLA to check that reasonable cause has been established. Current road traffic legislation makes it clear that the DVLA has a duty to provide such information to people who have reasonable cause. That is the basis on which the DVLA is providing that information. However, as I stated in my letter to the hon. Gentleman, reasonable cause is not established in law. Perhaps one of the things that will emerge out of this consultation is that we need to have greater clarity about what is, and what is not, reasonable cause. I will keep an open mind during the review, but my opinion at present is that there are circumstances in which it is perfectly right and justified that the DVLA should be required to make that information available.

I do not want there to be a proliferation of clamping companies throughout the country. My constituents would not welcome having even more clampers out on

[Dr. Ladyman]

the streets, but that will be the consequence if we take away the right of people legitimately to police private car parking by this method. People will have no alternative but to enforce parking in private car parks and on private land through clamping. We do not want to encourage that.

I believe that most people think that there are circumstances in which insurance companies and others should have access to the information. However, it would certainly not be right if the information could be obtained and used for marketing purposes. I am not a lawyer, but my understanding of the Data Protection Act is that if one obtains personal information about somebody, it can be used only for the purpose for which it was obtained, it can be stored and processed only in accordance with the purpose for which it was obtained, and the data protection registrar would expect the computer database that holds that information to be managed in accordance with that purpose.

Therefore, if Tesco were to put up a sign in the hon. Gentleman's constituency that said, "If you park for more than three hours, we will take a picture of your car number plate and use the information we get from that to enforce a charge against you," that is the only purpose for which that information could be used. However, if Tesco were to put up a camera in its car park in order to record its customers entering in their cars to obtain personal information about them, I doubt very much that that would be legal, and it would certainly not be legal with the type of notification that the hon. Gentleman has described as being displayed in that car park. In any case, I doubt very much that Tesco would contemplate doing that sort of thing.

Mr. Atkinson: I agree.

Dr. Ladyman: The hon. Gentleman nods his head; he does not think that Tesco are using it in order to get that sort of information.

A debate needs to be had on this matter. We have to decide what is and what is not a reasonable cause. I do not know whether the hon. Gentleman is going to be absolutist about this matter and say that there is no reasonable cause. If he said that the only two groups of people who should have access to the information on the DVLA database are the DVLA for the purpose of collecting vehicle excise duty and the police for the purpose of criminal investigations, and if that was the general view, we would need to change the law to reflect that.

However, we must consider what the consequences would be. It would be difficult to enforce private parking, there would be cost increases for people engaged in certain transactions because the cost of the transactions would increase, and there would be no recourse for individuals who cannot get the help of an insurance company or the police to track someone who is responsible for damage to their vehicle. We have to accept that those would be the consequences of taking the absolutist view.

If we decide that the absolutist view is not the correct one, and that in some circumstances reasonable cause can be established, we must ensure that reasonable cause is being established. The hon. Gentleman painted a picture of completely unauthorised individuals getting automatic access to the DVLA database, not providing details of the incident about which they are requesting information and not establishing reasonable cause. That is not my understanding of how the system works.

At present, individuals who want information about somebody must provide information about themselves and about the incident. They must fill in a comprehensive form to establish why they need the information. Organisations that wish to engage in a high volume of such transactions must first establish their bona fides. They must provide details of their business, including when it was established, on headed letter paper. There is a sift to ensure that there is reasonable cause, and they must give the time and date of the incident in respect of which they are requesting information each time they apply for information.

We may decide in the course of the review that things need to be tightened up. Perhaps a more thorough investigation of these matters must be carried out before we allow such access to the database. Perhaps we need to sift more information before we provide information on individual cases, in which case the cost would increase. Why should the taxpayer pay for this? I am not suggesting that the DVLA will want to make a profit in the future any more than it has in the past, but we would have to increase the cost if we took that approach.

Another possibility that should be considered in the review is one that I confess I found out about by accident, while reading a thriller on the train the other day. In some states in America, if an individual requests information about the owner of a vehicle on the basis of a registration number, the information is provided if reasonable cause is established, but the owner of the vehicle is contacted and told that that information has been provided, why it was provided and to whom it was provided. Both the owner of the vehicle and the person requesting the information know that a request has been made for information. I would like the review to consider whether that should be built into the system as an additional protection.

I promise the hon. Gentleman that the views that he has expressed today and any other views that he wishes to present will be included in the consultation, which will be thorough. We will start on it as soon as possible by producing a consultation document. We need to focus on what is reasonable cause and whether it can be established. If we decide that it can sometimes be established, we need to focus on whether we are checking thoroughly enough to ensure that the sort of abuses that he identified do not happen. Then we must consider the consequences of any change, including the cost to the taxpayer and customers, and any unintended consequences. As I have said on several occasions, we certainly do not want to encourage the growth of clamping. I doubt that our constituents would thank us for that.

The review will be thorough. The views of the hon. Gentleman, his constituents and *The Mail on Sunday* will be taken into account. I encourage anybody who has evidence that the system is being abused to provide me with it so that we can get to the bottom of matter.

11.30 am

Sitting suspended until half-past Two o'clock.

UK World Heritage Sites

2.30 pm

David Wright (Telford) (Lab): Thank you for calling me to speak, Mr. Olner. It is a pleasure to be in your company this afternoon, as it always is. It is appropriate that we are having a debate on UK world heritage sites, because we are sitting—and I am standing—in a world heritage site now. About a week and a half ago, I was lucky enough to be re-elected as chairman of the all-party world heritage sites group—[HON. MEMBERS: "Hear, hear!"] I knew that I would get an accolade in this House for something. It is a great pleasure to serve in that position.

A number of Members in the Chamber have been active in the all-party group for some years. I see the hon. Members for East Devon (Mr. Swire), for Salisbury (Robert Key), for Shipley (Philip Davies) and for Bath (Mr. Foster) and my hon. Friend the Member for Edinburgh, North and Leith (Mark Lazarowicz). I am sure that other colleagues will be keen to join in the work of the all-party group in time, particularly my hon. Friend the Member for Middlesbrough, South and East Cleveland (Dr. Kumar), who I know hopes to catch your eye a little later, Mr. Olner.

The all-party world heritage sites group has been functioning for several years. The group is cross-party, as is the nature of this debate. We want to get our teeth into world heritage issues, put the politics to one side and talk about how we can ensure that world heritage sites deliver the very best for us as a nation and for the communities in which they sit. I hope that the tone of this debate will be one of constructive thought and the desire to make sure that new partnerships develop so that our world heritage sites are protected for the future.

I should like to thank English Heritage, which has taken on the role of the all-party group's secretariat support. I particularly wanted to thank Peter Just, who is not a million miles away at this very moment, for the work that he is already doing for the group. The group welcomes English Heritage's support.

Today almost seems like world heritage day: this morning, the Minister and I had the pleasure of attending the annual general meeting of the Local Authority World Heritage Forum, which brings together all local authority areas with world heritage sites to ensure a co-ordinated view of the needs, desires and aspirations of world heritage sites across local government. The forum works in partnership with a range of organisations that I shall probably mention this afternoon.

I want to split my speech into two sections. I want to talk about some of the broader issues affecting world heritage sites in the UK, but obviously, Mr. Olner, you would not blame me for wanting to speak briefly about the world heritage site in my own constituency—the Ironbridge gorge—and I shall do that in my closing remarks.

The 1972 UNESCO world heritage convention was perhaps the most successful of all; it covered 180 member states and more than 800 world heritage sites. By joining the convention, member states undertake to protect their heritage, both natural and cultural, in general terms. They also have the opportunity to identify places of outstanding value to all humanity, and they can nominate them to be included on the UNESCO world heritage list. Once sites are on that, member states accept that the international community will take an interest in the management of those places through the work of the world heritage committee.

Within the UK, world heritage is probably the best known aspect of UNESCO's work, and the one that captures the popular imagination, because it is linked to specific places. World heritage involves many players. At national level, the Department for Culture, Media and Sport has the lead responsibility for the convention, and other Departments, such as the Office of the Deputy Prime Minister and the Department for Environment, Food and Rural Affairs, are also involved.

The devolved Administrations are involved too, as are the newly re-established UK National Commission for UNESCO and non-governmental organisations such as the UK committee of the International Council on Monuments and Sites, ICOMOS-UK. Of course, the Local Authority World Heritage Forum is also involved, as are individual local authorities and organisations that are present within world heritage sites.

There is a wide range of partners within world heritage sites. For example, one of the key players in my area is the Ironbridge Gorge museums trust. Such organisations take an important leading role within the world heritage site in their locality.

The UK joined the world heritage convention in 1984 and now has 26 world heritage sites: 16 in England, four in Scotland, two in Wales, one in Northern Ireland and three in overseas territories—I am sure that the Minister will be particularly keen to visit those.

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. David Lammy) *indicated assent.*

David Wright: I would like to go there as well, if the Minister will take me with him.

Twenty-one UK world heritage sites are cultural sites, four are natural sites and one, St. Kilda, is both a cultural and a natural site. During its 21 years in the convention, the UK has gone through three distinct phases of site development. During the first phase, from 1984 to about 1989, we nominated obvious monumental iconic sites in the UK—for example, Stonehenge, Avebury and the Tower of London—without much thought to the consequences for managing such places in the future.

During the second phase, from 1989 to 1997, we realised after a series of planning appeals that world heritage status was a significant factor in the management and sustainable use of places such as Avebury, Ironbridge and Hadrian's wall. We started to consider other places, as well as the obvious monumental iconic sites, and that led in 1994 to planning policy guidance note 15, which stated that world heritage sites were a key material consideration in planning cases. It asked local authorities to develop policies to protect them and recommended that they draw up management plans as well.

[David Wright]

Management plans are now a key feature of the UK's approach to world heritage sites. Their implementation is overseen by steering groups of stakeholders, including national agencies, local authorities, site owners and local communities. Since 1997, the number of UK world heritage sites has increased from 16 to 26. I understand that all but four have current management plans, and work should be completed on the remaining few sites—the last four—during 2006.

Management plans are incredibly important, as most world heritage sites are living communities. People live in them, and local people need to understand how the organisations involved in managing the site will interact with them. They need to know how they can make plans to change their housing, to start up a new business or to do something else within the site. They need to think about how their plans will correspond with the management plan for the site. The management plans are important documents, and credit is due to all the organisations that have moved so quickly to ensure that they are in place.

The third phase of development involved a review of tentative sites for world heritage status, which must be considered collectively on their merits. Between 1997 and 1999, the review of the tentative list marked a new approach to defining world heritage sites in the UK. In large part, the tentative list moves the balance from monuments, which can be managed, to urban and rural landscapes, which are far more difficult to manage. Management plans would be crucial if further sites were to be designated. We must consider the sustainability of such sites for the benefit of local and national communities.

That has been a quick canter through some of the broad themes in world heritage. The Minister may like to reflect on some of the key issues when he speaks, and I am sure that other colleagues will do the same. I shall now raise five points.

The first issue is the statutory recognition of world heritage. Historically, there has been no statutory protection in the UK for world heritage sites, unlike listed buildings, conservation areas, ancient monuments, national parks and so on. The current review of heritage designations and protection is an opportunity to address that. World heritage sites sit at the top of the heritage hierarchy. The designation is one of the few of international significance that we recognise in the UK, and the statutory recognition and protections afforded to such sites should reflect the importance of world heritage sites in that heritage hierarchy.

I understand that the DCMS has announced that the new heritage register will include world heritage sites. I should like the Minister to say a few words about that, because if that is the case, it is a major step forward. It would be interesting to hear his views on how the interaction with local authorities and their planning powers is working, and its impact on how we treat our world heritage sites in the UK.

The second theme is about the resourcing and management of world heritage sites. The primary responsibility for world heritage sites in the UK rests with the Government, because of their deal with UNESCO, but much of the day-to-day management falls on the local authorities where the sites are located. They have individual and day-to-day responsibility for protecting, promoting and presenting sites that fall within their boundaries.

Local funding for those activities varies between sites, but in practice there is pressure on local authority budgets. Authorities and communities benefit from the generation of tourism that the sites engender, but because of the national and international status of the sites and the scale of visitor numbers, they put unique pressures and burdens on local areas. Will the Minister open up a continuing dialogue with colleagues at the Office of the Deputy Prime Minister to consider the impact that world heritage sites have on local authorities, and whether we can do any more to assist them?

Thirdly, I want to reflect on the promotion of world heritage. The brand and the concept are probably not that well known beyond anoraks like us. Most people probably realise that there are one or two world heritage sites locally, regionally or nationally, but we do not promote the brand well in the UK, never mind internationally. We must do more to ensure that world heritage and the world heritage sites are considered key destinations for people who want to visit the UK, and for internal tourism. That is important.

I was lucky enough last year to visit the grand canyon. It is a world heritage site in the United States, but there was no indication of that status. It is clearly of world significance, but it would have been nice to have walked into the entrance lobby of the main hotel on the rim of the grand canyon to find a brochure on worldwide world heritage sites, showing Bath, Stonehenge, Ironbridge gorge and other sites in the UK and throughout the world, where people could pick up and follow the world heritage trail.

We must consider that idea. It is particularly important because the Olympic games will take place in this country in 2012. Would it not be a shame if millions of visitors came to London and other sites throughout the country, including world heritage sites that will host parts of the Olympics, but never got any further? Would it not be nice to get some of those millions of visitors out of the Olympic venues, London and the other locations where events are being held, and into world heritage sites?

What better way is there of promoting Britain and its contribution to the world through the Olympics than by promoting Britain's own world heritage sites? There is an opportunity, and I hope that the Minister will ensure that we seize it.

We in Telford had the pleasure of receiving the Under-Secretary of State for Culture, Media and Sport, my hon. Friend the Member for Stalybridge and Hyde (James Purnell) recently. He was keen to work with our hon. Friend the Minister who is here today to promote world heritage sites as tourist destinations in association with the Olympic games.

Fourthly, several world heritage sites throughout the UK are at specific risk from development and from natural problems such as flooding, land instability or coastal erosion. The status and the physical fabric of several sites are under threat. We need help and support from across the Government to ensure that those sites

are protected. Many local authorities cannot carry the burden of ensuring that their site is protected. We need support from central Government.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): My hon. Friend is making an interesting contribution. As he will know, the world heritage site in my constituency is a living, urban heritage site, with several thousand people living in it. One of the issues that we face is how to maintain a vibrant urban centre when there are pressures from many directions, such as the pressures on small shops and smaller shopping centres, and the effects of that pressure. Does my hon. Friend agree that it is important to consider how urban heritage sites are affected by wider trends in the retail and shopping markets and in planning policy? To put it bluntly, the viability of the heritage site in my constituency would be affected if the local community were to run down because of pressures on the local shopping and retail centres; that would undermine the entire living nature of that heritage site.

David Wright: My hon. Friend makes his point very well. It is important to bear in mind what we might term global factors, such as changing retail markets, in thinking about management plans for world heritage sites.

In world heritage site management, it is important that we do not stop the development, change and evolution of sites in urban environments, such as my hon. Friend's and mine. We do not want to preserve them totally; we want to ensure that their key elements are preserved, and their key spirit, but we should not turn down all development or stop all retail growth or change. We should respond in a way that is in keeping with the spirit of the management plan and the spirit of world heritage. Many urban world heritage sites are not static communities; they are living communities where people want to go shopping and earn a living—where people live. It is important that we understand that in our management of world heritage sites.

I am conscious that several Members want to speak, but I wish to make a fifth and final point; it is about specific development threats, and it fits in particularly well with my hon. Friend's comment. In planning world heritage site environments in both rural and urban areas, it is important that we consider the scale, scope, quality and design of new buildings. I understand that Cologne in Germany was put on the world heritage at risk register in 2004 because of approvals given for high buildings outside the buffer zone, more than 1 km from the cathedral, which is inscribed. I would hate similar situations to arise, where buildings are developed around world heritage sites that detract from those sites. We must manage planning processes extremely carefully.

Mark Lazarowicz: On that point, may I offer an example? One of the issues in the world heritage site of Edinburgh new town in my constituency is the need for affordable housing. Affordable housing that meets the high standards—it is correct that they should be so—in that site tends to cost a lot more than affordable housing in other parts of the community. Does my hon. Friend agree that it is therefore important that local, devolved and central Government should be prepared to pay extra to ensure that where there are vibrant communities, we can have affordable housing for a range of people? If that costs more because the housing has to meet the higher standards required for world heritage sites, so be it, because that cost has to be met.

David Wright: As Parliamentary Private Secretary to a Minister in the Office of the Deputy Prime Minister, I must be careful about what I say; I notice that my hon. Friend the Minister is looking at me with that thought in mind. However, I agree that it is important to promote high-quality design in development. I worked in the housing sector for 13 years, and I think that it is possible to secure very high-quality buildings that are fit for purpose through existing regimes, by acting creatively and addressing quality—and, occasionally perhaps, by pushing at the cost boundaries.

Perhaps we should not mention the Scottish Parliament building in this context, but to ensure that we get quality, we should look very closely at planning applications within world heritage site areas. We need to ensure that partners who wish to work in those areas are aware of their responsibilities within the management plan.

Time is pressing on, Mr. Olner, but I want to make two brief concluding remarks about Ironbridge. The first is on a positive note, while the second is about a local problem with which I hope the Minister might be able to help us.

First, Ironbridge gorge, within my constituency, has a major and regular flooding problem, which goes beyond Ironbridge, down through Coalbrookdale to Coalport. Recently, in February 2004 and November 2005, we instituted a successful scheme that defended the Wharfage by placing pallet barriers along it. We were grateful to ministers at DEFRA for working with ourselves and the local community to ensure that we had flood protection on the Wharfage at Ironbridge. But there are still properties where we have problems, so it would help if the Minister could meet council officials and myself to discuss continuing problems with flooding in the world heritage site area.

Secondly, as local people will be aware, there is a major problem with land instability within the gorge. A combination of geology, erosion, mineral exploitation and ongoing development within the gorge has caused a series of land instability problems. The bill for remedying that is significant. The initial scheme, which we have at the moment, to stabilise one of the areas at greatest risk, will cost £5.2 million. That will be funded by the European regional development fund and specific awards through the local transport plan. But we need to look at a much larger scheme—for which we would need Government support—if we are to ensure that we deal with that land instability problem, and avoid ongoing problems with our world heritage site resulting from the natural environment.

I will conclude there, having tried to canter round the broad issues relating to world heritage—some of the challenges and problems that we face, but also some opportunities. We have a massive asset here which, if we are careful, will ensure that we bring in a large number of tourists to the UK and promote tourism across it. World heritage sites can be an engine for their local economy. We have certainly found that with Ironbridge,

[David Wright]

and I know that other hon. Members find the same with the world heritage sites in their areas. I am proud to chair the all-party group, and I look forward to a continuing dialogue with the DCMS and other departments on the issues that I have raised.

Mr. Bill Olner (in the Chair): Several Members have said that they want to speak, so let me tell the spokesmen from the Liberal Democrat and Conservative parties that I intend to give the Minister at least 15 minutes to wind up.

2.53 pm

Robert Key (Salisbury) (Con): It gives me great pleasure to congratulate the hon. Member for Telford (David Wright), first on securing the debate and secondly on his renewed chairmanship of the all-party group. He is doing a service to us all, and to world heritage sites. I wonder, Mr. Olner, whether you remember the film that accompanied the British bid for the Olympic games in Singapore, and the dramatic effect of seeing Stonehenge with the Olympic flags behind it. That was part of the reason why Britain gained the Olympic games for London. Of course, I have the honour to represent the stones and the Stonehenge world heritage site, which includes Avebury, which is not actually in my constituency.

The story of Stonehenge is a great one, but also a sad one. Back in 1985 the United Kingdom withdrew from UNESCO. I was, at the time, the last national commissioner to have been appointed for UNESCO from the United Kingdom. I was obviously sad at the decision of my Government to pull out at that time. However, that has been remedied. We are back in, and I am delighted that the Secretary of State for International Development took that decision.

During the period that we were out, much had happened in terms of designating British sites. There is now a long and distinguished list, as we know. UNESCO now has a full British complement and is responsible for the world heritage sites. Sue Davies is chairman of the culture committee of the UK National Commission for UNESCO and the chief executive of Wessex Archaeology. I should, therefore, start by declaring a non-pecuniary interest as a director and trustee of Wessex Archaeology.

I remember well the launch of English Heritage in the chapter-house of Westminster Abbey, just across the road. In those days the chapter-house belonged to the Government and was administered by the Department of the Environment, and then by English Heritage. At the first meeting of English Heritage, Lord Montagu of Beaulieu pledged that the No. 1 priority would be Stonehenge, including the refurbishment of the visitor centre, improvement of the site and taking the roads out of the landscape.

Lord Montagu made huge strides and efforts over many years, but he did not quite get there. He was not the only one who was defeated. Margaret Thatcher was defeated, too. I recall visiting her as Prime Minister in her rooms in the House of Commons. She got on her hands and knees with me, poring over the maps, looking at the Stonehenge issue and arguing the case, because that was the sort of person she was. However, even she did not manage to crack the problem of Stonehenge.

Then Sir Jocelyn Stevens came on the scene and he, as chairman of English Heritage, brought to bear all his charm and charisma and all the other traits for which he was famous and made valiant, dramatic attempts to solve the problems of Stonehenge. We recall the cartoons of people at English Heritage jumping out of windows and all those happy days. However, even Sir Jocelyn did not solve the problem of Stonehenge. I hope that Sir Neil Cossons will solve the problem; he is the person most likely to succeed.

It was not just Margaret Thatcher who failed to succeed; our present Prime Minister also failed. I raised the matter of Stonehenge with him at Prime Minister's questions in July 1997, when he said that the Government were aware of the problem and would do their best to try to solve it. We are still waiting. I suspect that the Prime Minister will have retired before the stones are put in their proper context.

This is an extraordinary story about a world heritage site, because everyone has wanted to succeed. I know, because I was the first Minister for National Heritage at the Department of National Heritage. Quite rightly, Sir Humphrey said, "No, Minister. You can't get involved in your own constituency." So that was fine. But then I became the Minister for Roads and Traffic and I saw the problem from another angle and, once again, Sir Humphrey rightly said, "No, Minister. You can't get involved in your own constituency." So I could not solve the problem either.

The local authorities were hugely enthusiastic about cracking the problem. Local government officers in Wiltshire county council and Salisbury district council were sweating away, trying hard to find the right way through. That was a great drain on their expertise and on the local authority budgets, but nobody succeeded.

The current Minister has a huge challenge before him. I know that he understands what this is all about, because he is helpful and courteous, and has been infinitely patient as he has observed the sand slipping through his fingers when it comes to Stonehenge. His door has always been open; I am grateful for that. I know that, thanks to his background, he has a good feeling for the importance of things like world heritage sites in our national history.

Stonehenge is about more than that, however; it is a matter of national and international significance. I was going through one of the huge piles of Government brochures, plans and so on, and I came across a brilliant initial plan that was produced to celebrate the English Heritage bids, which spoke of

"Working together to meet the challenge."

And on the front of that Stonehenge master plan was a quote from Siegfried Sassoon's poem, "The Heart's Journey":

"The stones remain; their stillness can outlast
The skies of history hurrying overhead."

Then we turn the page, and we see Sir Jocelyn Stevens saying something that I bet he has regretted ever since. It is the sort of thing you say; it is the sort of thing you mean:

"I can think of no better example to the world of how this country cares for its great heritage."

Yes. Quite. And that is the problem, because everyone has wanted to solve this problem at Stonehenge. We all know that we want to restore it to the grandeur of the

time when there was little interference by man. We want to take the roads out of the landscape, do we do it with a tunnel or not?

We were all pretty surprised when the then Minister, Lady Blackstone, announced that they were going to build a long-haul tunnel beside the stones, and we said, "Hooray, but where is the money coming from?" But of course, earlier this year the Department for Transport said that it had no money, so that was all over and we had to go back to the drawing board.

We have had endless problems about the visitor centre and how it depends upon the tunnel or the road improvement, and if the Winterbourne Stoke bypass and the Countess road flyover are built without the tunnel there has to be a new public inquiry. It gets more and more convoluted. That is the problem. I honestly believe that our system of national government is not good at delivering this sort of project; it is just not designed to do it. Even when two Prime Ministers have been personally committed to trying to find a solution, they have not found it.

So we have to keep trying and we will keep trying. Meanwhile, the stones will not get damaged. They will be as mysterious and wonderful as ever. They deserve their designation as a world heritage site. But we should be increasingly ashamed of the visitor facilities there, and of the encroachment of the 20th and now the 21st century upon the landscape of the stones, and we must try harder.

I am still passionate about this and I believe that there are ways through. I am delighted that the Minister for roads has also had an open door and I know how much he wants to solve this. I know how much the Minister who will reply to today's debate does too, but we must go on until we do solve it; otherwise, we shall not be living up to our responsibilities as the keepers of a world heritage site like Stonehenge and Amesbury. We simply must do it. My plea to the Minister is that he uses his best endeavours and, much more than that, his charm, his guile and whatever else he can offer to help us do this, because everyone will be grateful to him: the local authorities, the local people, and the people travelling up and down from the west country.

My final point is that a world heritage site in this case is not just a heap of old stones. Stonehenge represents an important symbol of the history of our country and culture, but much more than that, it is the gateway to the west of England. The west of England is one of the most innovative, exciting, vibrant parts of the United Kingdom. We trade on our heritage, our environment, our beaches and our holidays. At the same time, we have—in my constituency at least—the lowest unemployment rate in the United Kingdom and the highest rates of economic activity. We have high technology, we have nanotechnology and we have science in bucketfuls, and yet the whole economy of south-west England comes to a halt at Stonehenge. Stonehenge ought to have a large road sign saying, "Gateway to the South-West"; instead, you get to Stonehenge and there is a big sign saying, "Road Closed".

That is the problem, because in the south-west of England the infrastructure investment has been poor over many years. We have not had road improvements. We have had to fight even to get the M5 designated a strategic route. The A303, which was always the second route to the south-west, has been downgraded. The Blackdown hills controversy cost us years. It cost the economy of the whole south-west years; it cost the tourist economy of the south-west huge amounts. It continues to cost everyone a great deal, not only in terms of money, but in terms of everything that world heritage sites stand for. There is every reason why the Government, as a whole, should get together to solve this problem: it is about the economy, the quality of life and the standard of living.

Only last night, some of us had a meeting with the South West of England Development Agency. It too recognises that the bottleneck of Stonehenge is having an adverse impact on the place of the south-west of England in the world, in terms of economy and quality of life. So the problem represented by Stonehenge is a massive problem, and I have not over-egged that in any sense. But at heart it is the stones that matter, and the landscape in which they lie. They matter to us and to our children and grandchildren, and we must crack this problem for their sake too. I put in a plea not just for all the world heritage sites to be in our hearts and minds as we think of everything that makes Britain so British, but for us to think in practical terms about the need to provide world-class visitor facilities. Britain is capable of the very best—we know that—but we are failing miserably at Stonehenge in 2005.

I hope that, by the middle of 2006, we will see the Government's working party produce a sensible plan that can be costed, afforded and implemented without delay. At that point, UNESCO can realise its dreams for the world heritage sites in this country, all of which are magnificent; indeed, I hope to see more. My hon. Friend the Member for East Devon (Mr. Swire) has in his constituency not only part of the Jurassic coast international site, but the Cornwall and west Devon mining landscape, which is the subject of a new application.

There is a huge task ahead. Everyone wants this to happen. Minister, please make it happen.

3.6 pm

Dr. Ashok Kumar (Middlesbrough, South and East Cleveland) (Lab): I congratulate my hon. Friend the Member for Telford (David Wright) on securing this debate. Before he was elected, I, as a student in Birmingham, regularly visited his constituency to see the Ironbridge site, which I have admired since the first time I saw it in 1975. I have been there many times since. I have not visited Ironbridge since he was elected, so I will inform him when I next decide to visit.

I wish to focus on two matters; I am aware that time is limited. First, I shall make a few observations about the world heritage site list and, secondly, develop another theme. Unlike other hon. Members who have spoken, I do not have a world heritage site in my constituency. However, in the northern region, we have two: Hadrian's wall and Durham cathedral and castle. I am happy that they are world heritage sites, but, if one goes further down the road, one finds York cathedral and city walls, which are not included in the list. That is surprising, given that the great Roman emperor Constantine was crowned in that city. That site should

[Dr. Ashok Kumar]

have been a candidate for the list. Somehow, it has been overlooked and does not appear on the list that I have seen on the internet.

Jo Swinson (East Dunbartonshire) (LD): I add my congratulations to the hon. Member for Telford (David Wright) on securing the debate. I was interested to hear the comments of the hon. Member for Middlesbrough, South and East Cleveland (Dr. Kumar) about the Roman empire. I wonder whether he is aware that the proposed list includes the first multi-country bid for world heritage status for the frontiers of the Roman empire, including the Antonine wall in Bearsden, in my constituency. I would be interested to hear whether he believes that that should be included on the list.

Dr. Kumar: I heartily agree. The tentative list includes sites in the north-east, including Lindisfarne and Jarrow. It is amazing that they have not been considered, given the part they have played in history. In the dark ages, the torch of learning was kept alive at those sites, where men such as Bede kept our spirit alive. Further south, one finds Whitby, which has a great religious history, and was the site of the synod that effectively settled what we now know as the Christian doctrine. There is no recognition of that.

I believe that the list is subjective and selective. I know that the Minister is looking for ideas, so I suggest that he takes up some of my suggestions when advancing his programme. There is also a little bias, which has been hinted at earlier in the debate. A lot of the sites are all about stone and mortar. I recognise that it is about buildings: churches, cathedrals, castles, abbeys or palaces. That is fine, as they are part and parcel of our history, but that is a limited reflection of our heritage and world heritage. I want to explore that theme further.

We must consider things laterally. I am most interested in science and engineering, which the Minister knows I am passionate about. I care greatly for it. I studied it as a student and I worked for a living in that sector before I entered the House.

Nowhere in the list of UK world heritages sites is there any connection with the physical and natural sciences. The nearest that we get is the Royal Botanic Gardens at Kew, the Royal Greenwich observatory and the maritime museum.

Mr. Martyn Jones (Clwyd, South) (Lab): Does my hon. Friend agree, given his enthusiasm for engineering, that the Telford aqueduct should be on the list of heritage sites in Britain? Its bicentenary was held just a couple of weeks ago. It is a 200-year-old aqueduct that is still in use and it is an amazing engineering feat.

Dr. Kumar: I am happy to endorse that, because it fits into the theme that I am trying to explore. The contribution of science and technology needs to be incorporated into our heritage. Nowhere do I see any evidence that such an approach has been explored.

Great learned men and women have honoured this country in developing ideas. I am thinking of the Cavendish laboratory at Cambridge, a great institution where James Clerk Maxwell, Ernest Rutherford, James Chadwick and Nils Bohr made great contributions. They were great learned scholars in science. That is one institution that we should consider in terms of great world heritage sites. Matter was explored and the structure of the atom was investigated, as were all the forces of the universe, over a long period.

Many other institutions could be included, such as Manchester university, where great pioneering work was done in physics, discovering the nature and depth of the universe. They are great world heritage sites, which we ought to promote in our discussions from now on. I could suggest many other institutions, such as Woolsthorpe manor, which was the Lincolnshire home of Sir Isaac Newton. It is not on the list. He was a great pioneer, who broke frontiers of science. Newtonian physics lives with us to this day. There is an opportunity for us to explore that and to put it in the relevant category somewhere along the line.

It would be a great credit to UK heritage and world heritage if we could explore that theme. After all, the theme of this Government has been to promote science and technology and our great achievements. We have a great heritage. That is a further suggestion that the Minister can take away and perhaps explore. I am not saying that he must give me the answers today, but I am outlining an approach.

The Minister could also involve the scientific and engineering institutions—the Royal Society, the civil engineering organisations, the Institution of Chemical Engineers, of which I am a member, and other institutions—in considering whether such sites could be recognised in this respect in the future. I am not looking out for my constituency on the issue, because it has no world heritage sites, but the theme needs to be explored.

I know that time is limited. Perhaps the Minister can take some of those ideas away and, some years down the road, there might be some success.

3.15 pm

Philip Davies (Shipley) (Con): I shall be as brief as possible because other hon. Members wish to speak. I congratulate the hon. Member for Telford (David Wright) on securing this important debate. As my hon. Friend the Member for Salisbury (Robert Key) said, we all appreciate greatly his work on the all-party parliamentary group.

World heritage sites are places of international importance for the conservation of our cultural and natural heritage. Examples include the great wall of China, the pyramids, the great barrier reef, Venice, the Tower of London and the Palace of Westminster. In Shipley, we are proud of the fact that Saltaire, including Salts mill, which hosts the Hockney collection, is on the list. I recommend all hon. Members to visit it. It is a fantastic place.

World heritage sites face several problems, which I hope the Minister will deal with in his response. I shall be parochial, stick to my patch, as my hon. Friend the Member for Salisbury stuck to his, and discuss Saltaire. It was designated a world heritage site in 2001. No central agency has overall responsibility for the site. In effect, the management relies on everyone with an interest in the village working together. That includes all owners and occupiers of properties in Saltaire. A number of people do a great job. The Saltaire project

team is a forum for key stakeholders at the world heritage site and involves local councillors. There is also the Saltaire village society, which is made up of representatives from the village. They have an important role in enhancing the look and attraction of Saltaire. I pay tribute to their work.

I shall touch on some issues rightly raised by the hon. Member for Telford. As for the financial burden of local authorities, I am sure that all Members are aware that the world heritage convention places several duties on the Government in respect of the management of world heritage sites to ensure that they are identified, protected, conserved and presented to the public. The responsibility for individual sites falls often at local government level. Each site must now have a management plan. It is recognised by most people that a co-ordinator post is fundamental to driving the implementation of the plans.

The post at Bradford was funded partially for three years by English Heritage, but that funding ends in April next year. Fortunately, Bradford metropolitan district council has stepped in, taken on the responsibility for the post and made it permanent. Other sites throughout the country are not as lucky and often find it difficult to retain long-term funding for such posts, which obviously creates concern about the continuity of the work. Although funding can be obtained for certain projects within a world heritage site, the local council often has to contribute to it.

I hope that the Minister will accept that there is a danger that those responsible for nominating sites for inspection to be included on the world heritage list may decide not to because of resource implications. It would be sad if that were decided on the grounds of which authority had the resources, not the importance of the site. Surely that should be the most important factor when deciding whether something is a world heritage site or not.

The hon. Member for Telford made a good point when he said that being designated as a world heritage site probably brings no additional legislative protection for that site. All the buildings in Saltaire are listed, which means that they have a high level of protection. However, that probably is not the case with all sites. Some additional protection for those important assets would be beneficial for those of us who represent constituencies with world heritage sites.

I refer now to joined-up government, a matter that I want the Minister to address. The Government have a responsibility to raise awareness of world heritage, but I am not aware of anything in the school curriculum raising awareness of world heritage matters. Saltaire has focused on links with the Highways Agency, which is responsible for the roads in the area. One of the pavements needed resurfacing. As anyone who has been to Saltaire will know, its significance rests in its housing, and its street surfacing is vital to the character of the place. To ensure that stone paving was used, rather than a concrete alternative, the council had to supplement the work financially, as the Highways Agency had no special provision in its budget for world heritage sites. I hope that the Government will address that point.

Saltaire is one of the most congested places in the whole Bradford district. That is recognised by the Highways Agency, which apparently has no money to sort it out. The last thing that we want is for those visiting Saltaire to be stuck in queues of traffic. What incentive would there be for them ever to return? I hope that the Government will work with the Department for Transport to ensure that the Highways Agency makes special provision for places with world heritage sites, in order to attract people there.

My final point, which I would like the Minister to address, is that some regulations seem to work against some world heritage sites. For example, signs cannot be put up on the motorway to promote Saltaire as a world heritage site, because the site is more than three miles from the motorway. Such regulation prevents world heritage sites from being promoted. It would be welcomed by people travelling on the M62 if there were something on that motorway saying, "Come to Saltaire, there is a world heritage site there."

Robert Key: I encourage my hon. Friend to challenge that ruling. It is a very important point. A long time ago, when I was Minister for Roads and Traffic, I received complaints from the dean and chapter of Ripon cathedral, because it was not allowed a sign on the motorway. Going to Dover on the motorway at that time, I discovered a brown sign for Rochester cathedral, which was further from the motorway than Ripon cathedral. So I tell my hon. Friend to challenge that ruling and really go for it.

Philip Davies: I am grateful to my hon. Friend for that helpful advice. I am sure that my colleagues on Bradford metropolitan district council will challenge that ruling, but they were told that they were not allowed to put a sign on the motorway, because the site was more than three miles from it.

I again congratulate the hon. Member for Telford on all his hard work in the field, and on securing the debate. World heritage sites are an important part of our culture and heritage, and they deserve special protection. There are measures—often simple measures—that the Government could take that would do an awful lot to help those sites. I hope that the Minister can address some of those issues.

3.23 pm

Mr. Don Foster (Bath) (LD): We have had a useful and valuable debate, with tremendous contributions. The hon. Member for Salisbury (Robert Key) told us the great and sad story of Stonehenge. As I listened to him, I reflected that it was a huge pity that when the hon. Gentleman held his two ministerial posts, Sir Humphrey laid such a heavy hand on his shoulder, because with his passion and commitment to finding a solution to the problems of Stonehenge, I am convinced that if he had been given the necessary freedom in those posts, he would have got on and done something about it.

I shall return to the contribution of the hon. Member for Middlesbrough, South and East Cleveland (Dr. Kumar) in a minute, but first I congratulate the hon. Member for Shipley (Philip Davies), who talked passionately about his patch and the world heritage site of Saltaire in it, but who also rightly raised a number of concerns that are shared by others in the House, and I want to touch on those. I join the hon. Member for Salisbury in urging the hon. Member for Shipley to

[Mr. Don Foster]

go back and have words about signage; I, too, am convinced that that problem can be solved. I notice that the Minister's Parliamentary Private Secretary is making detailed notes, so I am sure that if the hon. Gentleman talks to him afterwards, he will get some advice about that.

My greatest praise must be for the hon. Member for Telford (David Wright), who made an extremely good and comprehensive introductory speech. I also congratulate him on his re-election as chairman of the all-party group on world heritage sites. I am delighted to be one of the two vice-chairmen of that group, and am particularly delighted that the hon. Member for East Devon (Mr. Swire), the other vice-chairman, is here. I wish to take this first public opportunity to congratulate him on his recent elevation in the ranks of his party. I also put on record my thanks to English Heritage for the support that it now gives the all-party group, and add particular thanks to Sir Neil Cussons from that body for his inspiring contribution to our first meeting in this parliamentary Session.

I am delighted to have the opportunity to speak, because not only I am the vice-chairman, but I am proud to be the only Member of Parliament in the United Kingdom who can boast of having an entire city as a world heritage site in their constituency.

I want to begin my remarks, oddly, by making a few suggestions to the hon. Member for Middlesbrough, South and East Cleveland. I agreed with everything he said about reflecting the importance of science and engineering in the tentative list—and in the long term, I hope, in the actual list.

I hope that the Minister is listening to this next suggestion. Next year, 2006, will be the 200th anniversary of the birth of Isambard Kingdom Brunel. If we ask the question, "Who put the great in Great Britain?", we know from the recent poll that Churchill came first and I. K. Brunel came second. One of the best ways of reflecting that and meeting the hon. Gentleman's requirements would be to ensure that the Great Western railway gets the prominence that it deserves.

After all, it was Brunel's work on that railway that not only put Britain on the map, but showed the world how to set up mass transport. It is not Brunel's fault that on that railway there are some of the highest fares in Europe. Although many of the early railways have long since disappeared, the Great Western railway is not only still in operation, but able to carry the modern high-speed trains that, as the hon. Member for Salisbury said, enable us to travel to the sou'h-west.

Robert Key: High speed?

Mr. Foster: The hon. Gentleman may doubt the speed, but he knows that with the new franchise, we have a commitment from First Group to provide better rolling stock on the line.

Perhaps the hon. Member for Middlesbrough, South and East Cleveland and my hon. Friend the Member for East Dunbartonshire (Jo Swinson), who is no longer present, were guilty of trying to put too many sites on the tentative list. Now that we have the opportunity for only one key proposal, it will be even more difficult for GWR to be the one that we take forward.

Wherever world heritage sites are—Saltaire, Telford or anywhere else—we are proud of them, we know about their importance, we recognise their economic potential and we know that they are attractive to businesses and investment. After all, they have been singled out as the best examples in the world of places that people inhabit, visit and so on. I recognise the enormous benefit of that status, but it does not alter the fact that there are a number of problems, which other hon. Members have already described.

Bath, for example, has a large number of listed buildings. The people in listed buildings automatically have to apply for listed building consent to make any changes, but they do not have to pay for that, which puts financial pressure on the local authority. Because Bath is a world heritage city, if there is a major development and the developers come in, our local council planning department must do a huge amount of additional work. However, there is a cap on the amount of money that it can charge developers, which creates a huge strain.

Throughout the country, there is inconsistency in the funding, back-up and support for our 26 world heritages sites. Sadly, there are gaps in the conservation legislation and the listed building and scheduled monument legislation, down which we can fall.

There are huge pressures. The South West regional assembly, in developing its regional spatial plan, wants to create a huge amount of growth in Bath. There are huge consequences for the way in which we manage that growth while retaining the uniqueness that entitles us to call ourselves a world heritage city. We must find a way of resolving that conflict.

Only in the past couple of days, I received a letter from Bath's conservation officer with responsibility for world heritage. She writes:

"It is very hard to get environmental issues such as World Heritage status appropriately considered in the face of 'economic necessity', especially when we are talking about emotive (as well as essential) issues such as affordable housing and employment. But, and it's a big but, certainly with Bath and with most if not all other World Heritage Sites, we will be killing the golden goose if we allow inappropriate levels and types of development."

She is absolutely right. We must find solutions to that problem.

As the hon. Member for Telford said, management plans are part of the solution. This country led the way in putting them in place. Now, nearly all our world heritage sites have one, and soon all of them will. They are part of the way forward. However, unless we find resources for implementing them, we will be in difficulty, as the hon. Member for Shipley rightly said.

We must also take forward some of the other ideas that have been suggested. The Government are currently conducting a heritage protection review. Many of us would urge the Minister to provide statutory protection in one form or another for world heritage sites, and to ensure that it is the right sort of statutory protection. This cannot be done on some sort of consensual basis. A mandatory system must be put in place to get real protection. Perhaps the Minister will respond to those points.

As has been mentioned, there have been opportunities in respect of the register of historic sites and buildings and so on, but there are models—for example, areas of outstanding natural beauty and the Countryside and Rights of Way Act 2000—that we could pick up and run with quickly.

I am conscious that time is tight, so I must finish soon. In his extremely valuable contribution, the hon. Member for Telford discussed the need to start promoting the brand in this country, and he is absolutely right. My suggestions build on what he said. There are five key steps that we could easily take.

First, we should work hard to get all the United Kingdom's sites to use and prominently display the official world heritage symbol. Secondly, Ordnance Survey maps should show world heritage sites with the appropriate symbol on all its maps. Thirdly, VisitBritain should promote our world heritage sites much more effectively, particularly when it advertises overseas. Fourthly, let us persuade every site to distribute a leaflet that describes what is offered at the other sites in the rest of the country and overseas. Finally, let us find better ways of providing links between the sites—perhaps route maps and so on.

I entirely agree with the hon. Member for Telford that the 2012 Olympics will provide a target date for putting all those ideas in place. World heritage sites are fantastic. They are wonderful. We should be enormously proud of the 26 in this country, but they need more help, and I hope that in few minutes' time the Minister will describe how he will provide it.

Mr. Philip Dunne (Ludlow) (Con): Will my hon. Friend give way?

Mr. Bill Olner (in the Chair): I call Mr. Hugo Swire.

3.33 pm

Mr. Hugo Swire (East Devon) (Con): Thank you, Mr. Olner. I am sure that my hon. Friend the Member for Ludlow (Mr. Dunne) will find me very forgiving if he seeks to intervene during my few remarks. In the spirit of consensus, I should like to join the universal gratitude of the House to the hon. Member for Telford (David Wright), who manfully continues the job that he started. I take this opportunity to congratulate him and the vice-chairman, while simultaneously apologising for not being able to make our meeting yesterday.

I would also like to take the opportunity—with your indulgence, Mr. Olner, lest this become a sort of end-of-term party—to thank the hon. Member for Bath (Mr. Foster) for congratulating me on my elevation to the shadow Cabinet. My only message to him, given the current questions over the leadership of his own party, is that the sky is the limit. I also extend my thanks to the Local Authority World Heritage Forum, as I suspect that much of the work falls on its shoulders. It does an excellent job.

It is appropriate that we are meeting here this afternoon. The hon. Member for Telford was right to point out that we are debating this topic in what is—although we often forget it—a world heritage site. As the chairman of the Speaker's Advisory Committee on Works of Art, I know that that sometimes causes problems. Who has the right to decide what statues stand in the square outside? It turns out that the answer to that is not Parliament, or even Parliament as a world heritage site; it is the Mayor of London. The fact that the Mayor has the right to decide what statues should stand opposite Parliament fills some of us with as much confidence as the Trojans had on discovering too late that the horse was hollow and had people inside it. I ask the Minister to look into the whole question of the Westminster world heritage site at some stage in the future, and find out whether we can bring within the competence of that site—and, perhaps, within the powers of Parliament—the right to control the place that we inhabit.

There is much talk about sites in the United Kingdom—that is what the debate is about—but our responsibilities extend beyond our national borders. We have responsibilities around the world. In my party's manifesto at the last election, I specifically included a token sum of £5 million from the lottery funds to protect British heritage overseas; there are many remnants of British history overseas, such as Shackleton's Antarctic huts. That sum might have been tokenistic, but it was indicative of our thinking and our aspiration. Funds would also have been made available for heritage sites in Iraq, such as Babylon, which suffered during coalition activity and attacks in the recent war in that country. Therefore, although our responsibilities are domestic, they extend beyond our national borders.

My hon. Friend the Member for Salisbury (Robert Key) is my almost near neighbour; he would be my near neighbour if the trains were faster and the roads better between Salisbury and East Devon. He referred—rather poetically, I thought—to the world heritage site that is partially in my constituency as "Jurassic Park". No doubt many of us in our part of the world would do well as extras in the film of that name, but the correct term for it is the Jurassic coast—in fact, the technical term for it is the Jurassic, Triassic and cretaceous coast; were I allowed to refer to those sitting at the back of the Chamber, I would no doubt be able to state that several of them were nodding in assent to that.

As we are all being a little partisan about our own sites, I shall take this opportunity to congratulate everyone in Devon and Dorset who worked so tirelessly to get us world heritage site status. The day we got it was a tremendous day. I should like to point out that we got it in the same year as Saltaire did, and somewhat after the city of Bath, which was awarded that status in 1987. My hon. Friend's very own Stonehenge was awarded it in 1986, which pips us all at the post.

I am interested in what the hon. Member for Telford said, and I look forward to hearing the Minister's comments. That there is no statutory provision for protecting world heritage sites is extraordinary. I would welcome receiving any information that the Minister might have on that. I question whether the DCMS register goes far enough, and what it is intended to do. I would also like to know how we could go further.

The thorny issue of resources is dear to my heart. We should not do world heritage sites on the cheap. We are in a competitive environment; we are competing with the very best around the world. Places should not be given world heritage site status and then, bang, they are on their own—but that is what tends to happen. In Jurassic park—or rather, on the Jurassic coast—we are trying to set up a themed walk with visitor centres, some of which might be in my constituency. There might be one at the start of the walk in Exmouth, another in Seaton and others in Dorset as well. There would be interpretive centres linked together all the way down the

[Mr. Hugo Swire]

coast. But we are finding it extremely difficult to access funding and to get any body—such as the ODPM or the DCMS—interested in developing these ideas.

To give credit to all who are working on the project, I must add that the Jurassic coast is already recognised nationally and internationally as leading on sustainable tourism and public transport initiatives. It won the winter 2005 Tourism for Tomorrow destination award, and the Jurassic coast X53 service got an excellence passenger transport award and a national transport award. People are doing things, but often without much support from central Government.

There is also the wider issue of entertaining and looking after all those tourists who come to see our world heritage site. Amazingly, we have a shortage of hotel beds in my part of the world. No great thought seems to be given to what should happen next. Yes, the award was won on merit, but what happens next? What about the necessary infrastructure, both for the people who live there, so that their everyday lives are not impinged on unnecessarily, and for the tourists whom we want to come here to make the sites economically viable and sustainable in the longer term?

Mr. Dunne: Will my hon. Friend give way?

Mr. Swire: Of course.

Mr. Bill Olner (in the Chair): Order. I recognise that it is your right to give way, Mr. Swire, but it is a bit of a cheek for someone who has been in the Chamber for only five minutes to seek to intervene.

Mr. Swire: I am between a rock and hard place, Mr. Olner; I am not sure whether it is Triassic or Jurassic. At the risk of incurring your wrath, I will give way to my hon. Friend, as long as his intervention is very short.

Mr. Dunne: I am grateful to my hon. Friend, and to you, Mr. Olner; I am duly chastised. My intervention relates to my hon. Friend's new responsibilities, on which I heartily congratulate him, and to the point made by the hon. Member for Bath (Mr. Foster). Those new responsibilities cover the lottery funding that will go towards the Olympics. In view of the National Lottery Bill, I urge my hon. Friend to put pressure on the Minister to ensure that funding is available for the heritage aspect through the lottery, which has been somewhat curtailed as a result of the imposition of the Olympics.

Mr. Swire: My hon. Friend is right. There is a residual nervousness about the heritage sector losing out to other sectors in connection with the Olympics.

Mr. Foster *rose—*

Mr. Swire: The hon. Member for Bath has been here, Mr. Olner, so I will give way to him.

Mr. Foster: The hon. Member for East Devon (Mr. Swire) may just wish to remind his hon. Friend that as a result of a joint amendment that he and I tabled to the National Lottery Bill, which we will continue to pursue at the beginning of next year, we may be able to solve that problem.

Mr. Swire: You see, Mr. Olner, the Lib-Lab pact is not the only one. The hon. Gentleman is entirely correct.

I now have only a few minutes left, as the Minister needs sufficient time to answer all these questions. Yes of course we need to promote the brand nationally. The Olympics provide us with a wonderful opportunity to do so. There is some nervousness that the Olympic games will be London-centric. That would be inappropriate, particularly given this debate, which is about sites all around our country. I urge the Minister, when discussing the subject with officials and colleagues, to bear in mind that there is life outside London.

World heritage sites at risk, and future sites that may be threatened, have been briefly mentioned. That problem needs to be examined. We also need to spend a little more time, energy and—dare I say it?—resources, on the conservation of existing sites. That may be required as a result of wear and tear from the increase in visitor numbers, or there may be a need for sensitive development to enhance rather than detract from the sites.

My hon. Friend the Member for Salisbury spoke about Stonehenge. I know a little bit about that. He has been kind enough to brief me in the past. I have had visits from people involved in the visitor centre in my constituency. Stonehenge is a token in my everyday life in a way, because I travel up and down the A303. I have my own reservations about some of the plans. The Countess roundabout is quite far away for a visitor centre, and there are issues about how one gets people from there to the site.

I have a residual sadness at the thought that one day I will travel up and down the A303 and not even see Stonehenge—but I am prepared to sacrifice my desires for the benefit of all. I understand that something needs to be done. The Minister could make his name here, because this argument has been around almost as long as the stones themselves. If he comes up with a workable solution on which we can all co-operate—it may not be the ideal solution, but it must be one that can be undertaken and enforced—he will have my support and that of my hon. Friend the Member for Salisbury.

The hon. Member for Middlesbrough, South and East Cleveland (Dr. Kumar) made some very good points about what he wanted, given his background in science and engineering. I urge him to consider that not everything can be a world heritage site. If anything is to come out of this debate, for goodness' sake let it be that we spend a little more time on making what we have better, rather than just coming up with new ideas. Otherwise, the entire country could turn into a world heritage site. None the less, I take the hon. Gentleman's point.

My hon. Friend the Member for Shipley (Philip Davies) talked about Saltaire, which received the same award in the same year as us—and a very good thing, too. He talked about Saltaire's connection with David Hockney, who is perhaps not so popular in Government circles these days, as he is, as it were, rubbing salt from Saltaire into the Government's wounds over their plans to ban smoking. Saltaire is an important site.

My hon. Friend made an important point about the school curriculum; the debate always returns to the school curriculum. The first people to whom we should speak about world heritage sites in the United Kingdom are our students, pupils and children, who are the citizens of tomorrow. If they do not take an interest, not only shall we not get many more world heritage sites but there will be no great hunger for them and no one to look after them. Therefore the school curriculum is incredibly important to preserving our heritage. I know that in his reply to the debate, the Minister will want to deal with each and every point that has been made.

3.46 pm

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. David Lammy): In the time available, I want to respond to all the points that were raised by my hon. Friend the Member for Telford (David Wright). I congratulate him on introducing an excellent debate on world heritage. It is important that we have the opportunity to discuss the issue, and it is appropriate that we are having the debate in Westminster Hall. I accept the points that the hon. Member for East Devon (Mr. Swire) raised about the Mayor of London, and those points will arise again during next year's heritage protection review.

My hon. Friend the Member for Middlesbrough, South and East Cleveland (Dr. Kumar) made important points too. I take those on board, even if I may not have time to respond to them. The same goes for what was said by the hon. Members for Salisbury (Robert Key) and for Shipley (Philip Davies).

The hon. Member for Salisbury will know that I sympathise greatly with the case for Stonehenge. Stonehenge was the first heritage site that I visited, in my first few days in this post. The case to renew Stonehenge is well made, and we must work through the problems; I hope that I will have time to speak about them today. I sympathised with the hon. Gentleman when he spoke about the position that he found himself in with Sir Humphrey. He will see today that I have with me not just one but five Sir Humphreys. That is why it has been difficult to get White Hart Lane on to the tentative list.

I can tell the hon. Member for Shipley that I have been to Saltaire. I was there in May to help the former Member for Shipley, and I hope to visit Saltaire again in the years ahead.

We have had a good debate. The world heritage convention, which the UK signed in 1984, has proved to be an enormously effective and positive force in bringing together nations from all over the world to act collectively to safeguard sites of outstanding universal value. An inscription as a world heritage site, of which there are now more than 800 worldwide, is the highest accolade that a place can receive. An inscription brings with it real international prestige.

One of the first steps that this Government took was to rejoin UNESCO. We played a full part in supporting UNESCO and the world heritage committee's implementation of the world heritage convention. From 2001 to 2005 the UK was, for the first time, a full member of the world heritage committee. We left this year only because our term of office came to an end.

The work that we did has gained us huge international standing. During our time on the committee, we have supported developing countries as they put together their own nominations for world heritage inscription. We have participated in a full revision of the operational guidelines—the rule book that governs how the world heritage convention is implemented. We have supported the process for periodic reporting on world heritage sites across Europe and contributed funds for bilateral programmes to support world heritage in other parts of the world, including support for Anguilla and St. Lucia. We are now discussing a further programme based on sub-Saharan Africa with UNESCO.

We are delighted that through our membership, we have encouraged the world heritage committee to develop a strategy to manage the impact of climate change on world heritage sites. Next year, the UK is to host a meeting of experts to consider specifically the effect of climate change on our world heritage sites. Our aim is to pool expertise and develop management strategies across all regions of the world so that that important issue, which is bearing down on our sites, can be resolved.

I now turn back to our track record at home. The year 1997 saw the start of the review of the tentative list of sites recognised as having potential for future nomination as world heritage sites, and that redefined how we look at candidates for world heritage nomination, which now include not only iconic monuments—world-class though they are—but sites that epitomise Britain's achievements in leading the industrialisation of the world, and our global influence, as well as sites that reflect everyday life and industry. That goes to the heart of the contribution made by my hon. Friend the Member for Middlesbrough, South and East Cleveland, notwithstanding the fact that some of the sites that he wants to be included are not on the list.

The UK currently has 26 world heritage sites. As we have heard, there are 16 in England, four in Scotland, two in Wales, one in Northern Ireland and three in our overseas territories. They represent a tremendous spread, both geographically and in terms of type. They range from the town of St. George in Bermuda to the frontiers of the Roman empire, represented by Hadrian's wall, and from St. Kilda to the Blaenavon industrial landscape in Wales. They include, of course, the Ironbridge gorge. Eight sites from the tentative list have been inscribed since 1999.

The Government take seriously their responsibility for world heritage. Protection for world heritage sites is enshrined in the planning system; in England that is set out in PPG15 and the associated guidance, specifically for the home counties. Management plans for world heritage sites are an essential part of how we manage them; that approach has been adopted throughout the world, and is encouraged by UNESCO.

The management plan should govern how we bring about consensus among all the stakeholders involved in a world heritage site. Essentially, it is the partnership contract that enables all participants to work together. In 1997, one management plan had been completed; now, 22 have been, and work is in hand on the remaining four sites.

As a country, we have achieved a great deal, but the route to world heritage status is not easy. Such status brings advantages: prestige, recognition, public awareness and local pride. More weight is given to conservation and

[Mr. David Lammy]

protection, and the status can bring economic advantage through increased tourism as part of an economic regeneration plan.

However, the status also brings questions about how the sites are to be managed. Increased visitor numbers can jeopardise the sustainable development of a site. A few months ago at Stonehenge, I saw how the flow of people was being managed. Particularly during the summer solstice, work with the police ensured that the volume of people coming to the site did not disrupt it for future generations. The Government are not complacent about those responsibilities, and today's debate has highlighted some of the issues that we face and how they relate to aspects of what the Government are attempting to do. We believe that there is more we can do to develop partnership by working even further at the national level through my own and other Departments and with agencies and non-governmental organisations such as English Heritage, the UK National Commission for UNESCO, the Local Authority World Heritage Forum and the all-party parliamentary group.

I shall now turn to some of the specific issues raised in the debate. I have said that I will announce the start of a review of the tentative list next spring. That will be a major lengthy undertaking on which we shall work closely with the devolved Administrations and the Crown dependencies. The points raised by my hon. Friend for Middlesbrough, South and East Cleveland are on the record, and he will no doubt want to play a role in that.

What has been said about statutory protection for our world heritage sites is important, and I totally understand the need for that as we move forward with the heritage review. A balance needs to be struck. Any new system must take account of the nature of world heritage sites, and enable them to extend across a wide area. The hon. Member for Bath (Mr. Foster) raised that issue in the context of almost his entire constituency, and we will have to ensure that there is flexibility. I suspect that the hon. Gentleman would want to ensure that the entirety of Bath town centre was not included under some new system. We want to work through such issues, and we want hon. Members and the all-party group to help us as we begin to work out how inclusion of world heritage sites might look in a new unified register.

I fully recognise the important points that my hon. Friend the Member for Telford made about promotion and marketing of our heritage sites. I recognise the importance of world heritage sites in attracting visitors to the UK. That is the key reason for the heavy involvement of VisitBritain in promoting heritage sites, and I am pleased that it is launching its Enjoy England 2006 campaign tomorrow. That will play a role in promoting world heritage more widely, particularly after the problems that we had in London this summer, which affected tourism in this country to some extent.

As for the pressure that is rightly placed on local authorities and the funding issues that arise from that, there is a quid pro quo. Designation as a world heritage site means that in a fairly competitive field—we have heard about some of the other places that could be world heritage sites—people are attracted to a particular place. They want to come to it, and that in itself benefits the local economy. During the next few months, my officials are discussing further with English Heritage the central support that might be needed for world heritage sites in the light of information coming out of the recent periodic reporting exercise.

It is important to emphasise—this has not been mentioned so far—the huge role that the Heritage Lottery Fund plays in supporting our world heritage sites. It has given more than £85 million towards them since 1994, and as I examine the list of the money that it has provided, there is not a site mentioned in the debate that has not received some money from the fund. It stands ready to receive applications if there are particular needs—

Mr. Bill Olner (in the Chair): Order. The clock has beaten us, and we must move on to the next debate.

Motorway Building (Compensation)

4 pm

David Heyes (Ashton-under-Lyne) (Lab): I am grateful to have been granted this Adjournment debate on a matter that has had an impact on many hundreds of my constituents and, I suspect, many thousands of others throughout the country—people who live near newly constructed highways, and who should be entitled to financial compensation under the law.

In October 2000, the long-awaited and much-needed final section of the M60 motorway opened to complete the missing link in the Manchester outer ring road. The motorway runs right through the heart of my constituency, between junctions 22 and 23. The road has transformed communications on the eastern side of the Greater Manchester conurbation, and we are seeing some real economic regeneration benefits in such areas as Hollinwood junction and Ashton Moss.

The opening of the motorway came as a great relief to many of my constituents, some of whom had waited more than 40 years since plans were first published. During that time, the area suffered greatly from the effects of blight, and during the five-year construction period, people suffered even more from the consequent noise, dust, dirt and traffic disruption.

Most significantly, once the motorway was opened, people faced the further consequence of the loss of property values as a result of their proximity to the new road. It came as good news to thousands of local residents to discover that under part 1 of the Land Compensation Act 1973 they were at last to qualify for some financial compensation.

I should declare an interest as I live close to the new motorway. Potentially, like so many of my constituents, I shall be entitled to compensation under the 1973 Act. We became aware of our entitlement because of a widely circulated Highways Agency leaflet telling us about the scheme and what we needed to do to pursue a claim. The leaflet includes these words:

"If you have employed an agent and your claim is successful then the Highways Agency will also pay their reasonable costs, as agreed by the valuer".

For many people, the prospect of making a claim seemed daunting. However, in the run up to the motorway opening and immediately after, people in the affected area started to receive letters from firms of chartered surveyors offering to process their claims. All stated that because the Highways Agency would pay a fee to the agent, there would be no charge for the service. Understandably, most residents signed up with the agents, and I am aware of many who have received their compensation and are satisfied with the surveyors who acted on their behalf.

I first became aware in August of the problems that I want to outline, when a constituent complained to me about the chartered surveyor who was acting on his behalf. The surveyor wrote to him in April 2003, assuring him that

"there will be no cost to you for our services whatever the outcome."

The phrase was in bold type, and it was the only part of the letter emphasised in that way. A subsequent letter in May 2003 said that the agent was

"pleased to confirm that our costs will be paid by the compensating authority".

Both letters were written in reassuring and accessible language, and, understandably, my constituent felt comfortable engaging the professional services of a firm of chartered surveyors to pursue his claim free of charge.

I shall fast forward almost two years to January this year when my constituent received another letter from his agent advising that he was pleased to report that the compensating authority had made an offer of £1,000 to settle his claim. However, further in the letter came the bad news, and I shall read some key extracts. The surveyor's third letter says:

"You will recall that in previous correspondence we stated that the compensating authority are obliged to pay our reasonable costs."

In fact, in the first two letters, there was no mention of "reasonable costs", although it is used in the Highways Agency literature. The surveyor's letter continues:

"Unfortunately, we have not been able to agree our fee with the compensating authority for the work that we have carried out on your behalf. The reason for this is that the Highways Agency has withdrawn from a provisional agreement made with them and their valuation advisers last September."

The letter continues to allege that the Highways Agency had refused to meet the agents to discuss the issue, and offers the client three options. The first option is:

"To refer the matter to the Land Tribunal for determination. Although it is possible to make the application yourself we would recommend that you take appropriate legal advice as this can be a costly legal process and as with all such references the costs involved are not necessarily recoverable even if the reference is successful."

That is a change from the reassuring and simple language of the initial letters to a much more technical style. Strangely, that so-called option refers to determination; yet the beginning of the letter suggests that the Highways Agency has already made the offer of a settlement figure. Even stranger, elsewhere in the same letter the agent refers to

"significant risks involved in making such a reference"

to the Land Tribunal, and cautions against that course of action.

The second option is for the client to wait until the fee negotiations are concluded. However, the agent warns that:

"Unfortunately not only is there little prospect of reaching agreement with the Highways Agency within the next few months, it may not be possible to reach agreement through negotiation and therefore the dispute may remain unresolved until it is determined through legal action."

The third and final option offered to my constituent was:

"To make a contribution towards the difference between the amount which the Highways Agency are prepared to pay and the costs we have incurred. As a valued client we are not asking you to pay the full amount."

[David Heyes]

In this case, the amount requested was £50, although I am now aware of other cases where the amount was much greater.

My constituent found none of the options in that letter to be reasonable. However, he felt that he had no choice but to pay the additional fee, being left with the clear impression that he might never get the compensation if the Highways Agency and the agent did not reach an agreement. Faced with Hobson's choice—that is, no real choice at all—my constituent reluctantly paid up.

In March 2005 the Highways Agency wrote to my constituent, confirming the amount of compensation and asking him to complete and sign an acceptance form. They also advised that his agent would be paid £326.65 for representing him. This infuriated my constituent, who wrote to the agent on his own behalf, and on behalf of three neighbours, saying:

"After studying item three of your January letter . . . we wrongly assumed that we would have to pay this £50 fee before you would take further action on our behalf."

He also pointed out that neighbours who had refused to pay that extra fee were told that it would be waived, and that they received their settlement at the same time as people who did pay. He correctly states that he was never told that the Highways Agency would pay the agent the fee of £326.65, and therefore requested a refund of his own £50 fee, and those of his three neighbours—who are, incidentally, all elderly widows.

Let me emphasise the point. That means a charge of £376.65 for negotiating a claim valued at only £1,000. Even at that stage, my constituent did not feel the need to turn to his MP. By August, he had written a further two letters, but had had no response other than a holding letter in July, advising that the person he had written to was on leave and would respond on his return two weeks later. As of today, my constituent has still not had the courtesy of a response, and has certainly not had his £50 refunded.

I agree wholeheartedly with my constituent that the three choices offered to him were not really choices at all. As I said earlier, it just so happens that my own home is close to the M60 and I am likely to be eligible for compensation under the scheme. Like my constituent, I received the first two standard letters from the same firm of chartered surveyors, reassuring me that it would act on my behalf at no cost. As it is a member of the respected Royal Institution of Chartered Surveyors, I, like so many of my constituents, put my trust in it.

I, too, have since received the third letter offering me the same three options. I replied making it clear that I had no intention of paying the extra fee and that I would hold the firm to our original agreement. I also challenged that practice on behalf of my constituents. Unlike them, I did receive a response—in fact, a rather swift and lengthy one—from the senior partner in the firm. He told me that

"it is true that in some instances we have waived our request for a contribution".

He also said:

"If none of our clients paid a contribution we would not be in business today, however if the majority pay then we can occasionally afford to waive the contribution."

He offered to waive it in my own case. Needless to say, I would not contemplate accepting that offer while many of my constituents have felt obliged to pay. Indeed, I now have no intention of progressing my own claim until a satisfactory conclusion is reached on the matter.

Although there are several firms acting as agents in the M60 compensation process, I am aware of only two that have requested additional fees from clients. They are Thomson Broadbent of Wellingborough, which is acting on my behalf and that of my constituent, and, to a lesser extent, the Davies Partnership of Ledbury. That calls into question the claim that Thomson Broadbent would go out of business if it was not paid the additional fee by most of its clients. Other chartered surveyors are dispensing their duty to clients in good faith, consistent with their original offer of representation free of any charge to the client.

Since August, I have pursued a number of avenues in relation to this matter. I suspected that the few cases of which I had been made aware might be just the tip of the iceberg. I promoted the matter through some articles in the local press, which prompted dozens of calls from people who had had similar experiences. I now have a file containing details of about 100 people, many from my own constituency and others from neighbouring constituencies. I am grateful to my hon. Friend the Member for Denton and Reddish (Andrew Gwynne) for allowing me to include his constituents in the evidence that I have presented to the various agencies.

The same pattern emerges from most of those cases. Most are clients of Thomson Broadbent. All were originally promised that the agent would act free of charge. All were subsequently asked for an extra contribution, being offered that as one of three options. All had inferred that to pay up was the only way to receive compensation within a reasonable time scale. Some paid up and, like my constituent, later discovered that their surveyor was also paid a substantial fee by the Highways Agency. Others simply refused to pay. Many had realised that there was no correlation between whether they paid the fee and the timing of their claim being settled. All felt aggrieved to have been treated in that way by firms in which they had placed their trust.

I have written to the Royal Institution of Chartered Surveyors asking it to investigate whether the actions of its members contravene its code of conduct and, if so, what it intends to do. I have given details of the 100 or so cases of which I am aware and I await its response. I hope that it will see that the dubious practice of some of its members reflects badly on the profession, and that its many reputable members risk being tarred with the same brush. However, I am not confident that any sanction that the institution might be minded to impose would be sufficient to prevent that practice from continuing in my constituency and elsewhere.

I have also written to the Office of Fair Trading. I received a reply last week and I was astounded to be told that there is no legislation that it can use to prevent the practice of requesting an extra fee after initially agreeing to act on a free-of-charge basis. After I received the letter, I contacted the OFT again and was assured by the deputy director of UK enforcement that that was the case. I question the validity of current fair trading legislation if the practice that I have described is not considered illegal, and the watchdog that should be able to challenge it seems to be so toothless.

I shall turn now to the role of the Highways Agency in the matter. I am not sure to what extent the actions of the agency may have brought about the difficulty in the first place. Moreover, I am not convinced that it has acted with sufficient determination to bring about a solution. I have written to, and met, senior managers from the Highways Agency. They dispute the allegation that they have withdrawn from an agreement.

From that meeting, and from correspondence with Thomson Broadbent, I now have a clearer understanding of the dispute between the Highways Agency and the agents. It appears that the fees for surveyors acting in compensation cases used to be paid in accordance with something called Ryde's scale, which was last reviewed in 1996, and before that was typically reviewed every six or seven years. However, in 2002 the Office of the Deputy Prime Minister announced that there would be no further review of the scale, which suggests that no fee increases have been agreed since 2002. If that is the case, I have some sympathy with surveyors, other than those who have chosen to offload the burden on to their clients. I am told that the scale was discontinued to encourage appropriate parties to seek to agree fees among themselves, and that the principal cause of the change was that Ryde's scale was generally too low. I am also told that the scale covered compulsory purchases, as well as part 1 compensation, but that the discontinuation of the scale has proved to be much more problematic in the case of part 1 compensation.

I hope that my hon. Friend the Minister will be able to tell me whether he believes that the Highways Agency has acted properly to resolve the dispute with the agents, or whether it is to some extent responsible for the delay in resolving it. I was encouraged to learn that consultants have recently been engaged by the Highways Agency in an attempt to navigate a way out of the current impasse. I would be interested to know how the negotiations are progressing and whether my hon. Friend the Minister will press the Highways Agency to find a resolution. If he agrees that the request for an extra fee is unacceptable, will he act to stop it? Will he press for the inclusion in any deal of a requirement that firms of surveyors should pay back any top-up fees that had needlessly been paid by my constituents?

I urge my hon. Friend to do everything in his power to encourage the parties to the dispute to find a solution that is fair to all, and particularly that my constituents get the compensation to which they are legally entitled—at no cost to them.

4.16 pm

The Parliamentary Under-Secretary of State for Transport (Derek Twigg): I congratulate my hon. Friend the Member for Ashton-under-Lyne (David Heyes) on securing this important debate on what I know is a significant issue for many of his constituents. I congratulate him also on his diligent work in bringing the matter to the attention of Ministers, and on the work that he has done—I know that he has engaged in a large amount of correspondence.

Through his correspondence with my hon. Friend the Minister of State, Department for Transport, my hon. Friend is aware that the Highways Agency is currently negotiating reasonable fees with agents representing claimants under part 1 of the Land Compensation Act 1973. That Act compensates those whose properties have been reduced in value by physical factors such as the noise, lighting or fumes that arise from the use of a new or improved road.

The agency fully recognises its statutory obligations to reimburse successful claimants for the reasonable fees of their agents. It remains committed to working with the agents to find a fair solution to the fee issue. I shall refer shortly to the positive steps that have been taken to reach an agreement, about which my hon. Friend has asked a number of questions.

Historically, Ryde's scale was the basis for the settlement of agents' fees. The scale was agreed jointly by the profession and the Government. As my hon. Friend said, it was abandoned in 2002 by the Office of the Deputy Prime Minister, in consultation with the Royal Institution of Chartered Surveyors, because it was viewed as being uncompetitive and out of step with the remuneration of other professions.

As my hon. Friend is aware, the Office of the Deputy Prime Minister has advised that there are no plans to reinstate Ryde's scale or to replace it. The ODPM stated in July 2002 that fees should normally be assessed on a reasonable basis, agreed between parties. Fixed scale fees were abandoned on 18 July 2002. However, in the absence of an agreed formula, the Highways Agency continued until March 2004 to settle claims on the basis of Ryde's scale without dispute.

A group of chartered surveyors then requested that the Highways Agency increase fees by 20 per cent. above those allowed for in Ryde's scale. The agents argued that Ryde's had not been reviewed for many years and their costs had risen considerably. The agency asked independent valuation contractors whether a 20 per cent. increase was justified, but they were of the view that the scale was sufficiently generous for the market and that fees had increased with the level of compensation and property values. They also advised that a reasonable settlement should reflect the economies of scale obtained by the agents in handling compensation claims.

The agency carried out further investigations to corroborate the findings of its valuers. It sought the views of others, including Transport for London, which was also of the opinion that Ryde's scale was generous.

My hon. Friend is aware, I am sure, that this is not a simple dispute to resolve. The agency and the claimants' agents are not contractually linked, and the solution goes well beyond the determination of individual claims. It has implications for all compensating authorities, and it will have an impact on thousands of part 1 claims—and on the public purse. As one of the larger compensating authorities, others look to the agency to set a benchmark on fees; accordingly, it has acted prudently and correctly throughout.

The agency has held numerous discussions with representatives of the major agents and has also talked to other compensating authorities and the RICS. As a result, in March 2005, the agency made a two-stage offer which, if it had been accepted, would have led to a settlement based on measured evidence of the time taken to negotiate a part 1 claim.

In response to this, the agents stated in April 2005 that it was impossible for them to keep accurate timesheets. The agency then proposed on 19 May 2005 that agents

[Derek Twigg]

recommend an independent consultant to investigate the fee issue. The agents accepted this approach. However, on 17 August 2005 they reported that they had met with no success in finding a suitable person or organisation.

As my hon. Friend is aware, the agency is currently working to find a suitable consultant. I am pleased to say that it has selected a firm of consultants that has considerable and far-reaching experience in determining the fee levels through negotiation and dispute resolution. The appointment will be announced shortly. Throughout the process, the agency maintained a dialogue with the major agents and kept them fully informed.

During the study, the consultants all worked closely with the agency and the claimants' agents under the compensating authorities. The agency, for its part, will do its best to find a solution.

David Heyes: On that point, will my hon. Friend urge the parties to this process—which I am happy is now in train and I obviously welcome it—to look at the issue of people who have made these top-up payments to firms of surveyors and who, should a better scale of fees be agreed retrospectively, stand to lose out financially. Can some way be found of recompensing them for the money that they have paid out in good faith?

Derek Twigg: If agreement is reached on a higher fee, the agency will give sympathetic consideration to the reimbursement of those who have already paid an additional sum to their agents. The RICS was also asked to act as an arbiter but it has declined to be involved.

As I said, during the study the consultants will work closely with the agency and the claimants' agents and other compensating authorities. The agency, for its part, will do its best to find the solution. The consultant's report should be available in the new year and it is hoped that it will give all parties the clarity that they require.

I share my hon. Friend's concerns about the actions of individual agents who are requesting additional sums from the clients pending a general settlement of fees, following the abolition of Ryde's scale. It is for individual claimants and their agents to agree or waive this payment and it remains a private contractual matter in which the agency cannot intervene. The agency does not have the authority to prevent agents from acting in this unprofessional way towards its customers.

The agency has referred the matter to the RICS, which has declined to be involved in the general settlement of fees. I was advised that it does not consider that it is wrong for members to renegotiate the terms of a contract.

If claimants seek the agency's guidance, they are told that they are free to choose whoever they wish to represent them. Alternatively, clients are within their rights to deal directly with the Highways Agency and it will offer them every assistance. The agency already has a leaflet given to all claimants that explains the compensation process. A detailed booklet is currently being drafted, which will be made available to the public before new road schemes are opened to enable a more informed choice of an agent to be made.

I should like to reassure my hon. Friend that the Highways Agency is firmly committed to the resolution of this issue. Putting the specific question of fees to one side, the working relationship the agency enjoys with the agents has developed in the spirit of partnership. The agency will do all that it can to reach a solution that is acceptable to all parties.

Artificial Sweeteners

4.25 pm

Mr. Roger Williams (Brecon and Radnorshire) (LD): I am grateful for the opportunity to have this debate. For almost a year, I have been looking into the safety of the artificial sweetener, aspartame, and I was truly horrified by what I discovered. When I began my research, I was unconvinced by the off-the-wall internet conspiracy theories. I am a man of science, not of the internet. However, a number of eminent academics from the UK and further afield have persuaded me beyond doubt that aspartame represents a serious health problem.

There is strong scientific evidence that the components of aspartame and their metabolites can cause very serious toxic effects in humans. There is also a wealth of subjective evidence that suggests a range of adverse neurological reactions to aspartame. Most importantly, undoubted scientific evidence was published in a top peer-reviewed journal last month that showed that long-term aspartame use causes cancer in rodents. The World Health Organisation recognises such findings in rats as highly predictive of carcinogenic risk for humans.

The history of aspartame's approval is mired in controversy, not least because of the likes of Donald Rumsfeld "calling in his markers" to get it approved. The science that supported its approval was biased, inconclusive and incompetent. Aspartame is in a higher category of risk than Sudan 1, the UK's fastest recalled food substance. However, bad science, bad regulation and bad politics have left the bigger of those two threats in everyday products on our supermarket shelves.

Aspartame is consumed every day by an average of one in 15 people worldwide, most of whom are children. How many children in Britain do not consume Walker's prawn cocktail crisps, Orbit or Airwaves chewing gum, Robinson's fruit squash, Lucozade or Diet Coke? Aspartame is even found in Centrum Kidz multivitamins, Lemsip cold and flu sachets for children, and Nurofen Meltlets for children. Those are the very products that are designed to cure our children when they are sick.

The economic reality of a sweetening agent that costs one third of the price of sugar means that it is present in no fewer than 6,000 foods, drinks and pharmaceutical products in our supermarkets. The history of the approval of this ubiquitous product puts public health regulators and politicians to shame. Health regulators are set up to ensure that substances that reach our food shops are safe for human consumption. The average citizen does not—and should not have to—question the safety of every product on sale in a supermarket. Nor should the average citizen have to question the processes that lead to the licensing of a product. The public should be able to meet—and have trust in—the regulatory experts. However, in licensing aspartame for public consumption, UK and international health regulators did not perform the one task that they were set up for, namely to protect the public.

Crucial questions that have been largely repressed since the early '80s hang over aspartame's safety. When journalists attempted to tackle those questions, their newspapers were threatened with intimidating letters from the industry's lawyers. I am duty-bound by the immunity afforded to me under parliamentary privilege—and as a servant of the public—to initiate a debate that has been silenced for over two decades.

I believe that aspartame should never have been licensed for use as a low-calorie sweetener in foods and drinks, and that there is compelling and reliable evidence for this carcinogenic substance to be banned from the UK food and drinks market. I call on the Government to ban the use and sale of aspartame.

What is in aspartame that merits a ban? The chemical breakdown of aspartame reveals three basic components: a methyl ester and two amino acids; phenylalanine and aspartic acid. The sweetener industry will say that those three components occur naturally in fruit, eggs and alcohol. Those compounds are, they argue, harmless or even beneficial to humans. However, those simple truths hide the complex science that makes every one of those components, when found in aspartame, harmful to humans. Molecules that can be good or harmless to the human body are not always so. Factors such as the compounds that the molecules form, the substances with which they are ingested and the concentrations in which they are absorbed can make the difference between an innocuous substance and a toxic substance.

In their natural form, the first two components, phenylalanine and aspartic acid, help keep humans healthy. In foods like meat, fish, dairy products, vegetables and eggs, phenylalanine and aspartic acid are bound to other amino acids in long, complex chains of proteins. When proteins are broken down into their constituent parts during digestion, the protein's amino acids compete with each other for absorption into the human body. That dilutes the risk of a dramatic rise in one single substance in the blood stream, which is when damage is most liable to occur. However, when present in aspartame neither phenylalanine nor aspartic acid are bound to complex chains of amino acids. Enzymes in the gut can easily split them apart. When phenylalanine is released in its free form, it is metabolised into diketopiperazine or DKP, which is a suspected carcinogen.

A similar process occurs when aspartic acid enters the bloodstream. In its free form, aspartic acid becomes an excitotoxin, a toxic molecule that stimulates nerve cells to the point of damage or death. That can have an adverse effect from the twitching of a hand to a grand mal seizure. Studies by Meldrum attest to the damaging effect of free aspartic acid in the human body. If both of the amino acids in aspartame are potentially very harmful to humans, the third component—methyl ester—is the most harmful and potentially lethal component. As soon as it is ingested, the methyl ester is metabolised by the body into methanol. Methanol is a well-known poison.

In the United States, the Environmental Protection Agency defines safe consumption of methanol as no more than 7.8 mg per day. That means that anyone drinking three cans of a drink sweetened with aspartame is consuming about 56 mg of methanol, eight times the EPA limit. Like phenylalanine and aspartic acid, methanol is naturally present in a regular diet of fruit, vegetables and even alcohol. However, as with phenylalanine and aspartic acid, those everyday occurrences of methanol do not make it safe in

[Mr. Roger Williams]

aspartame. In those natural occurrences, the body is shielded from methanol's adverse effects by two protective substances, pectin and ethanol.

The human body lacks the enzyme required to cleave methanol from pectin in fruit and vegetables, so the methanol is never released into our bodies. Moreover, when consuming alcoholic drinks, which almost always contain methanol impurities, the body is protected by the preferential metabolism of ethanol. There is so much more ethanol than methanol in alcohol that the body does not have time to metabolise the methanol before it is excreted naturally through breath and urine. A human being would need to drink 58 bottles of Jack Daniels in one go to reach potentially toxic levels of methanol through alcohol.

When we ingest aspartame, things are different. Humans do possess the enzyme required to separate methanol from the amino acids. The methanol is then released in its free form and absorbed into the body, according to Davoli's paper in 1986. During the digestion of aspartame, methanol is not coupled with the natural protection of ethanol or pectin, and that leaves us exposed to its toxic properties. However, then comes the alarming part: methanol is unstable in the human body and so gets converted into formaldehyde. Reference to that can be found in the papers of Kavet in 1990 and Trocho in 1998. Let us be clear that formaldehyde is a class A poison, which was used to prevent dead bodies from decaying.

Do we really want our children exposed to an embalming fluid? Some of the formaldehyde accumulated in the body will be converted into formic acid, a potent toxin, which can cause central nervous system depression and, in sufficient quantity, coma and death. Many human studies show the adverse effects from chronic, low-level formaldehyde exposure. Crucially, in 1998 Trocho demonstrated that, even when consuming small doses, severe problems occur from the gradual accumulation of formaldehyde in the body, which cannot be excreted.

Adverse effects include irreversible genetic damage from long-term, low-level exposure shown by Shaham in 1996, low birth weight shown by Maroziene's research in 2002 and cytogenic effects of blood lymphocytes, under Suruda's paper in 1993. The Suruda research that shows the degeneration of white blood cells is particularly relevant in the light of the evidence from the World Health Organisation's International Agency for Research on Cancer. A working group looking into the toxicity of chemicals in humans found that exposure to formaldehyde induced leukaemia—a cancer of the white blood cells—and cancer of the nose and throat. Surely, if aspartame metabolites have been shown to cause cancer in humans, we should be more concerned about the safety of the entire product. How can the Government, faced with those facts, still hope to reassure regular consumers of diet cola and other products containing aspartame that they do not run a significantly higher risk of developing cancer as a result of drinking them?

Before considering the studies revealing the dangers of aspartame itself, it is worth reflecting on the magnitude of the risks of the product and its metabolites. Hon. Members will no doubt remember the scandal in February this year, when Sudan 1 dye found in food in the UK led to possibly the biggest and fastest ever food recall that this country has ever known. A human being would have had to consume 3 tonnes of Worcestershire sauce every day for two years for potentially harmful effects to occur from tiny doses of Sudan 1 in foods. Despite that minimal risk, however, it was removed immediately.

Sudan 1 was found to be carcinogenic in 1975, but despite that it was placed in the least dangerous of the three WHO categories of carcinogenic substances. Aspartame, which is found in 10 times more products is, on the basis of the ground-breaking Ramazzini study, in WHO category 2, which is potentially far more dangerous to humans.

The Ramazzini study, to which I will return in depth later, revealed a repeated incidence of malignant tumours in rats after moderate regular consumption. Will the Minister explain why the treatment of aspartame, which is still in 6,000 supermarket products today, has been so different from that of Sudan 1?

The toxicity of aspartame's individual components is surely sufficient for us to be alarmed about its widespread use in the products that we and our children consume every day. But consumers and scientists alike have shown there is cause for concern from the regular consumption of products containing aspartame. The US Food and Drug Administration website lists more than 9,000 aspartame-related health complaints, but this could be just the tip of the iceberg.

Health professionals are often unable to diagnose a case of aspartame toxicity when they see one—after all, doctors are not currently trained to recognise it—and a number of cases have been misdiagnosed. A number of independent studies have shown that aspartame toxicity mimics conditions such as multiple sclerosis, Parkinson's disease, Alzheimer's disease, arthritis, chronic fatigue syndrome, panic disorder, lupus, diabetes, lymphoma, depression and other psychological disorders. It is perhaps not so surprising therefore that, frustrated by repeated flawed diagnosis, some people have turned to support groups as a method of sharing case history and exchanging information, some of which even leans towards the hysterical.

The final nail in the coffin for aspartame must surely be the monumental Ramazzini study. The research by the independent European Ramazzini Foundation in Bologna was published online in the highly acclaimed and peer-reviewed *Environment Health Perspectives* journal last month. It should have set alarm bells ringing in health departments around the world.

The conclusions of the Ramazzini study deserve painstaking dissection. It was, without a doubt, the most large-scale, comprehensive study ever performed on aspartame. The study looked at the effects of aspartame on 1,800 male and female rats, using six different control doses. Most studies use only around 400 rats and three usage doses, so it is easy to see why the Ramazzini study is so much more statistically significant than anything done before.

The Italian study allowed the animals to live out their full life of about three years, rather than culling them after two years as sometimes happens. That is particularly crucial, as tumours both in animals and humans are much more prevalent in later life. This vast

study demonstrated that aspartame administered at varying levels in feed causes a statistically significant increase of lymphomas and leukaemias, malignant tumours of the kidneys in female rats and malignant tumours of peripheral and cranial nerves in male rats. Such tumours occurred even in two of the doses that were well below the acceptable daily intake recommended by regulatory authorities in the EU and the US.

There has been a wealth of compelling and rigorous research showing aspartame to be harmful, which culminated in last month's comprehensive Ramazzini study. How has the industry responded to such an overwhelming volume of sound science? I met industry representatives in October and if they were not scientifically illiterate, they were certainly very misinformed as to the credentials of the Ramazzini study, which they presented as worthless, unpublished and un-peer-reviewed. Holland Sweetener, Ajinomoto and NutraSweet must think that they are very convincing when they claim that aspartame is the safest product on the market by virtue of the 500 studies attesting to its safety. One can test a product 4,000 times, but if the tests are badly conducted and planned in such a way as to yield the desired results, its safety will always be questionable. In reality, the contrast between the quality of the science in the Ramazzini study and the industry studies could not be more clear or more damaging to the industry.

Serious doubts have been raised that suggest links between the results of scientific research and the body responsible for funding it. Professor Ralph Walton, who is present today, demonstrated in 1996 that of the 166 studies conducted on aspartame's safety deemed relevant to humans, 74 were sponsored by the aspartame industry and 92 were independently funded. Of the 92 non-industry sponsored studies, 92 per cent. identified one or more problems with aspartame's safety. The industry-sponsored studies, on the other hand, found unanimously in favour of aspartame's safety.

The industry has also suggested that aspartame is essential for helping diabetics. Although the American Diabetes Association, which incidentally receives considerable funding from the aspartame industry, claims that aspartame is useful in managing diabetes, there is plenty of evidence to the contrary. Diabetic management is much more complex than simply avoiding sugar. Total calorific intake is far more significant than whether or not a diabetic patient takes a small amount of sugar. Aspartame is known to interfere with the synthesis of serotonin, a neurotransmitter important in appetite regulation. Emerging evidence suggests that aspartame can lead to carbohydrate craving, a devastating situation for a diabetic. The stimulation of insulin release by a non-nutritive substance such as aspartame could potentially lead to hypoglycaemia. Animal studies by Sardesai and Dunbar conclude that aspartame may adversely affect the capacity to control glucose in a diabetic. Diabetic specialists, such as Roberts and Barua, have published extensively on problems of diabetic management caused by aspartame. So, even on diabetes, the industry's arguments have been shown to be highly contestable, at the very least.

On the question of who to trust on the competing scientific tests—be they on diabetes or aspartame safety—the track record of the industry should leave us in no doubt. The history of aspartame's approval is one in which sound science and proper regulatory and political independence seem to be notable by their absence. Aspartame was first licensed in the United States in 1981. Searle, the chemical company that discovered it, submitted a host of tests to the FDA in the hope of getting it approved. It was granted a provisional licence in 1974. However, when flaws were revealed in the science behind another Searle product—Flagyl—later that year, aspartame's impending licence was brought into question.

The FDA set up a taskforce to investigate 15 of the key aspartame studies submitted by Searle. Dr. Bressler was commissioned to investigate three of those studies. Due to insufficient funds, the FDA submitted the other 12 studies to be analysed by a body called universities associated for research and evaluation in pathology, which was under contract with Searle and which unsurprisingly declared all 12 studies to be authentic. Aspartame was recommended for approval.

Meanwhile, Dr. Bressler reported to the FDA in early 1976. He found no fewer than 52 major discrepancies in Searle's clinical conduct of its toxicological studies. They included no clear record being kept of the doses fed to rats; antibiotics being given to animals showing symptoms but not being reported; tumours contracted by rats during the experiment being surgically removed before dissection and not reported; and, above all, no clear record of death. One record shows an animal was alive, then dead, then alive, then dead. Yet despite the 52 major discrepancies, FDA scientists were overruled by the FDA's administration, which seems to have been more concerned with safeguarding the institution's reputation after having been initially misled by unreliable data.

Mr. Bill Olner (in the Chair): Order. The hon. Gentleman should be concluding his remarks, because I want to give the Minister at least 15 minutes to reply to the serious allegations that he is making.

Mr. Williams: I will quickly draw to a conclusion. I have agreed 10 minutes with the Minister.

Mr. Bill Olner (in the Chair): You have been speaking for 20 minutes.

Mr. Williams: Thank you, Mr. Olner.

Although no formal good laboratory practice protocols existed in the early '70s, it is quite clear that Searle's scientists breached even the most basic understanding of sound laboratory science. However, the real tragedy is that it was on those 15 deeply flawed studies that the final decision to approve aspartame in the US was made, and many other countries soon followed suit. Today, those same highly questionable studies still underpin the science attesting to aspartame's safety.

Aspartame's approval incorporates not just bad science but bad politics. On the political scene, Donald Rumsfeld was instrumental in securing its approval. As chief executive officer of Searle from 1977, he publicly

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pledged to call in his markers to get it approved. Despite a public board of inquiry reopening the case in 1979 and ruling unanimously against its approval, Rumsfeld appears to have honoured his pledge.

When Ronald Reagan was inaugurated as President in 1981, Donald Rumsfeld was on his transition team. President Reagan sealed the lid on the aspartame controversy. On the very day of his inauguration, Reagan personally wrote the executive order suspending the FDA commissioner's powers on aspartame. Reagan replaced the commissioner one month later with Arthur Hayes Jr., who granted the official licence for aspartame. The history of its approval is littered with examples showing that if key decision-makers found against its safety, they were discredited, ignored or replaced by industry sympathisers, who were in turn recompensed with lucrative jobs.

Mr. Bill Olner (in the Chair): I must ask the hon. Gentleman now to conclude.

Mr. Williams: Thank you, Mr. Olner.

I have raised some of the most important questions about aspartame's safety ever discussed in this place. There is solid evidence to suggest that its regular long-term use can cause cancer and a range of other health problems. Emergency action is now needed to remove the toxin from our own and our children's diets. Aspartame has caused concern among the public and the scientific community for more than 30 years. Better information or better product labelling simply is not enough at this point. Today, I am giving the Government a chance to set right what previous British, European and international health authorities have so dismally failed to do. A total ban is the only way to protect the British public.

4.46 pm

The Parliamentary Under-Secretary of State for Health (Caroline Flint): I welcome the debate secured by the hon. Member for Brecon and Radnorshire (Mr. Williams). He obviously feels passionately about this issue. He cited a number of scientists and experts who have a particular view about aspartame. I will go through the procedures that we have in the European Union, which are outside whatever the United States does, for confirming and granting the status and use of additives in our foods, and I will discuss safety in the food chain in relation to the issue. This is not a status quo issue; as any new evidence comes forward, it is important that all these issues are examined afresh. I link to that the latest study to which the hon. Gentleman refers.

I will give an overview. We take the safe use of artificial sweeteners and all additives in food seriously. We are all aware that food additives may be added to food, usually at very low concentrations, for a variety of reasons. Those include restoring colours lost during processing, providing sweetness in low sugar products and preventing deterioration during storage. As the Minister with responsibility for public health, I am always advocating that people have a healthy diet, which I hope would include more of the fresh foodstuffs that are available in our stores. That is why we support the five-a-day programme.

The use of artificial sweeteners can be beneficial, particularly for those who seek a low calorie alternative to a certain food. That is especially true given our current debate on how we tackle the increasing problem of obesity in this country. Despite that, the important issue is consumer safety, regardless of whether the additive comes from a natural source or is man made. The question of safety is central to the decision as to whether or not an additive should be permitted in our food.

The use of food additives is strictly controlled by laws that are negotiated at European level, which list those additives that are approved for food use, the types of food in which the additives may be used and the maximum amounts that may be used. Before an additive is approved it must go through an extensive safety evaluation undertaken by independent experts. In the EU, that is now carried out by the independent scientific committees that advise the European Food Safety Authority. The manufacturer of the additive must submit a detailed dossier of research into the safety of that substance in order for it to be evaluated. That research must include toxicological tests to determine whether the substance is harmful. Such tests are designed to give information on any possible effects of exposure to the additive, including whether it may have any potential to cause cancer.

As far as I am advised, aspartame is not known to cause cancer in humans and the evidence does not indicate the potential for it to do so. Most studies in animals showed that it did not cause cancer. It is important for experts to examine the data to see why the Ramazzini study is different. I will come to that matter later and go into more detail.

I shall say something about the difference between aspartame and Sudan 1. Sudan 1 is an industrial dye that has never been approved for use in food and its presence in food is therefore illegal. When it became clear that the substance was being used in foodstuffs—Worcester sauce is one example—we had to act quickly to take those substances off the market. The data from the scientific literature suggest that Sudan 1 is genotoxic in that it damages DNA, but there is no suggestion that aspartame is genotoxic. I make that clear because Sudan 1 should never have been in food products.

The applicant has to justify the technological need for the additive; the process of evaluation can often take years before safety can be assured and even after approval it will be subject to continued monitoring. I am sure the Committee agrees that that is absolutely right.

We need to ensure that consumers can make choices about the foods they eat and European Community labelling regulations require the additive to appear clearly in the ingredient list on food labels. It must be identified by one of a number of category names specified in the regulations, such as sweetener or colour, followed either by the specific name of the additive or by its E number.

Aspartame has been used in soft drinks and other low-calorie or sugar-free foods throughout the world for more than 25 years. Questions have been asked

about the safety of the product and I shall outline the conclusions that have been drawn from the large body of research investigating its safety.

In 2001, the Food Standards Agency pressed the European Commission to revisit its previous safety assessment of aspartame published in 1988. As a result of that request, the European Commission's independent Scientific Committee on Food reviewed more than 500 research papers published in the scientific literature between 1988 and 2001 on the safety of the product. The papers included studies that considered the toxicity of the substance, and the research was conducted by independent researchers. The SCF also took into account the outcome of a review published in 2002 of the safety of aspartame, which was carried out by the French Agency for Food, Health and Safety. The review by that agency concluded that there was no evidence of a link between the consumption of aspartame and the development of brain tumours. Following that extensive exercise in December 2002, the SCF concluded that there was no evidence to suggest the need to revise the conclusion previously drawn by the committee that aspartame was safe for use in food.

More recently, in July this year, Worcester at the Ramazzini Foundation in Italy published the findings of new research on the safety of aspartame, suggesting that rats may develop tumours when given doses of aspartame equivalent to the acceptable daily intake amount for humans. However, I understand from the study that the full data have yet to be published and the UK's independent committee on the carcinogenicity of chemicals in foods has reviewed initial data from the study published in July. At this stage they are not convinced by the Worcester interpretation of the data.

However, the Committee agreed that the full data set should be reviewed, and that will be carried out by the European Food Safety Authority. Of course, the findings from the study will need to be considered in the light of the extensive body of existing data on the safety of aspartame. I hope that reassures the hon. Gentleman that we are also open to any new evidence that comes to light but it is important that the full evidence is explored and examined.

The researchers from the Italian institute have been asked to make available all the data from the study in order for the assessment to be carried out. When we have advice from the European Food Safety Authority, the Food Standards Agency and its independent scientific advisory committees will study EFSA's opinion carefully and consider whether it needs to revise its advice on consuming aspartame. The current advice from the Food Standards Agency remains in place, namely that aspartame is safe for use in food.

The hon. Gentleman mentioned methanol and formaldehyde. Those substances are naturally present in the body and, as far as I understand, studies have shown that they are not increased by aspartame. Those substances are toxic at high doses, but not at the levels released from aspartame.

I understand that the hon. Gentleman has asked the Food Standards Agency for information to assist him in his investigations. I hope that he agrees that the FSA and its officials have tried to respond in good faith and in a transparent way with the information that he has asked for. That includes information on how scientists and others developed the acceptable daily intake, or ADI, for aspartame.

As I understand it, the intakes are defined for both adults and children, and are set at a very conservative, low level to cover the maximum levels that people might consume. As part of that work, issues were explored, particularly to do with children, the sort of food and drink products that they might use, and the maximum amount of foods containing aspartame that they might consume in a day. That was cross-referenced with the levels of aspartame that children might acquire if they really went all out to consume as many products containing aspartame as possible. When that was done, the study showed that that was still below the accepted daily maximum level.

I recognise the concerns raised in this debate, and I hope that I have assured the hon. Gentleman that we take the issue seriously. Our procedure in the European Union is to continue to keep an open mind about any new evidence that comes forward. However, we should not lose sight of the fact that additives are approved only if they are of benefit to consumers and are shown to be safe at the levels used in foods.

Question put and agreed to.

Adjourned accordingly at three minutes to Five o'clock.

Westminster Hall

Thursday 15 December 2005

[MRS. JANET DEAN *in the Chair*]

Scientific Publications: Free for all?

[Relevant documents: Tenth and Fourteenth Reports of the Science and Technology Committee, Session 2003–04, HC 399-I and –II and HC 1200, and the responses thereto, Third Special Report, Session 2004–05, HC 249.]

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Roy.]*

2.30 pm

Mr. Phil Willis (Harrogate and Knaresborough) (LD): I welcome the opportunity to debate the Science and Technology Committee's 10th report of Session 2003–04, "Scientific Publications: Free for all?"

I am delighted that the former Chairman of the Committee, the hon. Member for Norwich, North (Dr. Gibson), is present. I want to put on record my thanks and that of the Committee for all the work that the hon. Gentlemen did on this report. We shall see by the end of the debate whether the people in the Gallery think that his work on this report is noteworthy. I am also delighted that other former members of the Committee are here to debate the report.

I confess that the market for scientific journals did not feature prominently either in my postbag or on my radar before I became the Chairman of the Committee. It soon did. Of all the issues that I have been involved with in the past six months, this is the one that has created the most heat, and sometimes the most light. I hope that there will be more light than heat today.

I have been staggered at the level of interest and the intensity of feeling on the subject, which tends to divide both the academic and publishing communities and which sees Ministers running for cover, although I hope that that will not be the case today.

Only last week, 40 fellows of the Royal Society, which is not noted for its protests, wrote to protest at the position that the Royal Society had recently adopted on open access publishing. My task is to put the issue of scientific publications into context, to provide an overview of what the Committee's report did and did not say, to trace significant developments since the Committee reported and the Government replied, and to ask the Minister where we go next.

Bob Spink (Castle Point) (Con): I congratulate the hon. Gentleman on his position as Chairman of this important Committee. Can he put scientific publications in context? Scientific publications will not be top of everyone's agenda this Christmas, but it is an important subject, especially in an increasingly globalised world. There is growing recognition that we all share problems and that we must ensure that the poorer countries in particular have access to the world's scientific database so that they can respond appropriately to problems that must be tackled, such as major natural disasters, avian flu, AIDS and malaria. Scientific publications may not be at the forefront of Radio 4's political agenda at present, but it is a very important issue, and I congratulate the previous Committee Chairman on adopting it as an inquiry.

Mr. Willis: I thank the hon. Gentleman for his kind comments. I echo everything that he said. I hope that my remarks will indicate that, although I came to the topic fairly new, I understand its seriousness and why it interests so many people in the scientific and publishing communities. I hear strongly the words he says about third world science.

All Committee members who are present are grateful for the briefings that they received from various learned societies, such as Research Councils UK, to prepare for the debate. The Committee launched the inquiry in December 2003 for several reasons.

First, there was a recognition that digitisation had led to a transformation in the way in which scientific knowledge is stored and disseminated. The potential for infinitely faster internet access to scientific knowledge was forcing changes to the traditional ways in which scientific publishing operated. In exactly the same way, digital communication is transforming the acquisition and dissemination of knowledge in all areas of society. Web technologies, from blogs to electronic laboratory notebooks, are transforming the way in which the internet is being used. The internet is not just a giant library, as many people think; it is increasingly used in many scientific establishments as a collaborative laboratory.

The second reason was that the open access movement was just beginning to gather momentum in 2003. When I use the term "open access", I refer to two basic strands: self-archiving by authors in institutional repositories and the "author pays" model, with which authors or their funders pay for the cost of publishing their work in peer-reviewed journals that are then disseminated for free. When I talk about open access in this debate, I am referring in broad terms to the principle that the published output of research should be available to everyone without charge.

The third reason why the Committee went into this subject was that libraries had begun to complain that they were struggling to meet the cost of providing the journals that they needed for their students, including research fellows and post-doctorate students. The average price of academic journals rose by 58 per cent. between 1998 and 2003, compared with the UK retail prices index increase of 11 per cent. Libraries were concerned by some of the policies of the major publishers, such as big deals and bundling—whereby they are required to accept the whole output of the publisher rather than being able to pick titles—and wanted to take co-ordinated action.

The fourth reason was that increased attention was being drawn to the profits of the scientific, technical and medical publishers, which appeared to the Committee to be excessively high. Reed Elsevier told the Committee that it made an operating profit of 34 per cent. on its scientific publications, with profits amounting to 17 per cent. after tax. The Committee was rightly concerned that too high a proportion of the financial benefits from the Government's substantial investment in research was ending up with publishers' shareholders.

[Mr. Willis]

The Committee's inquiry attracted over 120 written evidence submissions, and there were four well-attended oral sessions. Indeed, on two occasions a larger room had to be hired to get everyone in.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): Hired?

Mr. Willis: Well, they come for free; unlike in Oxford, where nothing is free.

The report, which was published in July 2004, received praise and criticism in almost equal measure for things that it did and did not say. Let me try to dispel a few myths by outlining what were, for me, some of the key recommendations. First, the Committee expressed support for institutional digital repositories with its recommendation that research councils and other Government funders should mandate the researchers who they fund to deposit a copy of their articles in an institutional repository within a reasonable period from the time of publication so that researchers would be able to research all UK-based repositories from one single site, with the Government acting as an advocate of those repositories at a global level in order to maximise their benefits.

The second key recommendation was that the Government should support further experimentation with the author pays publishing model by, for example, making available a portion of research council grants for authors to experiment in that way. It also recommended that the Government should conduct research into the viability of that model, particularly into whether some of the unresolved problems with it can be overcome.

A key justification for those recommendations—for me, one of the most compelling arguments for greater involvement with open access recommendations—was the potential for developing countries, which the hon. Member for Castle Point (Bob Spink) mentioned. Institutions in many developing countries cannot hope to keep their researchers up to date with all relevant research by paying the necessary subscriptions. Free access on a global scale has huge attractions for the third world. I know that my hon. Friend the Member for Oxford, West and Abingdon (Dr. Harris) wants to address that issue later.

It is fair to say that the Government's response was curious. The hon. Member for Norwich, North (Dr. Gibson) said so in press releases, though his language was perhaps more graphic than describing it as interesting. The report did not recommend the immediate and wholesale transition to the author pays model, but that appears to have been the common misconception, not least in the Government. Indeed, in a commentary in *The Guardian* of 9 November 2004 about the Government's response Richard Wray wrote:

"The government is, of course, within its rights to ignore select committees, but it could at least have properly read the report".

I think that that Committee did feel that the report had not been read properly.

The Government's response of October 2004 seemed to argue against and reject the author pays model as if it was what the Committee proposed, when it palpably was not. In fact, the Committee report highlighted some problems with that model. One was the free-rider issue—the prospect of industry gaining free access to journals for which it currently pays. Another was the impact on learned societies that derive a significant proportion of their income from publishing journals that would be threatened by the new model. The rigour of peer review in the new model was unproven and there was also a question of the financial disadvantage that the UK would suffer internationally by making a unilateral commitment to the author pays model without getting international agreement. The Committee accepted that all those issues needed to be dealt with before any massive roll-out of and investment in the free access proposals.

The Government's response was also negative in that it did nothing to support or co-ordinate the establishment of institutional repositories. The Government did not oppose them in principle and on page 27 of the 14th report it is noted that they recognised them as

"a significant development worthy of encouragement".

However, rather than take a co-ordinating role as the Committee suggested, the Government preferred to leave it to each institution to make its own decisions. Of course the recommendation relies on some central guidance. A laissez-faire approach, in which individual institutions have their own repositories, with no co-ordination, was a recipe that would not take us much further. Few authors, certainly, would be prepared to participate. By doing nothing the Government effectively rejected a key recommendation.

An even more remarkable feature of the Government's response was their complacency about the state of scientific publishing in the UK. Their policy of

"facilitating a level playing field"

amounted to non-intervention in a market that many complained was already tilted against libraries and in favour of the major scientific publishers. It was that complacent response from the Government that prompted the Committee to take the relatively unusual step of publishing the Government's response with further comments in the 14th report of the 2003–04 Session, published in November 2004. The Committee was not unduly concerned that the Government had rejected the thrust of the recommendations. There is nothing new in that, as I am sure you would vouch, Mrs. Dean. It was the way in which the response had been assembled that caused concern.

Of course many different arms of Government fed into the response; the Department of Trade and Industry, the Office of Science and Technology, the Department for Culture, Media and Sport and the Department for Education and Skills all had an interest. However, certain key voices seemed to be ignored, particularly that of the joint information systems committee, the Government-funded advisory body responsible for providing leadership in the innovative use of information and communications technology to support education and research. That very body, which should have been at the heart of the response, was initially left out. Indeed, the impression was given to the Committee that the voice of the DTI had overridden the advice of the relevant advisory bodies such as the joint

information systems committee. It appeared to many that the DTI had done a good job of defending the interests of the successful UK publishing industry at the expense of innovation in the market that might benefit the wider academic community.

Dr. Brian Iddon (Bolton, South-East) (Lab): Does the hon. Gentleman agree that the Government's response was highly coloured by the previous Office of Fair Trading report and that they probably adopted their wait-and-see attitude because the European Commission has also undertaken an investigation into the matter?

Mr. Willis: I am grateful for that remark. It is quite clear that the Department of Trade and Industry was somehow leant on for it to have produced such an ambivalent response to the Committee's report. I do not know whether the hon. Gentleman is right about the European connection, but perhaps I shall leave him to further his argument when he makes his comments later.

In the context of our current inquiry into scientific advice to Government, into evidence-based policy making, and into how the process works in practice, it is interesting to note that this episode is not a great example of the way in which the Government take advice and use it to formulate policy. Perhaps it will make a good case study.

Bob Spink: While the hon. Gentleman is talking about the Government's response to the inquiry, would he care to comment on what the Government did not say in their response? They did not, for example, offer to remove VAT on the provision of electronic versions of printed works, or offer any help at all to set up a national site licence arrangement for the UK, which would benefit higher education institutions and, quite possibly, further educational establishments and libraries.

Mr. Willis: Having got into the whole subject late, and having read the evidence that has been made available, I am more and more confused about why the Government responded as they did. They failed to address the report's core recommendations, but they also failed to seize the opportunity to consider the wider issues such as publishing and the way in which universities gain access to information. I was particularly concerned about the way in which the repositories issue was swept under the table, as dealing with it would have addressed many of the issues that the hon. Gentleman has just mentioned.

In their next response, the Government denied seeking to neutralise the views of JISC, as we would expect. Again, the response referred to not wanting to force a premature transition to an author pays model, as if that was what was being asked for in the first place. The recommendation was actively to explore the possibility of a new model by gathering and analysing evidence, not to express immediate support. The Government did, however, undertake to consider all the evidence as it became available, including the results of some experiments and initiatives that are currently under way. That is a welcome commitment to evidence-based policy making. We will see what it means in practice when the Minister responds later this afternoon.

Although the Government were unwilling to make any commitment to open access publishing, other key players were responding to what they saw as a very important issue. In November 2004, the Wellcome Trust announced a new policy and a significant step towards an open access environment. It plans to establish UK PubMed Central, a new repository for biomedical research similar to the existing PubMed Central in the United States.

The process of establishment will begin early next year. Under the new policy, researchers funded by Wellcome are required from 1 October 2005 to deposit an electronic copy of their peer-reviewed articles that are accepted for publication in PubMed Central, which will be UK PubMed Central when it is established, within six months of publication. The trust will fund all costs associated with that move.

In February 2005, the National Institutes of Health in the US announced a new policy, under which its funded researchers will have to deposit a copy of all their published papers on a central archive that is managed by the National Library of Medicine within 12 months of publication.

A recent Organisation for Economic Co-operation and Development study found evidence of a shift towards direct access to primary data sources that was having a significant impact on scientific publishers, many of whom have invested heavily in online publishing. The study anticipated a period of experimentation using different types of open access models, but concluded that national and international co-ordination was required to broaden access to data from publicly funded research and to contribute to the advancement of scientific research and innovation.

In short, the open access movement is progressing and is fast becoming a serious option in the field of scientific publications. Unsurprisingly, a slightly different picture emerges if one talks to the publishers. Reed Elsevier, the largest scientific publisher in the UK, which publishes more than 1,800 journals and 2,200 new books each year, claims that the number of new open access journals peaked in 2001 and has since declined. It described 41 per cent. of them as loss-making; it must have been talking to Lord Sainsbury, because he told the Committee exactly the same thing on 19 October, when he said that

"we have seen a peak in the enthusiasm for open access publishing and a fall-off in people putting forward proposals for it".

It is not clear what he means by a peak. Does he mean that the number of open-access journals is declining or simply that the rate of increase has slowed since 2001? I should be grateful if the Minister addressed this specific issue. Do the Government still believe that open access publishing is in decline or is it on the increase?

The publishers raise a serious point, which needs to be addressed; is there a need to duplicate what already exists? They have taken steps to improve access to their own publications, and several pilots are already running. For example, CrossRef, is running a pilot involving 45 publishers, in partnership with Google, to determine the value to the scholarly community of a free inter-disciplinary, inter-publisher search of peer-reviewed scholarly literature.

Publishers would argue that access is not a problem. Reed Elsevier says that 90 per cent. of all UK researchers now have access to more than 95 per cent. of

[Mr. Willis]

its articles, although only if they subscribe, and they will not get access otherwise. There is no doubt that publishers are investing considerable sums in improving the accessibility of their material and maintaining it on a database. In that respect, there are real questions for the Minister to answer. Should public money be spent on establishing a similar facility through institutional repositories? Is he concerned about duplication?

The evolution of open access is taking place almost as we speak. I am sure that this is pure coincidence, but it was announced only this morning that three major publishers—Blackwell, Oxford University Press and Springer—will ensure that research published in their journals is immediately made available online without charge to the reader. The costs are being met by research funding bodies. That seems a significant development, and I hope that the Minister will comment on it. Does he stick to the Science Minister's view that the open access movement has peaked or does he see such moves by publishers as evidence of a growing trend? If so, what are the implications for Government policy? At what point do the Government embrace the new model and plan accordingly?

Of course, the most significant player in determining a shift in thinking on open access is the RCUK, which has been consulting on the issue since the summer. Under its proposal, researchers would be allowed to continue choosing where best to publish their research. However, the RCUK proposal would also introduce a requirement that

"subject to copyright and licensing arrangements, a copy of any resultant published journal articles or conference proceedings should be deposited in an appropriate e-print repository ... wherever such a repository is available to the award-holder."

Even the most ardent open access supporter would agree that there might be different time lags for different disciplines, but the need for access to the latest research in mediaeval history is not quite as acute as it is in the field of, say, genetics.

The RCUK's proposal also states that councils would agree to applicants including the predicted costs of publishing in an author pays journal in their grant applications, subject to the justification of cost-effectiveness. That could be a significant development, although I say "could" because it is unclear whether the RCUK remains supportive of that proposal.

The RCUK's proposal would affect the 15,000 academics who are in receipt of a research council grant at any one time and whose work represents 60 per cent. of research findings in the UK. It also goes a long way towards implementing the recommendations in the Select Committee's original report. Importantly, it is also supported in broad terms by Universities UK, although that body, too, flags up one or two issues that need resolving. However, it has to be accepted that if the research councils are going to pay for researchers who want to publish in author pays journals, a considerable shift will have to take place because money that would normally go towards research will be going towards publication costs instead. Can the Minister tell us whether that is still envisaged? If so, what would he regard as the consequences for research council budgets?

Dr. Evan Harris: Does my hon. Friend accept that in those circumstances, provided that there was a shift to author pays and the funding for it was substantial, one might expect savings in library budgets? Many higher education institutions are Government-funded, and it should not be beyond the wit of Government to track the flow and make the budgetary adjustments necessary to diminish the impact on budgets of such a move.

Mr. Willis: One of the confusing things about the Government's two responses to the original report and the Committee's response to the Government's response to the original report is that they have not grasped those issues. They need to consider what research is needed in order to verify a cost base for this type of publishing. To be fair to both the publishing houses and the learned societies, that cannot happen until one does an analysis and makes comparisons with some of the models in the United States, where it is free to publish and free to access, and the whole system is underpinned either by grants or by donations. We need a commercial model that stacks up against the existing system. That can be achieved only by means of trials and proper research. The lack of research and of engagement with the issue is a worry.

The Parliamentary Under-Secretary of State for Trade and Industry (Barry Gardiner) *indicated dissent.*

Mr. Willis: Perhaps the Minister, who is shaking his head, will come up with some superb ideas before the end of the afternoon. I am sure that that will make my hon. Friend very pleased.

Not surprisingly, there is some opposition. The moves by Wellcome, the RCUK and others continue to be largely opposed by those involved in publishing. The Royal Society supports the principles that underlie the proposals, but not the policy. It is concerned that mandated self-archiving will threaten to undermine established methods; in particular, it notes that many learned societies can conduct their full ranges of activities only through the profits that they currently make from publishing. It also reports concerns in the community that biomedicine might lend itself more readily to open access publishing than other disciplines such as mathematics, chemistry and physics, although that position was attacked last week by 40 fellows of the Royal Society.

It would be wrong to characterise the concerns of the learned societies as simply preserving vested interests. I certainly would not want to say that. The learned societies are not-for-profit organisations, whose very reason for being is the promotion of scientific research in their respective communities and the dissemination of the results of that research to the public. Some, though not all, of them are heavily reliant on income from their publications. If there is a move to an author pays model, the affected learned societies will have either to find an alternative income stream or scale down their activities. We need to consider the issue, and the position of the learned societies very carefully before there is a wholesale change.

Reed Elsevier also supports in principle the aims of the RCUK proposals, but describes the results of their implementation as

"chaotic, costly and detrimental for British research."

Institutional repositories are opposed on the grounds that they provide an unnecessary parallel distribution channel for published journal articles and Reed Elsevier also says that it would destroy the publishing system whose output the RCUK seeks. I hope that other hon. Members will address all these real issues and concerns head on.

The matter of copyright also needs to be resolved. Traditionally, publishers have looked after the copyright on behalf of authors, and few authors have complained—they have not noted any significant problem with that arrangement. The Committee viewed the issue as being crucial to the success of self-archiving, and the Government have expressed support for a flexible approach to copyright. Can the Minister give us a general update on that work? The RCUK initiative is significant because it will be viewed, to some extent, as that body flexing its muscles and testing how much room for manoeuvre it is being allowed by the Government.

The DTI has been thought to be lukewarm, at best, on the proposal. That was confirmed when the Minister, Lord Sainsbury, last appeared before the Committee in October when he told us that the policy required some further development. He asked RCUK to go back and negotiate with publishers on timing, rather than leaving that matter to individual researchers. I hope that the Minister will be able to update hon. Members on the progress of those negotiations, and to tell us how closely the DTI has been involved. Is Lord Sainsbury breathing down the neck of the RCUK at the negotiating table, or does it have a free hand?

It would be wrong for me to paint a picture of conflict in the world of scientific publishing. There are many encouraging moves by both traditionalists and open access enthusiasts to find the most effective way of getting high-quality scientific research published. The RCUK and the Royal Society, with the collaboration of publishers, have set up a study to examine the impact that self-publishing and self-archiving will have. That study will take place over the next two years, by which time the impact of the RCUK proposals may start to be felt. I welcome that study and I am sure that the Committee does too. That will go some way towards establishing an evidence base on which Government and funders of research can make further decisions. It is a great pity that the Government did not commit to such a move in their initial response to the Select Committee report.

Publishers are also responding to demands for greater access and for allowing authors greater scope to submit their articles to repositories or publish them on a website. I understand that some learned societies are conducting their own limited experiments with different publishing models, and other hon. Members will refer to those later. However, I and former members of the Science and Technology Committee remain to be convinced that the Government have made a serious effort to get all the key players together to discuss the development of this policy. I understand that the DTI has recently established a research communications forum, and I would like to ask the Minister for further details about who is involved in that and what he is seeking to achieve.

This is a complex and rapidly evolving market involving many interests that share common aims but are often in sharp conflict over delivery. The Government, with all their different internal interests, must establish their priorities. It seems bizarre that the Government are pumping very large sums into research, but should be content to leave the market to determine how that publicly funded research is disseminated.

The Government have wisely identified scientific research as the key driver of economic prosperity. If the pace of research is accelerated significantly by the rapid and universal access to research findings, surely the Government have a responsibility to pursue that and to maximise the return on the investment in science at an international level, even if that has some impact on some other commercial interests in the UK.

If one method or other demonstrably serves the interests of the UK and the worldwide research community better, the Government might be faced with a decision. In simple terms, do the Government seek to protect the interests of the highly successful publishing industry and the position of some learned societies over and above any potential gains to the scientific community and to the economy as a whole? The Office of Science and Technology may be a small part of the DTI, but is this a case of the tail wagging the dog? We are not yet at the stage when decisions can be reached.

The open access model has many weaknesses, but they should be explored rather than used to dismiss the case at this early stage. The Government should take a lead in gathering the evidence, supporting experimentation, and evaluating the evidence to see what works and what does not.

On institutional repositories, I am inclined to disagree with Lord Sainsbury, who sees a role for them only in rather specific circumstances. My instinct is that if it is worth doing, it should be done properly in a co-ordinated and well-regulated manner. To have real value, it must be comprehensive; all articles must be available, with minimal constraints. The publishers are absolutely right that an unreliable and half-hearted network would be pointless. The Government should take a lead, especially as the financial costs are likely to be minimal, and this is one policy area in which a little bit of boldness would not go amiss. We await developments, and also wait to see whether this is the beginning of a breakthrough in evidence-based policy.

3.5 pm

Dr. Ian Gibson (Norwich, North) (Lab): It is a pleasure to be speaking under your chairmanship, Mrs. Dean; I hope that you will keep me in order if I move off the subject. It was a delight to chair the inquiry, among hundreds of others, and I congratulate the members of the Committee on all the hard work that they put into it. I also congratulate the people who helped, including the Clerks. I want to mention one in particular; a young woman called Emily Commander, who was brilliant in terms of her penetration of the field.

The Committee not only went to meetings of librarians, but into the depths of the City of London to meet venture capitalists who were rather worried about

[Dr. Ian Gibson]

the possible implications for the publishing industry. That demonstrates the importance of this subject, which to most people is dull, boring and irrelevant. It is certainly not the kind of thing that one would find football fans talking about in terms of three-five-two systems or whether Alex Ferguson has gone a bit wonky at the top; like some politicians, I might add. I also congratulate the new Chairman of the Committee; I hope that he can now spend some time worrying about the leadership in his party, as we all do, of course.

Emily Commander was brilliant in guiding us, in helping us, and in getting the right people together to ask the questions. One could tell by the number of people in the gallery in all our sessions how much interest there was.

I shall briefly say why the subject was so interesting. However, I shall say first that the Committee was not going to be domineering about the matter. It was a new area for us in which we reflected on the problems and how we might address them. Some members of the Committee who had experience of the publishing of academic journals knew how the problems had grown over the years and how, as in most things scientific and technological, the science and technology had moved on faster than regulation and faster than the communication of some of the discoveries that had been made. We considered the explosion of research and the absolute necessity to keep up our citation indexes in the international academic research community, which we do very well. We realised the importance of this issue, dull as it may be to most people.

Getting three or four years' work published and out there for people to read and understand is a magnificent thing. Sometimes that can be a lifetime's work, and enabling people to see and understand it is all part of building our great scientific international community. The work must be accessible to people; not just scholars and academics, but the public.

We know that the public may not want to read chemistry journals—neither do I, in some ways—but sometimes interesting articles are published in publications such as *The Lancet*, for example on subjects such as MMR, and people want to see for themselves what is being said, rather than what the *Daily Mail* tells them has been said. It is important that such material be openly accessible to people. It is also interesting to read how the work was done, what was found out, what we do not know, and what we need to know.

Dr. Evan Harris: The hon. Gentleman has made an important point. It is a strange world that we live in, in which what is accessible to the public is that which is not peer reviewed and where, often, the research that is peer reviewed and carefully examined before being published is not available to the public free of charge on the internet. That is the dilemma; it creates real problems for policy makers and for public engagement with science.

Dr. Gibson: I shall come to that point later.

Dr. Iddon: On that very point, is it not important that if scientific information, or any other information, is given on the internet, we need to develop a system such as the kite mark, which is what the Committee recommended, to show whether the paper has been peer reviewed?

Dr. Gibson: I absolutely agree. Peer review is acknowledged to be the best way for people to find out whether something has been reviewed. Many papers get turned down. Prestigious journals turn down between 70 per cent. and 80 per cent. of papers, so it is important to handle that issue.

Mr. Edward Vaizey (Wantage) (Con): The hon. Member for Oxford, West and Abingdon (Dr. Harris) raised a conundrum. The difficulty is that if one goes for an open access system, the likelihood is that papers in this great new future are unlikely to have been peer reviewed. As the former Chairman, can the hon. Gentleman say whether the Committee made any estimate of the number of people who feel that they do not have access to the latest scientific research?

Dr. Gibson: I thank the hon. Gentleman for that intervention. I suspect that most people do not understand what peer review means. They would not know a kite mark from a Chelsea football flag. It is impossible. I would recommend that the Committee thinks seriously about whether the peer review system is right. We have been using the system for a long time, and often serious criticisms are made of it, especially that one's pals referee the papers and allow them to be published. Even under the current system, that makes peer review not all that it might be. We need a proper inquiry into how to prevent falsehoods and bad papers entering the public domain.

An inquiry is important also because policy is now made on evidence-based information, which has become the mantra for major policy decisions; perhaps not entirely, but it is a large feature. How many times have we heard "good science" or "science-based"? I shall not go on about how often such phrases are abused. They are certainly abused by committees in the United States; the Republican party has managed to use them and has perverted information that has been properly reviewed. There is a real problem making evidence available to those who make the excellent policies that we need. We generally pick up such issues; we know what causes AIDS and what causes avian flu. We can learn an awful lot, but it is important that that information be communicated to the scientific community.

Mention has been made of developing countries. During another inquiry, the Committee had an amazing trip to Malawi. We talked to academics and people working in the university system there who would welcome the opportunity of using such information. I note that a document from the Royal Society of Chemistry makes pertinent criticisms that reflect our worries; however, it also says that it would be patronising to give the developing world that sort of information. I can tell the Royal Society that it is patronising to think that the public would not want to access some of its chemical papers, particularly if they are looking to see whether a chemical has side effects on the environment and other such issues.

Mr. Vaizey: I am surprised to hear that the Royal Society of Chemistry has made such remarks. I have been told that many publishers, including not-for-profit publishers, provide research and journals to the third world either freely or heavily subsidised through a variety of programmes.

Dr. Gibson: Yes, that happens, but not to the extent that we would wish. In interacting with the developing world, we are creating a research capacity that will allow them to do things for themselves; we will help build it up, giving grants and so on. That is all part of the process. They have to access the hard information that allows them not only to use those drugs in the best manner, but to have the facilities through which they can understand them. Computers are not restricted to this part of the hemisphere. They are present everywhere and people can access such information through them.

I want to say something about the history of the problem, which did not just come out of the air. I remember looking for hours through the current contents of journals. One would have to comb all the way through them, send off a request to get the papers and then get about 1 per cent. of the papers back, if any at all. It was quite costly. Otherwise, one would have to photocopy and would build up huge photocopying bills in order to get such international information. We can move on from that and, to a large extent, we have. I only say that because that was what it was like for many of us as we grew through the scientific movement and were being trained. I welcome anything that will improve the situation.

The digitisation that is taking place and the role of the British Library are so important. The British Library has more scientific information locked inside it than any other organisation that I know of, apart perhaps from the Vatican. We need to ensure that that information is available to everybody. Many small businesses go to the British Library to get such information. It is a fount of information and we have to encourage that. It is part of the process.

I openly tell the Chamber that the whole inquiry started with me talking to Lord Eatwell in the House of Lords Bar about the problem of the British Library and getting the information out there. From then on, it spread like wildfire. I am pleased that the British Library has welcomed our report on the long-term storage of information.

So, why did we start the inquiry? It was not just about Lord Eatwell buying me a drink in the House of Lords. Some of us knew that some publishers seemed to have a monopoly on a small number of prestige journals. I say "prestige journals" because of an important exercise in universities called the research assessment exercise. Research that is published scores more points if it is published in the right places. Some journals, such as *Nature*, give high points. They are very expensive and increasing in price. Librarians in universities and other environments—

3.17 pm

Sitting suspended for a Division in the House.

3.31 pm

On resuming—

Dr. Gibson: As I was saying, there is no problem with acknowledging that prestige journals are very important. They will continue. The Committee had no intention of suppressing the publication of data in the form of pamphlets, books or whatever. That point is extremely important. At the same time, it thought that information should be openly available to many more people.

Many librarians told us, and it was the personal experience of some of us, that subscriptions in libraries were decreasing. I know why and what we should be doing about it. More funding is needed, not just through the local university, which has more commitments now, but from central sources. Every year, everyone who worked at a university was given a list of all the publications with the number of people who had accessed them over the last year; they had to pick their favourite. "The Marine Biology of New Zealand" might then disappear from the shelves, which I can understand, but sometimes subscriptions to very prestigious journals were stopped because of the increasing costs.

The only way to handle that is to increase the budget into universities alongside the open access facility to recognise that this dual approach, with open access, is here to stay. More and more people are beginning to get involved in that across the world. It has been gaining momentum and influence. The political message, which is reflected by the Wellcome Trust, is that publicly funded research out of the taxpayers' pocket should be available for the public to see—whether it is complicated chemistry, physics or whatever. Yes, it may be a problem, but many of the other works that are published are there and open for the public who pay for them to see and understand. One cannot talk about openness and transparency without having that facility.

Lots of public money feeds into the scientific publishing process. If we want this literate public, we have to give that facility a real chance to shine and develop. I absolutely agree with the hon. Member for Harrogate and Knaresborough (Mr. Willis) that universities should be mandated to self-archive their research papers. I welcome the fact that so many people are doing that now. Institutionally based repositories are being set up. We have to get away from the individual silo mentality. We have regional development agencies. Why do they not set up some kind of network between centres such as Cambridge, Essex, Ipswich and Norwich and so on, so that the costs can be kept down? Why is there no interaction and co-operation at that level?

There is a real opportunity to think out of the box and think of new ways around the competitive environment that has been set up in our higher education system. If we want the knowledge to be generally shared with the world, the universe or whatever, it ought to be available through some kind of site. The Government have a responsibility—the report made that clear—to fund the creation of networker repositories to allow people to access all the UK-based repositories from a single site and to provide that shop-front for UK-based research, which is becoming so important.

[Dr. Gibson]

The amount being put into research means that more research, of all types, will do done in this country, and that research must be openly available. If we do not have a system that allows that, we will get what we had in the past. I remember from my time teaching PhD students that they would never publish their work because they could not be bothered. We must get out of that mentality of students and others at university who think, "What for?" The research assessment exercise, if it has done nothing else—and many of us do not favour it—has sharpened people up to publish things; we must give them the facility to do that, and make them proud of their work, so that more people can get in touch with it.

The author pays publishing model is not one that we say is absolutely correct, and that everybody should operate. All that we ask is that people investigate it, for goodness' sake. That is all we want: it is an opportunity. There has been a vicious campaign suggesting that poor people doing research are going to have to find the money for publication from their own back pockets. We never said that, but we said that it should be part of the research councils' budgets to universities to allow that to happen. If we agree the principle that all publicly funded research should be published in journals and that all access to it should be open, the money for that should be provided. That is a sticking point for Government Departments: they would have to increase the science budget still further. And why not? We have doubled it in the last four years. I remember the debate when we asked for it to be doubled, and the mistake was that we should have asked for it to be quadrupled. More and more, science is playing a major part, and the science journals are playing a part.

The author pays model has its problems, one of which is the free-riders. Pharmaceutical companies publish a lot of stuff, on which people cannot get their hands—many of us fight that on other avenues—but if universities do that, it takes the onus off them to pay for the research. They can use the data in their facility. I do not have a blueprint solution for that, but I know that people need to talk honestly to universities about the matter because they need that science base. How they make a contribution to it is worthy of negotiation. I do not think that it is the job of a Select Committee to go into that kind of detail, but the businesses in existence—and not just those who have carried out the research and have trained—would receive the advantages gained by the research being reported.

We have considered all the problems, because our report realised that we needed to address them. We were saying, "Come on, get together and start to address those problems, and do something about them." There has been a move in the right direction, but not enough of one. I mentioned the rigour of peer review, which certainly needs examination, and we should explore ways of how that is handled in this country.

It has been said that the Government's response was negative—there is nothing new there, as it is their job not to respond immediately. However, whatever a Select Committee does, nobody will ever get any credit for it, believe you me. It will have been the Government's idea first; I have seen it so often. Hon. Members should wait until the human embryology report comes out and the Department of Health comes up with ideas. I bet that we shall be able to take them across to the Select Committee report and say, "That's interesting. I've seen that written up before." That is how it works. There is no harm in that, but as long as the process moves forward, we should all be happy with it.

The attitude that there is no problem was not reflected in our report: there is a problem. There are problems that need seriously to be addressed. When we talked to the librarians' annual conference, they were absolutely over the moon about seeing something done about repositories. If the report does nothing else, it will have awoken people to tackling the question seriously. People have talked about the issues before—there is nothing new there—but I think that the report has helped to focus on those sort of questions. My final word to the Government is, "Come on, get off your knees. If you believe in science, support some of the ideas in this report."

3.40 pm

Mr. Edward Vaizey (Wantage) (Con): I am grateful for the opportunity to participate in the debate. The hon. Member for Harrogate and Knaresborough (Mr. Willis) started by saying that a debate on the future of scientific publishing was unlikely to feature on many people's radars. I wholeheartedly agree; it is an esoteric issue for most, but not for those of us who represent constituencies in Oxfordshire. Scientific publishing is a huge industry in the United Kingdom, and is particularly focused in Oxfordshire. We have Reed Elsevier in the constituency of the hon. Member for Oxford, West and Abingdon (Dr. Harris) and publishers such as Blackwell, Macmillan and the Oxford University Press in and around Oxford. For the sake of clarity, I should point out that Nigel Blackwell lives in my constituency and is a patron of my association.

In my constituency, I have Informa, formerly Taylor and Francis, at Milton park in Didcot, and the Commonwealth Agricultural Bureau International, the former Commonwealth agricultural board, based technically in the land of Boris, Henley-upon-Thames, but literally 100 yd beyond my border. Hence I have many constituents employed in the industry. It is estimated that the companies that I have mentioned employ directly some 2,500 people, and if we take into account the freelance designers, editors and printers who are associated with the industry, we could probably say that twice that number depend on scientific publishing in and around Oxfordshire. It is also estimated that the industry generates some £100 million in revenues from overseas. We have in the United Kingdom a world-beating industry. On that basis, the debate should be on everybody's radars and it should feature heavily on the "Today" programme; I hope that it will tomorrow.

The recommendations of the Science and Technology Committee are based on two arguments, both of which were addressed by the hon. Member for Norwich, North (Dr. Gibson). The first is a practical one. It is asserted that a small number of powerful publishers are pushing up prices and limiting access, and that cash-starved libraries are no longer able to provide the sort of access to academic research that they used to give. The second is a moral argument and, again, was articulated with a

creditable degree of force by the hon. Gentleman. It is said—I wrote this before I heard the hon. Gentleman speaking, but it is almost exactly what he did say—that if the Government, or in other words the taxpayer, is funding the research on which these articles are based, morally it is wrong for companies to make a profit by selling that research and for access to be denied to people simply on the grounds of cost.

I take issue with both of those arguments and with the conclusions of the report. I hasten to add that that is no criticism of Mrs. Commander, the excellent Clerk to the Select Committee, who was also the excellent Clerk on the Consumer Credit Bill on which I was lucky enough to be a small foot soldier. First, I do not accept that the problem lies with the publishers. They have made significant changes to take account of the new technology and to increase access, and I do not accept that there is an access crisis. Secondly, I do not accept that the alternative being proposed—the author pays model and the creation of university repositories—is well thought through. Rather, I think that those alternatives have been pushed forward far too fast, without proper analysis and discussion of the additional problems that they may bring with them.

Dr. Gibson: Will the hon. Gentleman give his interpretation of the events referred to by the hon. Member for Harrogate and Knaresborough (Mr. Willis) concerning companies that today reflect differently in terms of copyright? Has that anything to do with this debate?

Mr. Vaizey: I am not sure that I understand the intervention, so I shall continue with my remarks and hope that they will cover the hon. Gentleman's question about copyright.

Let me talk briefly about the state of the industry. As I understand it, the scientific, technical and medical publishing industry is well established and highly diverse. There are more than 2,000 publishers worldwide producing more than 1.5 million articles in more than 20,000 journals. Those publishers range from large, international businesses, such as Reed Elsevier and Informa, to well-established companies such as Blackwell and on to not-for-profit but highly prestigious organisations such as the Royal Society, which effectively started scientific publishing.

Mr. Willis: Perhaps I could just help with regard to the question from the hon. Member for Norwich, North (Mr. Gibson). The hon. Member for Wantage (Mr. Vaizey) has mentioned Blackwell Publishing twice now, and its president, Mr. Bob Campbell, said today that if customers wanted to pay for open access, publishers should offer them the appropriate services. Is that not really what the Committee's report is asking for? There is a variety of models from which we could choose; it is not just a choice between the publishers' current model and a complete move to open access.

Mr. Vaizey: On that basis, the hon. Gentleman is rapidly moving the debate towards a consensus, because I agree that there should be a variety of models. However, I do not agree that one new model should be imposed on top of the old one or that the Government should somehow have to intervene to ensure that the new model gains ground; the market in scientific research will do that, and I shall explain later how I think that that will happen.

As I said earlier, if we are to understand the importance of scientific research publishing in the United Kingdom, it is important to realise that this country publishes about half of all commercial journals, about 5,000 in all. It is also important to understand that there has been huge growth in the scientific publishing industry in the past few years, which means that much more scientific research is available to many more people. For example, the average library stocks 6,500 titles, as opposed to 4,000 just a decade ago, in the mid-1990s. The average number of articles read by academic researchers has increased from about 150 a year to well over 200 a year today.

City university commissioned a survey of 4,000 academics in 97 countries, and I am sure that hon. Members are fully aware of it. Three quarters of the academics who responded said that they had better access to journals than they did five years ago. According to a briefing that I have seen from Reed Elsevier, 90 per cent. of UK researchers now have access to 100 per cent. of its journals. Just 5 million Reed Elsevier articles were downloaded in 2001, but 25 million are now downloaded every year. My first assertion, therefore, is that, far from declining, access to scientific research is actually increasing.

Furthermore, commercial and not-for-profit companies recognise their responsibilities to the developing world, and I am sure that the hon. Member for Oxford, West and Abingdon will have more to say on that. Many companies work through schemes such as the programme for the enhancement of research information and with organisations such as the International Network for the Availability of Scientific Publications, the Health InterNetwork Access to Research Initiative and Access to Global Online Research in Agriculture to provide free or low-cost access to journals. If none of that work were being done, the moral case for open access would be far stronger. However, I have been to CABI and seen the CD-ROMs that it produces and makes available at very low cost to the developing world. They are extremely useful to not only academic researchers, but farmers growing crops in the third world. We should recognise the commitment that scientific publishers are making to the developing world.

Overall, therefore, publishers are doubling access to scientific journals every year, the cost per head of using articles is falling, the cost of subscriptions is falling and publishers are increasing output. However, they are not profiteering, because their profit margins remain broadly the same.

On the moral point that all research is funded by the Government and should therefore be free, I have seen a briefing document from Reed Elsevier saying that €89 million a year is paid in subscriptions, but only €2.7 million a year relates directly to research published on the basis of Government research, about 3 per cent. of the total.

Dr. Evan Harris: I am a little confused by the term "Government research". Does the hon. Gentleman mean publicly funded research or research done by Departments?

Mr. Vaizey: It means Research Councils UK research, not specifically departmental research.

Furthermore, one third of all journals are published by not-for-profit organisations, which as hon. Members know, plough all their profits back into research, effectively subsidising Government research. Again, CABI is a good example of that. The organisation publishes 16 journals at a cost of £1.5 million a year and ploughs all profits back into further research.

My assertion is that there is no access crisis and no profiteering. We get value for money and benefit from the subsidies that the publishing industry provides to the developing world and to research. We have a thriving, world-beating, innovative and diverse industry. It is not complacent or tilted against public libraries. It is not waiting to see how things develop, but is pushing forward.

The alternative model is author pays and institutional repositories. It is untried and untested, although I acknowledge that, as the hon. Member for Harrogate and Knaresborough said, it is fast gaining ground. I applaud that. I certainly would applaud models that entailed greater open access. I should like to see how they would develop and I should like them to develop from the ground up, not as part of a top-down, Government-sponsored plan. The current model, the peer review model, has been around for 340 years. It is well established and well developed and we do not want to throw out the baby with the bathwater.

Dr. Harris: The hon. Gentleman contrasts the current model, which he calls the peer review model, with the author pays model, which he has twice implied does not involve peer review. Is that his view? Has he been briefed by the publishers to that effect, or has he inadvertently assumed that the author pays arrangement would not and could not include peer review?

Mr. Vaizey: I do not assume that, but I assume that author pays is less likely to involve peer review than the current model. My concerns about the Select Committee's findings are both general and specific. Generally, I have enormous concern, as I have said, about the prospect of the Government suddenly coming up with a top-down model for the universities. That would be a completely wrong-headed way of going about it. For example, I do not know what the cost would be of the Committee's recommendation that we should have a central body to oversee the implementation of repositories. It strikes me as another bureaucratic organisation and another opportunity for the Government to run something when, at the moment, scientific publishing is being run perfectly well by commercial and not-for-profit organisations.

The tone of the report also misrepresents the reason why libraries struggle to meet the cost of journals. What has filtered through to the non-peer-reviewed press, so to speak, is that the fault lies with profiteering publishers. In fact, as I shall explain, it is partly the fault of the huge boom in research. The feast that researchers are enjoying has also led, potentially, to the famine in access to research.

I shall outline specific reasons why the author pays model will encounter problems, which should be ironed out over time, not in a headlong rush. First, on the author pays model, it is likely that wealthy authors or those based at wealthy institutions are the most likely to get published. It is far less likely that those at poor institutions, or in developing countries, will be published. Secondly, the author pays model could create a conflict of interest. At the moment the relationship is between the publisher and the reader. When the relationship is between the publisher and the author there will, to pick up on the hon. Gentleman's intervention, be a conflict of interest, perhaps without such clear dividing lines.

Thirdly, part of the title of the Select Committee report, "Free for all?" is highly misleading. Publishing scientific research is not free. Huge costs are involved for items such as peer review, proof reading and cross-referencing. At the moment it costs about $3,500 to publish the average scientific article. There is no evidence that those costs would decline and if they did I suspect it would lead to a reduction in the quality of the articles. The internet and digitisation provide a fantastically important new platform for the dissemination of research, but nothing can get us away from the fact that making that research ready for publication still involves significant upfront costs, which will not go away.

Dr. Harris: The hon. Gentleman talks about the title. Can I ask him whether he has seen the question mark at the end of the expression, "Free for all?", and whether he understands that that sometimes lends some irony to a statement? In other words, it might not be free.

Mr. Vaizey: I am very grateful to the hon. Gentleman for accepting the point that the publishing of scientific research will always cost money. That is an essential part of this debate. As for his earlier intervention, I believe that the author pays model severely undermines the prospect of peer review. How can the advocates of change guarantee that we will not rapidly move to a model of who pays most gets published fastest? If there is a free-for-all, how can we monitor the quality of contributions as we do now, both by peer review and by the quality of journals in which they are published? The new model will not simply reduce the costs of disseminating scientific research to the benefit of the research community; it will transfer those costs somewhere else within the scientific community.

Dr. Gibson: Under the current system, authors must pay for certain parts of a paper—for example, if it contains a plate or a colour picture. That can be very expensive and one often must get a charity or someone else to pay for it. Therefore, there is already a restriction on authors. It can be quite expensive to publish a paper.

Mr. Vaizey: It certainly can be expensive to publish a paper. However, I do not want a system that transfers that expense wholesale. That is why we all agree that there should be diverse publishing systems and models. We should not rush headlong into a situation in which author pays is the mainstream norm.

The new model will simply transfer costs because while universities and their libraries must currently pay for access to journals, in future they will have to pay for their authors to get published. That means that the cost will fall most heavily on leading universities, many of

which are in the UK. Cornell university in New York has already stated that it would see its expenditure rise significantly under an author pays model.

The author pays model is not a panacea or a scientific nirvana. It brings with it some very significant problems. In the UK, there is a particular need to address this issue. In his closing remarks, the hon. Member for Harrogate and Knaresborough said that the choice was between protecting the interests of the UK scientific industry or the interests of the research community as a whole. That is a false dichotomy. Potentially, those interests are one and the same. The Government's role is to protect the UK scientific community, not to intervene by, in effect, nationalising research publishing when it is so successful, employs so many people and is such a world-beater.

The real problem is the boom in research. Britain, the developed world and, indeed, the developing world are all putting money into research, which is hugely welcome. However, with the increase in funding for research comes more product. That means fatter journals, more peer review, and more available information. It is estimated that the increase in research and development funding will cause an increase of about 1 million papers a year over the next decade, almost doubling the output. The problem is that library budgets have not kept up with that explosion in information growth.

In searching for a solution to the problem, I ask the Minister to look at the research and development budget in the round, and to think of libraries as part of that budget. That would be a way of saying that research and development is not simply about the creation of knowledge; it is also about its dissemination. If we do not have mechanisms in place to disseminate knowledge, we will all be the poorer.

Britain is recognised as an international centre for journal publishing. I have gone so far as to say that we are a world leader. I believe that, and much of that leadership is based in Oxfordshire. Many of the people who work in that industry live in my constituency. It would be wrong to undermine the industry by a headlong rush into untried and untested models. Instead, we should allow the publishing industry to adapt and to change in the face of that challenge.

The Wellcome Trust initiative is an enormous opportunity, not a threat. The trust is, in effect, a private institution that is perfectly free to set up its own distribution model based on its own charitable principles. I applaud it, not least because it is also a constituent of mine, as it funds the vast majority of the costs of the Diamond synchrotron project at Hull university. That is not the result of a Government solution imposed from above, but a private organisation taking a decision based on its own funding.

As I said, the publishing industry is moving to increase access to its output, and advances are already being made that suggest that an open access system will evolve within the current scenario. Surely it makes sense to allow the system to develop in a viable and sustainable way.

Dr. Gibson: What does the hon. Gentleman think about the RCUK decision on publicly funded research?

Mr. Vaizey: That decision was for the RCUK to take, but I have great concerns about it, not only because wanting to fund international repositories will end up increasing its costs and the cost of access, but because that will have a wider impact on the publishing industry. The RCUK should have thought more carefully before taking that decision.

As the Royal Society says:

"the worst case scenario is that funders could force a rapid change in practice which encourages the introduction of new journals, archives and repositories that cannot be sustained in the long-term but simultaneously forces the closure of existing peer-reviewed journals".

That is the nub of the argument; the problems that arise when people run hell for leather to the new system without any regard to the effect on the current system.

As the chairman of CABI Publishing rightly said to me:

"for information to be freely available, it cannot be available for free".

Distributing knowledge will always cost money, and we must ask whether there is an overwhelming case for the Government to put more money into the distribution of knowledge. In my view, there is no case for the Government to do that.

4.2 pm

Dr. Brian Iddon (Bolton, South-East) (Lab): First, I congratulate you on being elevated to the Chairmen's Panel, Mrs. Dean. It is a pleasure it is to serve under your chairmanship this afternoon.

As a mere northerner, I have always regarded the golden triangle as having all the research. As we have now heard, it also has much of the publishing ability. It was a great privilege to listen to the hon. Member for Wantage (Mr. Vaizey), and I welcome his contribution to the debate.

The hon. Member for Harrogate and Knaresborough (Mr. Willis) said in his introduction that this is a controversial topic. He is, of course, absolutely right, but he ain't seen nothing yet. The previous Committee produced quite a lot of interesting reports, some of which caused controversy, like this one, but we will really see the sparks flying when the subject of human reproductive technologies and the law reaches the Floor of this Chamber or the main Chamber.

I welcome the opportunity to take part in this debate on scientific publications, especially in the light of rapid developments and the publication of the Government's response to our report, which has caused some difficulties. Given that I will mention learned societies, I should declare a registered interest in that I am a fellow of the Royal Society of Chemistry and one of its two honorary advisers in the House.

The ideal would be to make all scientific publications available to everyone on the internet at no cost either to the user or to the author, which would, as hon. Members have said, be of enormous benefit to those working in developing countries who do not have access to many of these publications in either hard copy format or in e-publication format because of their excessive costs.

It is the policy of learned societies such as the RSC to make all their publications freely available to those in developing nations, as the hon. Member for Wantage

[Dr. Brian Iddon]

said. Every article published in RSC journals that are more than two subscription years old, but unfortunately dating back only to 1997, is already freely available in digital format. However, the RSC intends to digitalise as far back as it can go. That will cost, however. As hon. Members have said, nothing is for free; somebody must pay for it.

There are those who believe that open access publishing would put at risk the future of learned societies and even commercial publishing houses, especially if neither the user nor the author pays. There is considerable profit to be made from scientific publishing in the commercial field. As has been said, up to half of the world's peer-reviewed journals are published by or on behalf of learned societies and other not-for-profit organisations.

Peer-reviewed journals are much less expensive and are cited more often by other authors than most, but not all, commercial journals. I agree that the publication of journals—with an estimated turnover of £2 billion—contributes significantly to the UK economy. That figure represents 25 to 30 per cent. of the world market. In other words, we are punching well above our weight. Sixty to 80 per cent. of that £2 billion turnover comes from export earnings. The hon. Member for Wantage said that export earnings total £100 million, but I think that the figure is closer to £750 million. Scientific journals are a considerable export earner for the United Kingdom economy.

Some 85 per cent. of the Royal Society of Chemistry's authors and 90 per cent. of its customers live outside the UK. In that case, as in the case of other learned societies, profits are used for several charitable functions. The Royal Society of Chemistry comes second only to the Government in providing educational facilities for chemistry teachers in schools and in higher and further education. The user pays model for journal publications is still by far the most common model used, although many journals charge both for the author to publish and for the user to read a journal. Individual members of learned societies benefit from a considerably cheaper subscription than non-members and libraries, which probably pay the highest subscription cost.

I want to go off-piste for a minute, Mrs. Dean. As a student and teacher in universities for 39 years, I saw many changes in the way in which we published our research findings. Incidentally, I am one of only two scientists who have published as an elected Member of the House of the Commons, the other being a scientist called Roscoe, who did much of his work in Manchester. It took me a long time to persuade the Royal Society of Chemistry to allow me to put MP after my name when I published two or three papers after I was elected in 1997.

When I started to study chemistry seriously in the 1960s, there were few journals to choose from in which to publish. Most were published by learned societies. It was advantageous to become a member of organisations such as the Royal Society of Chemistry because that allowed me to publish free of charge. There were other benefits, too. I began my career by publishing in the *Journal of the Chemical Society*.

Dr. Gibson: For the record, I published in *Nature* after I had become an MP. How does that rate in the citation index against the Royal Society of Chemistry publication?

Dr. Iddon: My hon. Friend is trying to get one up on me, because *Nature* is one of the highest-impact journals. I cannot compete with him. I shall change "two MPs" to "three MPs" in future.

As the number of universities expanded in the UK post-Robbins, and worldwide as well, the number of publications in each subject increased logarithmically. The learned society journals sub-divided and became more specialist. The *Journal of the Chemical Society* was no exception—it fragmented, too. I started to publish in the *Journal of the Chemical Society, Perkin Transactions 1*, which was named after Henry Perkin. He discovered mauveine, the first synthetic dye. As the number of publications increased, so the cost to libraries began to rise steeply.

Unfortunately, the learned societies were not moving with the times, and long periods elapsed between submission of a paper and publication. The commercial publishing houses saw the chance and made available journals that not only published rapidly in camera-ready copy, but reduced publication times significantly. That was a huge attraction for scientists to start publishing in commercial rather than learned journals. That was a watershed in the field. Chemists began to publish in journals such as *Tetrahedron* and *Tetrahedron Letters*, which are today owned by Reed Elsevier. Library costs soared again. The commercial publishing houses had to make a profit, of course.

The preparation of camera-ready copy was made easier for chemists by the introduction of computer packages that would draw complex molecular formulae and integrate them straight into the text so that the paper could be published direct almost without any alteration. Incidentally, *Tetrahedron* and *Tetrahedron Letters* started life at Oxford, at Headington Hill hall, and the gentleman who started those and many other scientific publications—the hon. Member for Wantage is ahead of me, and is smiling—was the great, late entrepreneur, Robert Maxwell. Pergamon press eventually came into the ownership of Reed Elsevier.

A further factor was that the kudos and extra income from being the academic editor of a journal further multiplied the number of journals available from the commercial publishing houses. It seemed that every professor wanted a share of the profits to add to his academic salary because academic salaries were, and always have been, rather poor. In my opinion, academics partly created the problems that we are debating this afternoon. Each journal became more specialised in its coverage. It seemed at one time that there might be a journal for every element in the periodic classification. We had the journals of fluorine chemistry, selenium chemistry, phosphorus chemistry and sulphur chemistry, and it went on and on. Even developing countries started to publish. It became almost impossible for me and many other chemists to keep up with the chemical literature. We had to rely heavily on abstracting services, the most important of which is and was the manual search facility provided by the American Chemical Society in Ohio, Chemical Abstracts. The cost of Chemical Abstracts went through

the ceiling. Members have already mentioned the soaring cost of journals. One source has told me that the cost of journals increased by 57 per cent. between 1998 and 2003, just five years.

Along came the Conservative Government in 1979 and higher education, I am sad to say, was starved of money. I remember lists of journals being sent to me on an annual basis by the librarian of the university of Salford, where I worked, and him asking me to put the list in priority order. Every year, journals fell off the bottom of the list at an accelerating rate. That was a sad time.

That is the background that has led to today's debate. One of the greatest changes is access to the world's literature on the worldwide web. It is no longer necessary to dive across the campus, search through the journals on the dusty shelves, find the one wanted and read the paper in often cluttered conditions. The papers can be read at home and at a desk in an office. What a boon that has been to scientists.

Probably the most prolific scientific author of all time happens to be a friend of mine. He is called Professor Alan Katritzky, and he left the university of East Anglia many years ago for the university of Florida at Gainesville. He is such a prolific scientific publisher that his name is in the "Guinness Book of Records". Like me, he is an organic chemist; more specifically we are both heterocyclic organic chemists. In the year 2000, Alan launched a truly open access journal, ARKIVOC for short, or archive for organic chemistry. His motivation was

"to alleviate a number of adverse trends in the practise and publication of organic chemistry, which are particularly acute in countries of the second and third world".

Dr. Gibson: I am glad that my hon. Friend has mentioned Professor Katritzky. I knew him quite well and we used to exchange views at meetings. Is it not true that chemists tend to publish every experiment that they do?

Dr. Iddon: That is not true. I will refer to the reasons why in a moment.

To advance their careers, academics compete with each other for a place to publish in the journals with greatest impact—the journals that are most read and most cross-referenced by others in their profession. That drives the cost of those journals higher and higher. The research assessment exercise has not helped with that problem. That sort of competition is most intensive in the science, engineering and technological areas, including the medical sciences.

In the light of those facts, Professor Katritzky launched a not-for-profit organisation called ARKAT-USA Inc. Foundation, which, in January 2000, launched the internet version of the journal to which I have just referred. That was made possible—as I said earlier, nothing is for free—through an initial donation from a benefactor, and it is self-generating today by the generosity of people who want to support it. In the past few months, the innovation has gone one step further, because a hard-copy issue is now available, just at the cost of production—$20 per issue—and it is circulated by the famous internet company, Amazon.

Today, that journal is self-supporting, partly due to the benefactors but also due to the fact that scores of organic chemists contribute towards editing it, peer-reviewing its papers, and providing the technical editorship that is necessary for it to appear in that high quality format. It is a high quality journal; journals will not survive unless they are produced to a high quality, with good peer reviews and with few bad papers in them for that reason.

The author pays online model is growing in acceptability, otherwise we would not be having this debate. However, as has already been pointed out, that loads costs on to funding organisations. The hon. Member for Wantage said that it loads costs on to the authors, but I should like to knock that idea on the head straight away. Very few authors of scientific publications pay out of their own pockets. It is the funding organisations that pay: organisations such as the research councils. However, as the hon. Gentleman implied, it does shift costs away from libraries on to research budgets. Research Councils UK does not appear to have the money to allow that shift to occur. I also doubt that universities will shift costs away from hard-pressed libraries on to equally hard-pressed research departments.

Researchers supported by charities cannot currently meet all the costs of their academic research and so the author pays model is bad for people who use charitable money to carry out their research. There is some controversy about whether that model—the author pays model—is cheaper than the most common subscriber pays model. The Wellcome Trust claims that it is 30 per cent. cheaper, and others agree, but a number of people strongly disagree with that, among which the Royal Society has been mentioned. Of course, wherever money is charged for doing something, there must be quite a number of administrators to collect the money. Therefore, in my opinion, it does not significantly reduce the costs compared with subscriber pays models.

The Government are also not convinced that the author pays model is superior to the current subscriber pays model. They say that they want to provide a level playing field so that market forces can provide a solution to the problem. The Committee, of which I am a member, does not agree with that statement by the Government—I agree with the Committee, and perhaps will explain why later.

The author pays model is probably not acceptable to scientists working in developing countries either, because they will not be able to find the money unless the journal concerned waives the costs. Someone in the debate has already said that that is a rather patronising attitude.

In the past, the costs of hard-copy journals were kept down by the author pays model, but that model still incurs the costs of printing and distribution of the journals, or of setting up and maintaining a website. The higher the rejection rates for papers, the higher the publication costs. Nature Publishing Group rejects some 90 per cent. of the papers submitted to it. That is a phenomenal cost to be loaded on to the publication of that high-impact journal, in which my hon. Friend the Member for Norwich, North (Dr. Gibson) has had the pleasure of publishing. It claims that the author pays model would entail a cost of between £5,500 and £16,500 per article, depending on length. That is a phenomenal publication cost.

[Dr. Iddon]

Some scientists also feel that the author pays model will lower the quality of published papers, especially in commercially produced journals. Obviously, to maximise profits it is in their interest to publish as many papers as possible under that model. That would be a backward step.

Dr. Evan Harris: I understand the point that the hon. Gentleman was just making about the potentially high cost, under the author pays system, of publishing a paper where there is a high rejection rate, because of the cost of reviewing and peer reviewing those papers, but would not the problem be solved, to a certain extent, by a charge for submission, which would also deter speculative submissions to high-impact journals by those whose research was not of appropriate quality or whose results were not of appropriate interest?

Dr. Iddon: It would if that approach were universal, but if some journals charged a submission charge and others did not where would an author prefer to publish? The answer is pretty obvious.

Online access to journals would be very welcome to people taking career breaks, such as women who were taking time off to have a child, for example. They could keep up with the literature if they were lucky enough to have a computer at home, or, even if they did not, in the library. That would be an advantage.

The Government's response was wrong. I must reiterate that, because I, too, feel strongly about it. We were not recommending the author pays model in our conclusions. All that we were doing was to suggest to the Government that they should pay attention to it, and perhaps undertake some research and give guidance to publicly funded researchers, so that some indication of the future would be available.

I am pleased to see from today's very welcome Wellcome Trust press release, which was embargoed until today, that the Committee's work has had an impact. The trust will pay for its authors—who are undertaking its research—to publish on three online services: Blackwell Online Open, Oxford University Press's Oxford Open and Springer Open Choice Services. The trust claims that that would cost 1 per cent. of its total annual spend, which seems quite a small amount. Today's announcement has given the open access movement a huge boost and drives the debate a step forward.

The research councils' policy on institutional repositories has been mentioned, and it is one that I welcome, although it has not been finalised. The Committee Chairman and I met Professor Ian Diamond a few days ago, and it is hoped that the details of the policy will be finalised towards the end of spring. The RCUK is about to reach agreements with a large number of commercial publishing houses, which will allow papers published in their commercial journals to go online in institutional repositories.

However, there are difficulties, one of which is the delay. We have not worked out what the delay will be yet, but it will be at least six months, and 12 months for some journals. Of course, commercial publishing houses will allow only the text to be published, which for scientists—such as chemists like me who want to see spectroscopic data—will, frankly, be a severe hindrance. I ask commercial publishing houses to reconsider that policy and allow whole papers, not just the text, to be published online.

It is not only the Wellcome Trust and the RCUK that are involved. The open access movement is worldwide, and one of its big supporters is the National Institutes of Health in the United States. All three organisations have considerable clout in publishing. When the details of the RCUK's policy are announced, it will undoubtedly incentivise academics to deposit research papers in institutional repositories for the benefit of all worldwide. It will also incentivise those universities that have not already done so to set up such repositories. I know that the university of Liverpool has set one up, because I am a visiting professor there.

Institutional repositories will be of benefit only if academics support them and if their funders insist on self-archiving in addition to publication in a reputable journal. In my opinion, they will never replace open access to the journals, particularly the high-impact journals in which everyone wants to be published. However, much research is conducted and published outside the academic environment. As my hon. Friend the Member for Norwich, North said, the Committee recommended that the British Library be made responsible for operating a central repository.

A third requirement is needed to make institutional repositories successful. All publishers must allow their authors to self-archive in their repositories—without constraint, as I said earlier. Eventually, of course, the repositories will have to be international in scale. That will bring the problem of searching institutional repositories worldwide. Someone has to bite the bullet and provide the search engines. Perhaps it could be Google; perhaps it will be another similar commercial house. At this stage, we do not know.

In answer to my hon. Friend, not all work is published. I know that scores of works still lie unpublished on university library shelves. Indeed, I have one such thesis on my bookshelf; I published a letter, but the full details of the experiments have never been published, and I could not even persuade my research student, who went into industry, to find the time to publish his excellent work. There are scores of unpublished theses throughout the world. I urge universities to deposit them in full in the institutional repositories. That would be a great advantage to science. Theses are littered with negative results, but no journal will publish them. If they are deposited, the negative results arising from hundreds of thousands of experiments will become available. That will help other scientists to avoid repeating those experiments—although when experiments are repeated, they often have different results.

I shall briefly mention VAT. The Committee recommended that the Government consider not charging VAT on e-publications. I challenge the Minister. The Government want a level playing field. They said so to the Committee time after time. How can we have a level playing field if hard-copy publications are zero-rated for VAT and e-publications are rated at 17.5 per cent? The Government say that it is impossible not to charge VAT. Nothing is impossible.

Publishing scientific papers is not only a European problem; it is a worldwide problem. However, VAT is special to Europe. We could raise the issue with the right director general, and try to persuade the European Parliament to zero rate e-publications. Only then will we have a truly level playing field. If that cannot be done, it could be possible to reduce VAT on e-publications to 5 per cent.

The advent of e-publications has brought the world's publishing industry to a watershed. It is likely that more than one publishing model will be available for several years to come before market forces and our academic interests determine the preferred model. Some call for Government intervention and guidance. Indeed, the New Zealand Government have already determined their policy to support the open access movement. Some Governments already support the movement. Others, however, are content to allow the market to determine the future; that is where the Government appear to lie. One thing is for sure, the publishing business is in a state of turmoil. During the transitional period, the cost of accessing scientific publications is likely to rise even more, which will cause many difficulties, particularly for academia and public libraries. I look forward to the Minister's response.

Mrs. Janet Dean (in the Chair): Dr. Brian Iddon—sorry, Dr. Evan Harris; there are too many doctors around here.

4.30 pm

Dr. Evan Harris (Oxford, West and Abingdon) (LD): I hate to disagree with you as soon as I rise to my feet, Mrs. Dean—it is a pleasure to welcome you to the Chair—but I should say that there are not enough doctors around. I refer of course to proper doctors, and not medical doctors such as myself. My hon. Friend the Member for Harrogate and Knaresborough (Mr. Willis) looks at me quizzically; proper doctors are those with PhDs, of whom there are thousands in my constituency. It is right, in the spirit of what the hon. Member for Wantage (Mr. Vaizey) said, to make that clear from the beginning.

I wear two hats in this debate; as the Liberal Democrat Front-Bench spokesman on science and as a member of both the current Science and Technology Committee and the previous Committee, which conducted the inquiry. It was a real pleasure serving on that Committee under the chairmanship of the hon. Member for Norwich—

Dr. Gibson: North.

Dr. Harris: Norwich, North; it is important to get that distinction right. In his service to the Committee, the hon. Gentleman did a huge amount to raise the profiles of the Committee and of science and technology, and I am convinced that he will continue to do so as a Member of the House. The way in which he spoke today showed the passion and expertise that he brought to bear on many of the subjects into which we inquired. My hon. Friend the Member for Harrogate and Knaresborough has a hard act to follow, but with his mixture of intelligence and a mischievous sense of humour he will continue to build on the strong start that he has made and will make the Committee just as incisive and as pleasurable to serve on as it was before.

I suppose that the third hat that I, and all other hon. Members present, wear is that of a Member who is prepared to stay and debate on a Thursday afternoon near to Christmas. The fact that this is such an important subject is one reason why we are here—not just out of duty. I share the views of my hon. Friend; when I first came to serve on the Committee, I did not think that the subject was one to fill the seats. I had not heard a huge amount about the debate and was surprised that every oral evidence session had a packed gallery and that the inquiry was followed closely in the scientific and academic worlds and press. I should have realised that the stakes were high when we were subjected to a huge amount of lobbying from both sides of the argument; from the open access advocates to the publishers, as is entirely their right.

Our report struck a good balance between those two arguments. We did not fall victim to taking on trust some of the optimism and idealism of the open access campaigners. Neither would we read into the record briefings from the publishers without subjecting them to careful scrutiny. I had many heated discussions—even arguments—with publishers from my constituency and elsewhere, which were useful in helping me to clarify the key issues. One such publisher, Bob Campbell, who was mentioned by the hon. Member for Wantage, is a very clever man. I mean that as a compliment; that is not always the case in this House. He brought a dimension to the debate, even from the publishers' side, that was important.

The report was right to strike the balance that it did, and I share the concern of those who regret that it was apparently misinterpreted, to an extent, by the Government, at least in relation to the response. On reflection, I do not necessarily agree with every recommendation in the report, which failed to stress certain matters on which I will touch. This is not a party political matter, so much of what I say will represent not the position of a political party, but my reflections on the issue.

Let us be clear; when the Royal Society puts out a position statement, tens of its most eminent members write in protest and e-mails scurry backwards and forwards, we know that this is a highly contentious and controversial matter. Although one cannot guarantee this, the lack of research about the scope for an alternative model, which would work by means of encouragement and evolution, or by mandating public-funded funders of research, probably makes the correspondence and exchanges on this issue more heated. One of the Committee's recommendations was for the Government not to conduct, but to commission research on this key matter.

The Government are right that it is not a matter just for this country and that we must see ourselves in a global perspective. The National Institutes of Health has taken a lead in the United States, but the negotiations with the publishing sector, which is equally commercially minded and is, I suspect, as effective as a lobbyist as the sector in this country, were not straightforward. The NIH did not have an easy ride mandating better free access to publicly funded and NIH-funded research.

[Dr. Harris]

My first point, therefore, is that this issue is crying out for research. There is a role, if not for the Government, then for social science research funders, to look at the matter and perhaps agree the terms of reference.

My hon. Friend introduced the debate fairly and was right to stress the points that he did in respect of the report. I shall not repeat them, but I look forward to the Government's response.

On the comments of the hon. Member for Norwich, North and his appropriate praise for Emily Commander, we have probably broken all the rules in the House about not embarrassing Clerks of Committees. I shall not pursue the issue further, save by deepening the sin and agreeing wholeheartedly with what has been said.

The hon. Member for Wantage did us a service by stating clearly the publishers' perspective, and his comments deserve a great deal of scrutiny for their own sake and because they represent the view of many publishers. He is right that there are many employees of publishing companies in my constituency, which contains the headquarters of several publishers, including Reed Elsevier, Oxford University Press and many others. Many of those people—this is a general problem in the publishing world—tell me that the rates of pay in commercial publishing are not great. The work force is female-dominated, and the relatively low rates of pay in the publishing world are one reason for the continuing pay gap for female graduates. That is hard to equate with the significant profits that some organisations make. I am not criticising employers, but simply making the point that there are several issues that concern those from the publishing world, and the low pay of women, particularly women editors, is one of which I am aware. Those women object to the fact that they are in their late 20s and 30s and have to live in shared houses in a high-cost area in Oxfordshire, and the hon. Gentleman will be aware of the problem.

Mr. Vaizey: The first point is that I felt I was giving the views not only of the publishers, but of members of the academic community and learned societies. The hon. Member for Bolton, South-East (Dr. Iddon) made it clear that a great debate is raging; it is not simply a case of the commercial publishers on one side and their opponents on the other. It is insidious to suggest that the commercial publishers are paying slave wages. There are many people on low wages in academia as well, and in many other industries.

Dr. Harris: The hon. Gentleman is right, and I did not mean to imply anything untoward. The interests of those working in publishing go far wider than the open access debate, as he will acknowledge. The same applies to science. A large number of my constituents work in that world and in libraries. They have concerns about high costs and the demands on their budgets when it comes to purchasing journals. I have heard the debates about whether the costs per article downloaded and per article bought are going up or down. However, people who work in libraries tell me that they feel that they are being squeezed. It is important to recognise that.

There is disagreement in the science world about whether open access is good or bad or something that does not matter to individuals. I shall explore that in a moment. Because commercial publishers make profits, that does not mean that they do not have a valid interest in ensuring that we have a healthy scientific publications world. The not-for-profit organisations that create surpluses that they reinvest should not claim too much of the moral high ground; they, too, have self interest. For the record, I do not consider that there is anything wrong with that, or with commercial publishers making profits out of publicly-funded research. I have greater disdain for some commercial enterprises, such as tobacco companies, and no such problem with publishing companies. There is a difference between making money by legitimate means and making money by peddling disease to developing countries. We should give a cheer for the healthy world of commercial publishing that we have in this country, led by innovative publishing organisations. The profiteering argument is not a good one.

The second point made by the hon. Gentleman concerned the argument, which he was correct to query, that because something is publicly funded, it has to be publicly available free of charge regardless of the impact that that might have on the publishing world. It is not right to be so absolute. We can say that it would be a good thing for something that is publicly funded to be widely available, and for no charge to be made for access to it. However, it does not necessarily follow that it ought to be; that would have to be balanced against the viability of the publishing model and the continuing health of the UK publishing industry. Again, I agree with the hon. Gentleman.

Where I began to depart from his point of view was on the important question of peer review. He said that an author pays model would result in journals that were less likely to be peer reviewed. Rightly, he did not say that open access or author pays means no peer review. However, it is fair to say that many in the field who promote open access and author pays are extremely sensitive about the allegation that just because the author pays model might seem to create a conflict of interest there is any evidence in established author pays, open access journals that peer review is any less strong. It is vital, as the Select Committee report made clear, that any move to open access should take with it the strongest possible element of peer review, and that a crystal clear distinction should be made between post-print, post-peer-reviewed work in institutional repositories and work that has not been peer reviewed.

Neither I, as an individual, nor my party would have any truck with anything that took away from the importance of peer review. As the hon. Member for Norwich, North wisely said, however, there are problems with peer review. It is not perfect. Sometimes it does not work. We saw the example of the Wakefield paper in *The Lancet*. I am pleased to say that, although *The Lancet* is published by Elsevier, the separation that has to exist between editorial policy and publisher did exist in that case. I do not question that. It is absolutely right to cast no blame on the publisher for the fact that the paper was published in an inadequate form—I think that some of the authors were responsible for those problems—or for the fact that it has not been fully

retracted. In my view, it should have been fully retracted, but I do not think that that has anything to do with the publisher.

The same Chinese walls must exist in an open access or author pays model of publishing to ensure that there is no question of the requirements of peer review being reduced simply to attract authors, who are paying, to submit their papers. I do not think that any journal that wanted to be taken seriously and to ensure that it attracted good-quality research from responsible authors could afford, in commercial and reputational terms, to give any indication that the requirements for quality assurance were reduced in that model.

Dr. Iddon: Will the hon. Gentleman admit that this is not just a matter of producing high-quality papers? Today, it is becoming even more relevant to avoid plagiarism.

Dr. Harris: Absolutely. I say gently to my hon. Friend the Member for Harrogate and Knaresborough that there is an inquiry to be had on the dangers of plagiarism, research ethics and similar problems and overall peer review issues.

Dr. Gibson: Does the hon. Gentleman think that people who peer review should be paid for doing so? They are not paid, apart from perhaps the chief of the editorial board, who has to run the whole show. Most people do it as part of their tenure.

Dr. Harris: I do not want to dodge the issue, but that is a very interesting question. There is an argument for the issue to be inquired into. I recognise—I think that the hon. Member for Bolton, South-East made this point—that there is a cost to peer review and clearly, the more filleting that has to be done because journals of high reputation attract many submissions, the higher those costs will be.

The point that I made earlier was that, in order not to transfer the cost in an author pays model on to the good researchers or the best researchers who pass peer review, journals that publish only 5 per cent. of papers received ensure that the submission fee covers the cost only of peer review. Clearly, not all journals may wish to do that, but that is what a market involves. Some will say, "We will have a submission cost." People take a gamble, but at least that means that people who are successful in getting through will not pay the costs relating to all the people who speculatively submit. I think that a submission fee is a good thing, but some journals may not want to have one in order to have that as their selling point. That is what markets do, and scientists and authors are capable of making such choices. I am in favour of choice, even in that way, in marketplaces.

Something needs to be said about the position of learned societies, because they have expressed concerns. I am aware of concerns expressed not only by the Royal Society—which has an axe to grind, not unreasonably, in respect of the journal that it produces, in effect, as a learned society—but by the Royal Society of Chemistry and others. They are concerned that a system of publishing in institutional repositories at the time when or shortly after an article is published in their journal might mean that their subscription income drops, and they rely on that income and the surplus that they get from it to do all the other good things that they do, which are so important. It is right that regard should be paid to those concerns. I believe that in a mature market, learned societies can run successful author pays systems of publishing. That means that they will have the same ability to generate surpluses that they presently have for their other activities. That is why I have concerns, which I have expressed before, about a headlong rush into the use of institutional repositories. That represents neither the straightforward publishing model that we have now, nor the full-blooded author pays access that provides an income stream for publishers, but from a different source. We must be careful not to choose one or the other.

The journals that are most vulnerable to a small drop in subscriptions will be those most liable to fold, perhaps because some people will wait to find them in a repository, especially if those facilities are linked to make them easily accessible. It is likely that the large publishers will be able to cope with that in a way that small publishers would not. I am sensitive to that matter, which is why I question whether the report has got the balance right. We must be very careful that we do not choose an option for full access if that means that no one is getting funding, no one is getting an income stream and no one is able to generate surplus.

The importance of publishing negative results has already been mentioned. That is particularly the case in the health care sector. However we deal with the question of which model to choose, we must have a publishing system that enables negative results to be published. That especially applies to clinical trials through which individuals—patients and healthy controls—have put themselves as a favour to society. Otherwise, we shall suffer from a publication bias that makes it difficult to know what the evidence base really is. We must find a way to do that, perhaps through rules that stipulate that trials must be published even if they are negative and not very interesting.

Much has been said about the developing world. The question is whether a change to an author pays system will disadvantage the developing world. As the hon. Member for Wantage said, that sector benefits from schemes organised by commercial publishers and others that are publicly funded from free or subsidised access to research findings. That is not a question of whether it is an author pays model or not. If there are to be subsidies and support for researchers and readers in the developing world, it does not necessarily matter which model is in place. Whatever the model, we must ensure support for information technology in the developing world. There must also be sufficient bandwidth for research findings to be accessed. As the hon. Member for Norwich, North said, another report of the Select Committee dealt with that matter.

In summary, this was a very important report. The Government must address any doubt as to whether they are playing with a straight bat on this matter. The Government have said that research councils—and, therefore, the RCUK—are independent of policy, even if they are in receipt of Government funding. There is concern that, because of the commercial interests of the DTI, which has a role in promoting commerce, the Government have influenced the RCUK in an effort to

[Dr. Harris]

persuade it to reconsider or delay publications. An assurance from the Minister that that has not been the case would be extremely helpful.

The Minister will be aware that, under freedom of information, it was revealed that, since February 2004, Lord Sainsbury has twice met and had one telephone call with Sir Crispin Davis, the chief executive of Reed Elsevier. The Minister has also once met the Association of Learned and Professional Society Publishers and has once met Harold Varmus, the leading advocate of open access.

There is concern that there should be a level playing field on which people are free to lobby. People on one side of the debate have lobbied much more successfully than have people on the other, and it would be helpful if the Government reassured us that they believe there is a need for a level playing field and that they are speaking not only for those on one side of the debate but for those on the other.

A level playing field will require the Government to commission research in the way that has been described. I argue, however, that we must proceed with care so that we do not undermine the viability of one publishing model, or the viability of both models if they can live together, as I believe they can, by rushing to have institutional repository publishing without sorting out a system of kite marking and without reassuring people that it will be clear that material has been peer reviewed.

We do need to proceed with caution. The inquiry and the report were both excellent, and it was right that the Select Committee took the unusual step of drawing attention to the Government's inadequate response to the main thrust of its report.

4.56 pm

Charles Hendry (Wealden) (Con): The hon. Member for Harrogate and Knaresborough (Mr. Willis) said in his opening remarks that he had not expected to become an expert on scientific publishing. One of the great aspects of this place is that it is a voyage of discovery in which many things come before us in which we do not expect to become experts, and we end up realising how fascinating they are and how much subject matter there is to be considered. I congratulate the hon. Gentleman on the very thorough and measured way in which he introduced the debate, and the very clear way in which he set out the findings of the Select Committee's report.

If anyone can make a dry subject interesting, it is the hon. Member for Norwich, North (Dr. Gibson), who has the ability to bring a great sense of fun, enthusiasm and excitement to everything that he does. That will have been evident in the work of the Committee in this area and more broadly. It is notable that when he received a politics charity award for his contribution to health last week or the week before, of all the people who received awards, his was the one that brought pleasure to all parties because of the genuine respect for the expertise and excellence that he brings to his subject.

Throughout the debate, we have heard thoughtful and well-prepared speeches that presumably were written with the intention of publishing them at some time in some learned journal for future generations to read. Whether we will be prepared to pay to have them published is another subject for debate. We have all learned a great deal more.

A week ago, as I was languishing in my sick bed with scarlet fever, the thought of speaking today on scientific publications was not an immediate aid to recovery, and at times a relapse seemed almost attractive. The more that I have looked into the subject, however, the more truly fascinating I have found it to be, and it is worthy of the debate this afternoon.

We have also been taken by the fascinating undercurrent of biology *v.* chemistry, on which there is clearly an even greater rift between old Labour and new Labour.

Mr. Vaizey: They are both old.

Charles Hendry: As my hon. Friend pointed out, this is a UK success story. We lead the world in academic publishing. The major players in the field are British, as are the most respected journals, such as *The Lancet* and *International Affairs*. Some 5 per cent.—60,000—of the 1.2 million articles published each year are from the UK. That shows the extent to which having a vibrant publishing sector has enabled us to hit above our weight in carrying out and publishing academic research. We also have a global reputation for academic rigour.

The first question we must ask ourselves is whether the current system is failing. There are three strands to the system: the for-profit sector, the not-for-profit sector and the learned societies. Many people have spoken eloquently about the need to ensure that nothing that we do undermines the work of those learned societies.

We have ended up with a system of academic rigour that is probably second to none. The hon. Member for Bolton, South-East (Dr. Iddon)) spoke of *Nature* rejecting nine in 10 articles that are submitted to it, and 97 per cent. of the articles that are submitted to *The Lancet* being rejected. It should be seen as a tremendous strength that we have enormous diversity and a great range of publications, so that those at the very top are seen as being of world importance, whereas everybody at a different level still gets a chance to have their views and research published. That has led to a tremendous dissemination of knowledge.

We have to accept that excellence cannot be achieved on the cheap. It is not just the research, it is the assessment, the peer group work, the editing, the publishing and the marketing. All in all, it ends up as an extremely expensive exercise. For different publications costs of $2,000 to $3,000 per article published are not uncommon. If we want to see that excellence maintained, we must be prepared to invest in it.

Our current system has significant benefits. It means that copyright is protected. There is the legal system and the might of those publishing companies and learned societies that can protect copyright legally if that is required. The quality of the articles is maintained. The hon. Gentleman spoke of his friend the prolific writer Professor Katritzky, who has been given the opportunity to contribute so many articles and so much research in this way. Whether he would have been prepared to do that at $3,000 dollars a pop if he had been paying for it himself or his institution had been paying for it is another matter.

We have seen great strides towards interoperability and a willingness to make sure that research is shared through the use of the internet, so that people can not only access the information that has been published by that journal or by journals from the same publishing house, but can link through to other research that has been published by different publishing houses. That is a tremendous benefit for students and people carrying out research. In recent years, all back copies of publications have been scanned, so every edition of *The Lancet* is now available digitally for people to access. There has probably never been more research work more generally available than there is today. It is against that background that we need to decide whether fundamental reform is required.

The concept of open access is a misnomer. The concept of author pays is more accurate. My concern about going down this route—some of the issues were so well set out by my hon. Friend—is that there could be a loss of academic rigour. Some articles will simply not be submitted if authors have to pay to do it. That is an issue to which the Royal Society drew attention in its position statement on open access. It said:

"Among the potential dangers are that researchers will stop submitting papers or subscribing to existing journals, particularly if they choose only to deposit papers in repositories and archives. If many journals cease to exist, without any guarantee that open access alternatives will offer the same range of options, for instance in terms of serving all sub-disciplines, the opportunities for publishing research results might diminish."

We have discussed the needs of developing countries. The hon. Member for Norwich, North spoke about Malawi. If one went down the route of the author paying, would it open up the opportunities for people in Malawi to contribute research or would it, as I believe, start to close them down because they and their institutions would find that they simply could not pay the charges? There is another dimension to this. As the hon. Member for Bolton, South-East said, it is not the author who pays but the institutions behind him or her. What we will then see is the potential for abuse because of the people who are prepared to fund publication.

Before I came to the House I worked, I am almost ashamed to say, in the public relations industry. It used to amaze me how many people could be found to write an academic research paper on virtually everything saying, for example "Fat is good for you," "Smoke is good for you," "More butter is important," "More alcohol is vital" and so on. Someone could be found, funded quite often by an organisation or a company with a vested interest in that area, to produce a piece of doubtless well researched academic work that came to the conclusions that they wanted.

If we go down the author pays route, we will open up the possibility that the people who are prepared to fund publication because of commercial advantage will come that much more to the fore. We have to question whether under that principle the same rigour would be given to choosing articles based on their academic merit. If a publication is trying to fill the final article or two before it goes to print, and it has an article with a cheque for $3,000 attached, it may be prepared to relax its standards. The Royal Society drew attention to that. It said:

"One consequence might be that the primary criterion for publication of results may become whether they are produced by researchers who can pay, rather than whether they are of wide interest to the rest of the research community. A move towards a system that relies mainly on ability to pay rather than quality would profoundly undermine the exchange of knowledge."

We have also discussed peer review. If there is a conflict between funding and the quality of the publication, the concept of peer review is inevitably undermined to some extent. It is also possible that we could end up subsidising large corporations. I believe that 40 per cent. of the subscriptions to publications are from large corporations—companies such as GlaxoSmithKline and Ford. Do we really want the research to be available free to major corporations, which can afford to pay for it, yet charge the academic institutions and academics who provided the work in the first place? I am not even persuaded that that is a sustainable direction. The German company Springer has decided to offer choice, saying that people can go down the author pays route or the traditional way. Of some 200,000 articles published by Springer last year, only 24 were submitted on the author pays basis. Although I applaud and encourage diversity, we can see that there is no tremendous enthusiasm in the research community for going down that route.

The hon. Member for Oxford, West and Abingdon (Dr. Evan Harris) spoke about charging for submissions in order to stop people putting forward too many articles. That fills me with horror. It strikes me as an attack on inspiration at a time when we should be encouraging people to submit the best research that they can to the best publications available. We should not start taxing people and putting charges on their work because they have dared to aim higher than might seem appropriate.

The hon. Member for Norwich, North introduced the concept that because the state has paid for it, the research should be accessible to all. That sounds like a wonderful motherhood and apple pie concept, but it would cause some fundamental problems. It would be a massive extension of state involvement. Do we really want a sector that has worked so well to be run as efficiently as the Child Support Agency or the working family tax credit system?

When the Government start to become involved in such matters, particularly if complicated computer systems and research engines are required, they do not necessarily do it as well as those in the private and the not-for-profit sectors. There would be no measure of quality. The temptation would be to publish everything; the concept of peer review would again be undermined.

Dr. Gibson: Does the hon. Gentleman accept that people who want things published do not want rubbish to be published because it creates problems, with people criticising their work? The community has some self-discipline, with papers being assessed by friends, who discuss where it might go before they get to the peer review system. The hon. Gentleman underestimates the fact that people in this field want to ensure that their work is of good quality, otherwise their kudos and respect plummets. They want a paper published so that people can say, "That was interesting work. Will you come and address a meeting?" The self-discipline of the community is hard to measure.

Charles Hendry: I am grateful to the hon. Gentleman for that intervention. I understand what he says. The

[Charles Hendry]

most effective measure of peer review is people examining the work and then asking whether others would be prepared to pay for it. When people come to decide whether to renew a subscription, they must be certain that they are getting the most thorough and best-quality research. The present system is rather better at guaranteeing that at the highest level.

We talk about the costs of funding research, but we have not taken account of the significant additional costs of publishing, marketing and bringing the research to wider attention. Unless the state is prepared to fund all that—that would represent a major extension of its funding in this area—we need to think carefully about taking that approach. The market is generally working well, choice is growing and new people are entering the market with new approaches, as we have heard. We do not, therefore, need to consider fundamental root-and-branch reform.

I would be grateful if the Minister could pick up on the issue of VAT on digital publications, which a few hon. Members have mentioned. The Government expect to make VAT gains from such publications over time because more will be done digitally than on a paper basis. As a result, the area that has been VAT exempt will decline and the area that is subject to VAT will grow. It is worrying that the Government should look to make money out of this, and I hope that the Minister can give us some reassurances on the issue.

We have heard that profits in the sector are high. However, the overall cost to universities of the present arrangements remains low—at one half of 1 per cent. of their total budget.

The best way to end is to quote again from the Royal Society's publication and its conclusions. The Royal Society ends by saying:

"Careful forethought, informed by proper investigation of the costs and benefits, is required before introducing new models that amount to the biggest change in the way that knowledge is exchanged since the invention of the peer-reviewed scientific journal 340 years ago. Otherwise the exchange of knowledge could be severely disrupted, and researchers and wider society will suffer the resulting consequences."

We are all committed to maintaining that exchange: it is a beacon of excellence and the hallmark of the research that has been carried out in this country and propagated throughout the world. I hope that the Minister can answer some of the many points that have been raised in the debate.

5.12 pm

The Parliamentary Under-Secretary of State for Trade and Industry (Barry Gardiner): This afternoon has taken me back 25 years or more to a seminar on the philosophy of science, which I attended not as a scientist, but as a philosopher. The speaker was going to expostulate on quantum physics and explained that it was highly unlikely that we would be able to maintain our concentration throughout the afternoon, because the two people he would be telling us most about were called Plank and Bore. We have not had Plank or Bore this afternoon and we have managed to maintain our concentration throughout. However, whatever conclusions the House or the Government reach on whether the author should pay to publish, this afternoon has taught us one thing. Given that we have had three hours of debate, even though few hon. Members have spoken, politicians should perhaps pay to speak; that might keep speeches a little shorter.

The Government's position on open access is that research funding authorities should have the discretion to provide the funds if the author prefers an open access route. The Government's aim is to allow the market to develop without institutional barriers being put in the way of any particular publishing model. As we made clear in our response to the Science and Technology Committee, we are happy to see publishers developing several business models, including subscriber pays, open access and hybrid approaches. That option will encourage competition and innovation in the publishing industry and in publishing models, as well as retaining freedom of choice for authors. It is in the long-term interest of a sustainable scientific publications market.

I must congratulate the hon. Member for Harrogate and Knaresborough (Mr. Willis), who now chairs the Select Committee. He laid down several challenges and made several interesting points, to which I shall try to respond in my remarks. In particular, he said that it was essential for the Government to take the lead in funding and setting up open access because it would never get off the ground if they did not. I find it extremely refreshing to find a Liberal adopting such good old-fashioned socialist, centralist policies.

The Committee's inquiry was valuable. It highlighted an important area for discussion, which is the need to ensure that as wide an audience as possible can avail itself of the results of publicly funded research. The debate also threw up the fact that there is a complicated range of interrelated issues for which no one solution is likely to be ideal. The Government must take that into account when they develop their policy on scientific publications. The issues that the Government must tackle include the archiving of electronic material, because we must ensure that digital material is preserved for future generations; quality assurance, for which peer review is vital; and value for money. Most press interest has centred on what is commonly referred to as open access publication.

Publication of science is a key part of the scientific process. At present, with the dominant business model, a subscription payment is required, usually from a university or institutional library or from the commercial and industrial sectors, which the Committee acknowledged in "Scientific Publications: Free for all?"

"contribute significant funds to the publishing process".

However, is that the most cost-effective, or fairest, way to distribute scientific knowledge? An alternative model, which is known as open access, requires the author to pay to publish an article in a scientific journal. In practice, however, the institution or a research council would probably pay, not the author. The article would then be free to view on the internet.

There has been much debate about the current subscription model. Hon. Members have spoken about the perceived dominance of publishers and about diminishing library budgets. Proponents of the current subscription model argue that open access would ensure that scientific publications would be available to all as

soon as they were published. That would be useful for people who are on career breaks, for example. However, opponents argue that many journals already provide such access and that the current open access business models are unproven and unsustainable.

The Government's position on open access is that we need to ensure, as we have heard from many quarters, a level playing field in order that research funding authorities can have the discretion to provide the funds if the author prefers an open access route. Given the uncertainty with current business models, that position is the most appropriate in order to encourage competition and innovation in publishing models and to retain freedom of choice for authors.

It was not only instructive but enlightening—as is usual with my hon. Friend the Member for Norwich, North—to find that this debate came about as a result of a bar-side chat that he had with Lord Eatwell that focused on the unsupportable cost of scientific journals. There was, however, a lacuna somewhere in the argument that was made that publishing journals and learned societies were charging too much. The other assertion that my hon. Friend made was that the reason that the Government did not want to go down the open access route was because it would cost more.

While on some points that my hon. Friend made, I shall challenge one calumny that he may have perpetrated on the Royal Society of Chemistry, albeit unwittingly. *Hansard* will show that he considered the RSC's position to be that poor countries did not wish to be patronised by the RSC making available its information free of charge. In fact, the RSC does make its information available free of charge but considers that developing countries' scientists may not wish to be patronised by having author fees waived in an author pays system. That was conveyed to me before this debate. Scientists in developing countries would want to have their work received on merit and on an equal basis. Although the UK's research budget may be able to pay for authors in this country, as the hon. Member for Wealden (Charles Hendry) remarked, it may be much more difficult for a scientist in Malawi, or in another developing country, to receive the same support.

Mr. Willis: Does the Minister accept that an important part of overseas development aid might be to do exactly what Research Councils UK or other organisations do in the UK? They underpin the author pays model as part of their development aid project. Would that not be an excellent way of bringing together science and development in one pot?

Barry Gardiner: I fear that I am being led into a system of Copernican epicycles, whereby we try to correct the problem by using ever more remote systems in order to right the original wrong.

Dr. Evan Harris: The Minister was right to try to clarify the position of the Royal Society of Chemistry, but it would be wrong to argue what developing world scientists might think without asking them and doing some research. Such scientists, rightly, already receive help to attend conferences and the problem of how to fund author pays will apply to those who are not funded by wealthy people or countries. That might also apply, as has been said, to charities in this country. They would probably be willing to accept payment or help in kind in terms of author pays fees. We cannot assume that they would not.

Barry Gardiner: I do not wish to challenge the hon. Gentleman. I sought to clarify what I understood to be the position of the Royal Society of Chemistry, rather than to develop any of his points further.

Let me return to publications. The Government need to consider a number of important issues with regard to scientific publications. Hon. Members will be aware that different disciplines, ranging from social sciences to astrophysics, have different needs, so a one-size solution would not necessarily fit all. We have to take into account the specific needs of many very different disciplines when formulating policy. Much has been said about the vital issue of peer review. Researchers need to be confident that the article that they are reading has been vigorously and rigorously peer reviewed, whatever the business model might be. Peer review is crucial for quality control, whether in print format or in an electronic journal, whether using open access or traditional subscription approaches.

It is imperative that the quality of research articles be maintained and not compromised by financial considerations or hasty changes to business models. As has been said, the leading journals have significant rejection rates, and it is that that drives up the quality of the articles. If a non-scientist may be allowed to introduce a classical note into the debate, "Male verum examinat omnis corruptus judex". Horace's point was that a poor way to establish the truth was to pay the judge.

For the benefit of research as a whole, a clear distinction must be made between those articles that have been published after rigorous peer review and those that have not. A key requirement of any published article is that it should be absolutely clear to researchers which version they are looking at. There must be no room for ambiguity. Journal impact and research assessment exercise is a key determinant of where an author publishes. The current RAE position in some disciplines, whereby journal impact is used when considering quality, could deter authors from publishing in open-access journals that are not established.

Dr. Harris: On the same basis, does the Minister accept that there would be no market for any journal that had a reputation for not doing adequate peer review in an open access model, because it would have no credibility? Nobody would want to publish there if there were any question that quality assurance was not high. That is how the market would work under that system. People do not buy cars that break down.

Barry Gardiner: The hon. Gentleman has a low estimation of how desperate some people are to get in to print. In the Government's view, flexible copyright arrangements form part of the basis of competitiveness on which publishers market their journals. Publishers, both commercial and not for profit, use flexible copyright arrangements to compete for the services of authors. Model licences are available through trade associations representing the scientific, technological and medical

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sector, including the Association of Learned and Professional Society Publishers, which represents the not-for-profit sector, and the Publishers Association, which represents commercial publishers.

In 2004, trade associations covering both commercial and non-commercial publishers jointly drafted a statement of practices and principles relating to the publication of primary research supported by public funding within a learned journal. The Government welcome such efforts by publishers to identify a consistent approach to copyright agreements.

As we stated in our response to the Select Committee, we believe that the data underpinning the results of publicly funded research should be made available as widely and rapidly as possible along with the results. We also acknowledge that effective research depends upon researchers having access to the results and findings of their colleagues in the research community. We have no difficulty with that in principle.

The archiving and preservation of scientific information for future generations is important. The Government recognise the potential benefits of institutional repositories and see them as a significant development worthy of encouragement, but they believe that each institution has to make its own decision about institutional repositories depending on its circumstances. Institutional repositories and journals need to run in parallel to ensure that rigorous peer review of research findings is not compromised. Peer review is crucial for quality control, whether in print or electronic format, and whether using the author pays or subscription approach.

Mr. Willis: If the Minister is saying that the Government are happy for there to be individual institutional repositories or organisations that have them, will he explain what he will do to encourage those to speak to one another? I think that he would accept that having silos throughout the country that do not speak to one another seems rather a foolish way to move forward. The Committee's report said that in setting up these repositories, it was important that the Government should encourage the repositories to speak together—not fund or organise them, nor become a monopoly provider. What will the Minister do to encourage that, if he supports the idea of individual repositories?

Barry Gardiner: I will be addressing those points.

As I have said, the archiving and preservation of scientific information for future generations is critical. The legal deposit system in the UK is one of the key means of achieving that, and deposit libraries such as the British Library have a vital part to play. The rapid rise of digital publishing has shown how important it is that the deposit system can respond to new forms of publishing. The Government have recognised that through the Legal Deposit Libraries Act 2003, which will allow us to regulate for the legal deposit of different forms of non-print material.

We are making good progress. The Legal Deposit Advisory Panel was established in September and is expected to make it first recommendations to the Government early next year. It is important to remember that the introduction of digital legal deposit is primarily about the creation and preservation of a national archive for future generations, not about widening access. Deposited material in any form will be available only to people physically present in a deposit library in order to protect the interests of publishers.

There has been much debate on the merits of open access, which has often produced contradictory views. Criticism has been aimed at the Government that they are too preoccupied with supporting publishers to the detriment of the research process, and also that they are unwilling to support the open access or author pays model because it will reduce revenues for publishing companies. That is simply not the case. The Government are looking to get the best sustainable system to communicate information from researchers to those interested in the research. The Government should be supporting the best and most cost-effective way possible to disseminate the outputs of scientific research, and at the moment there is insufficient evidence that the author pays model is the better system.

A successful and sustainable scientific publications market is vital to the research process, and to strongly endorse or reject the author pays approach would not be in the interests of allowing the market to evolve to meet the needs of authors. The Government have not decided against the author pays model but do not want to force a premature transition to a different system. It is not obvious that the author pays business model will give better value for money than the current one, and the Government have said that they will require clear evidence, on the basis of current trials, before supporting it further.

In the Government's view it is too early to make judgments about the viability of the author pays model. There are already a number of author pays journals, but in many cases the costs of open-access publishing models still are not clear and transparent. There is also the significant issue of how to address the shortfall in revenue that would be caused by widespread transition to the author pays model. As I said, the commercial and industrial sectors contribute a substantial amount of money to the publishing process by subscribing to journals, but that would be lost if the publishing process moved to an author pays system. I thank the Committee for acknowledging that key issue in its report and for highlighting that there is currently no solution to that problem.

The estimated cost of producing an article can vary as much as from £300 to £2,500, taking into account several factors, such as the number of articles rejected. Those figures are likely to change as the market develops. The true cost of any STM publication needs to include the costs of capital investment requirements, peer group evaluation, formatting, linking, and the profiling and archiving of information. A number of open-access journals are currently being published, but the robustness of the business models is still unclear, with many initiatives relying on public funding or charitable contributions. So far, we have seen no convincing evidence that the author pays model would be cheaper to operate than traditional publishing models.

It is clear that the Government need to take into account financial and business considerations in this debate. Publishing is an international business; the majority of revenue from STM publishing comes from exports rather than UK sales. Current estimates are that the global market for STM publishing and information services grew by 7 per cent. from £4.97 billion in 2003 to £5.31 billion in 2004. The UK is a major contributor to the provision of STM publications, and the UK STM journal market alone is worth £129 million. It is therefore important not to put the UK at a financial disadvantage internationally. Of course, that consideration needs to be balanced with the needs of the UK research community.

The interests of the research community, the taxpayer and the publishing industry, whether commercial or not-for-profit firms, are closely intertwined. The continuation of widely disseminated, accessible, top-quality, peer-reviewed research that is produced efficiently and at competitive prices is in everyone's interests. There is a wide diversity of products and publishers in the STM market. Authors can choose to have their research published free of charge by a particular publisher or journal, taking into account factors such as the prestige and reach of a publication. The Government believe that it is right to allow authors to make that choice.

It is also important that revenue is generated to finance developments in new technologies that will benefit the whole scientific community. It is only through the profits generated from current products that publishers and learned societies can afford to develop new technologies that will benefit the whole of the academic community. The Government will continue to encourage the publishing community to develop its products to meet the needs of that community. The STM segment of professional publishing was one of the early adopters of internet-based technologies and business models. Substantial investments over a number of years have facilitated the migration of revenue streams from traditional channels to e-commerce. It is not yet fully clear how the open-access model with a one-off payment for publication would generate sufficient revenue to finance the high investment needed in relation to producing new technologies.

I turn to the issue of VAT, which was raised by several hon. Members. The issue of differential treatment of print and digital publications for tax purposes was raised in the Committee's report. As the Government said in its response to the Committee:

"The DTI, DCMS and Customs and Excise have discussed the VAT treatment of digital publications on a number of occasions. Customs are aware of the concerns expressed in submissions to the Select Committee's inquiry. However, the removal of VAT on digital publications is not possible. Under long standing European agreements the UK can retain its existing zero rates but cannot extend them or introduce any new ones. This is the case for all Member States that retain VAT zero rate derogations. There is no realistic prospect of the Commission proposing, or all other Member States agreeing to, any change in that position. The only way to equalise the VAT treatment of print and digital publications would be to levy VAT on printed publications. The Government is committed to retaining the zero rate of VAT on books and newspapers.

The EU list of permitted VAT reduced rates (Annex H of the Sixth VAT Directive) does not include digital publications. A review of the reduced rate provisions is currently underway, but the prospects for significant agreed change presently remain remote and the Government is not persuaded of the case for the inclusion of digital publications on the list. Whereas printed matter is clearly well defined, e-publications are closely related to a wide range of material that is capable of being downloaded, including films, music and software. The current rules for determining in which Member State VAT is due on digital publications, and their mode of delivery also makes them inappropriate for inclusion in the list of permitted reduced rates. This is because the VAT is paid to the Member State where the publisher is legally established rather than where they are purchased.

It is not possible, under long-standing agreements with our European partners to exempt or zero-rate supplies of digital publications to libraries. Libraries are liable to pay VAT on many goods and services that they purchase in the same way as any other purchaser. The normal VAT rules do, however, allow institutions that are undertaking taxable business activities to recover the VAT they incur. In addition, local authorities are refunded the VAT incurred on goods and services (including digital publications) purchased in connection with their statutory public duties, including the provision of public library services. This refund scheme is achieved by section 33 of the VAT Act 1994, and is designed to ensure that VAT does not become a cost borne by local taxation.

Where VAT is not recoverable under section 33 or the normal VAT rules, it is established practice that publicly funded institutions should reflect this irrecoverable VAT in their bids for funding."

Dr. Iddon: Does my hon. Friend the Minister accept that it is difficult to establish a level playing field between e-publishing and currently acceptable publishing, which is what the Government say that they want?

Barry Gardiner: Of course I recognise the discrepancy between the two modes of publishing and the VAT levied on each. That is an unassailable fact.

I know that some will argue that some publishers are making too much profit at the expense of the taxpayer. Normal profits are necessary to lead to a healthy level of investment, for example in new technology and value-added services. Journal pricing should reflect the costs of ongoing capital investment, production—including peer review—editorial issues, marketing and administration, and the level of demand. If there is evidence that financially powerful scientific, technical and medical publishers are using their strength to increase prices or make excessive profits, that would be a matter for investigation by the Office of Fair Trading.

In arriving at the position that I have outlined, I would like to emphasise the important part that cross-Government working has played. The Government did not arrive at this position alone and, as I have already stated, at every step of the way, the Office of Science and Technology collaborated with colleagues in business relations in the Department of Trade and Industry, Research Councils UK, the Higher Education Funding Council, the Department for Education and Skills, the Department for Culture, Media and Sport and the Department for International Development to provide a response to the Select Committee report. There was constant consultation, discussion and all views were taken into account. Government officials have met a wide range of stakeholders to develop our thinking about the Government response and policy.

Hon. Members will no doubt be aware of the particular criticism levelled by the Committee last year that the OST exerted undue pressure on the Joint

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Information Systems Committee to seek to neutralise its views. I would like to take this opportunity to repeat that that was not the case. The OST worked closely with both the JISC and the RCUK.

The Government have been extremely proactive in the scientific communications area. We have been continually reviewing our policy based on the limited evidence that is available, and Ministers and officials have engaged with a wide range of stakeholders, including those at European level.

In describing the Government's view, I hope that I have made it clear that the Government do not favour one part of the value chain over another. We have in our sights the long-term interests of a sustainable UK publications market. We are happy to speak to all elements of the community, whether they be publishers, funding bodies or academics, to promote an understanding of each other's needs.

Hon. Members will be familiar with the RCUK's position. However, I will recap the main features because our perceived attitude to that matter has attracted much attention and created some misunderstanding and because the issue is germane to the debate. The position is based on four principles. First, ideas and knowledge derived from publicly funded research must be made available and accessible for public use, interrogation and scrutiny, as widely, rapidly and effectively as practicable. Secondly, effective mechanisms must be in place to ensure that published research outputs are subject to rigorous quality assurance through peer review. Thirdly, the models and mechanisms for publication and access to research results must be both efficient and cost effective in the use of public funds. Lastly, the outputs from current and future research must be preserved and remain accessible not only for the next few years, but for future generations.

The RCUK developed its position statement in consultation with stakeholders and submitted it to the Government. The RCUK was encouraged to disseminate information widely and received many constructive comments. A further consultation exercise was undertaken, which closed at the end of August. The RCUK is working closely with all interested parties to examine all concerns and endeavour to clarify and refine its position.

When the Government responded to the Select Committee report, we said that we would take into account any points raised in the EU study. The Government await with interest the publication of that paper, and officials are in contact with the Commission. The DTI will continue to promote dialogue on this important matter at a European level.

In conclusion, the issue of open access requires much more debate. The DTI is encouraging that debate by facilitating the work of the research communications forum, where funding bodies, libraries and the publishing industry can meet regularly to exchange views and develop a better understanding of one another's needs and views.

Mr. Willis: As there are four minutes remaining, could I ask the Minister to respond to my earlier question about what the Government are doing to link individual repositories? If the RCUK agrees to support author pays with grants, will the Government support that?

Barry Gardiner: I did not catch the second part of the hon. Gentleman's remarks.

Mr. Willis: If the RCUK agrees, as part of its next funding round, to support author pays with grants, will the Government support that?

Barry Gardiner: I am not in any position to start writing blank cheques. However, if the RCUK were to arrive at that position, the Government would have to consider that very seriously. We would examine and assess that matter at the appropriate time. As for joining up repositories, I shall not fall prey to any manoeuvring. The Government are addressing that issue by engaging in the debate, facilitating the research communications forum and examining what can be done. That is not a commitment to ensure that the hon. Gentleman gets what he wants.

I confirm that the Government's position on open access is that we must secure a level playing field so that research funding authorities have the discretion to provide funds if the author prefers an open access route. That position is the most appropriate to encourage competition and innovation in publishing models and retain freedom of choice for authors. We will continue to meet stakeholders from all parts of the industry, and we will keep our position under review. Finally, may I congratulate the Committee—

It being sixteen minutes to Six o'clock, the motion for the Adjournment of the sitting lapsed, without Question put.